



CASTEEL CONTROL BOARD
2022/23
ANNUAL REPORT



defence

Department:
Defence
REPUBLIC OF SOUTH AFRICA





Ms Thandi Modise
Minister of Defence and Military
Veterans Honourable

Contents

PART A: General Information 2

1. Public Entity's General Information	3	6.1 Vision	10
2. List of Abbreviations/Acronyms	4	6.2 Mission	10
3. Foreword by the Chairperson	5	6.3 Values	10
4. Chief Executive Officer's Overview	7	7. Legislative and other Mandates	11
5. Statement of Responsibility and Confirmation of Accuracy for the Annual Report	9	8. Organisational Structure	12
6. Strategic Overview	10	8.1 The Castle Control Board	12
		8.2 The CCB's Operational Management Structure	13

PART B: Performance Information 14

1. Auditor's Report: Predetermined Objectives	15	3.1 Programme 1: Administration	19
2. Situational Analysis	16	3.2 Programme 2: Maintenance and Conservation at the CGH	21
2.1 Service Delivery Environment	16	3.3 Programme 3: Maximising the Castle's Tourism Potential	24
2.2 Organisational environment	16	3.4 Programme 4: Increased Public Access to the CGH	25
2.3 Key policy developments and legislative changes	17	4. Revenue Collection	28
2.4 Strategic Outcome-Oriented Goals	17	4.1 Capital investment	28
3. CCB Outcome Performance Indicators	19		

PART C: Governance 29

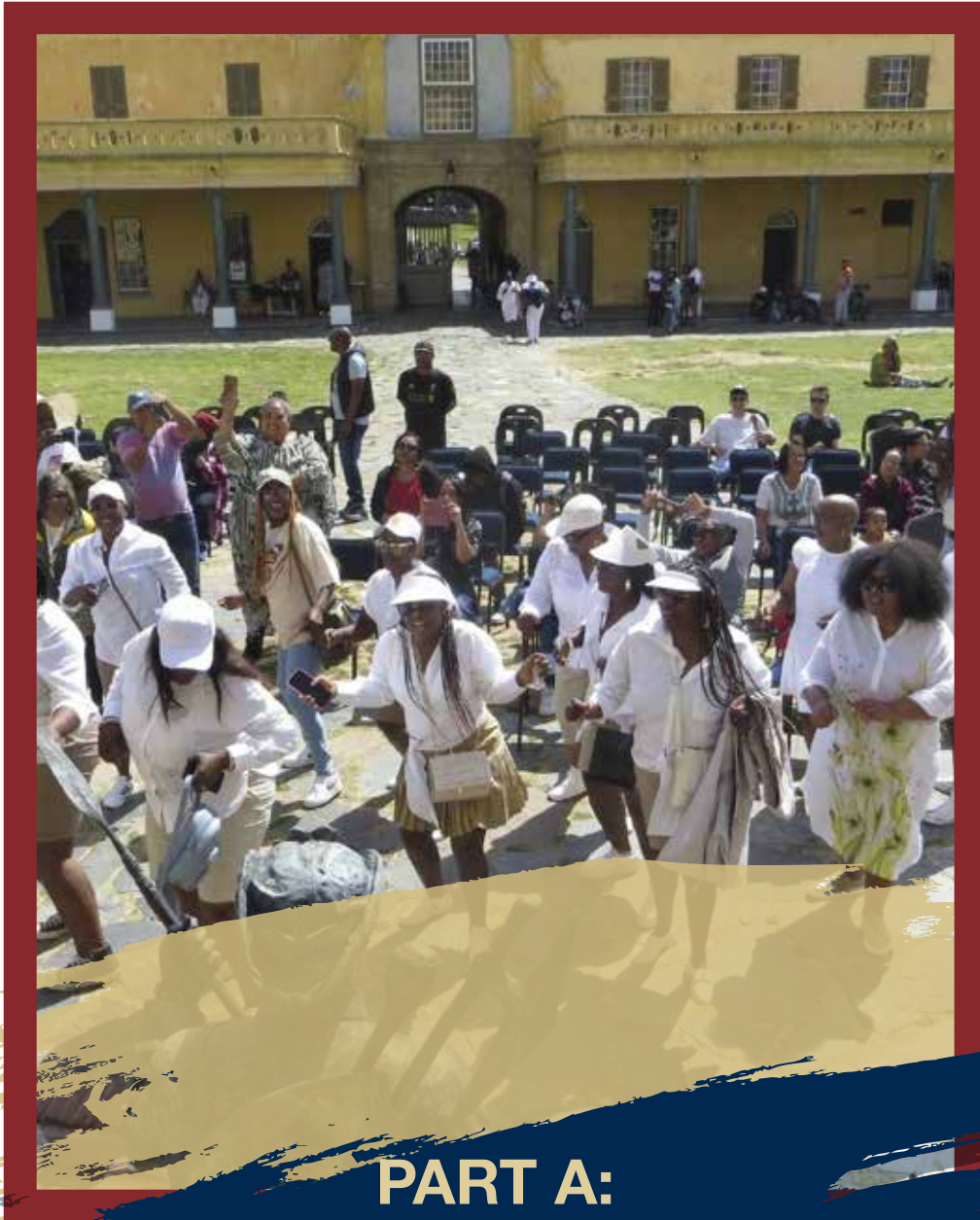
1. Introduction	30	4. The Accounting Authority: The Castle Control Board	31
2. Portfolio Committees	30	5. Audit and Risk Committee Report	35
3. Executive Authority	30		

PART D: Human Resource Management 37

1. Introduction	38	2. Human Resource Oversight Statistics	38
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PART E: Report of the Auditor-General 43

PART F: Financial Information 50



PART A: General Information

1. Public Entity's General Information

REGISTERED NAME:	Castle Control Board
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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
ASBWC	Army Support Base Western Cape
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
DPW	Department of Public Works
CEO	Chief Executive Officer
ICMP	Integrated Conservation Management Plan
MOD&MV	Minister of Defence and Military Veterans
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NT	National Treasury
PFMA	Public Finance Management Act
RWU	Regional Works Unit (SANDF)
SAMA	South African Museum Association
SCM	Supply Chain Management
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprises
TR	Treasury Regulations
UNESCO	United Nations Education, Scientific and Cultural Organization
PANSALB	Pan South African Language Board

3. Foreword by the Chairperson



Lt. Gen. XB Ndlovu
Board Chairman

After taking over from Lieutenant-General Mbuli, who retired in December last year, delivering my maiden Annual Report as Chairperson of the Castle Control Board gives me immense pleasure. General Mbuli has served the organisation excellently over the past five years, and his visionary leadership and support in managing South Africa's oldest surviving colonial citadel have left a legacy second to none. His personal and professional contribution is testimony to what can be achieved with so few resources. Without the dreaded COVID-19 Pandemic, the CCB, under his leadership, would have been right up there with global heritage and cultural tourism organisations in its class.

Given the CCB's dependence on tourism revenue, this fickle industry's recovery will directly determine its short to medium-term recovery plan. Although the CCB is grateful for the relief funds the Department provided during the dire COVID years (mainly the last tranche of R6 million for the 2023/24 financial year) to carry it through its operational commitments, it must maintain and accelerate the upward trajectory. Therefore, the organisation still requires a nominal contribution from the state to augment its revenue generation capacity, particularly during winter. The latter assumes that the highly seasonal tourism economy will maintain its recovery trends.

The Board and Management are steadfast in their commitment to clean administration and good corporate governance. Despite the findings on compliance with regard to laws and regulations, which are being addressed, the CCB remains committed to good corporate governance and clean administration.

Using the principle of heritage enterprise risk, the CCB has a diverse, vibrant Board of Directors, an effective Audit and Risk Committee, an Internal Audit function (they also established a Human Resource and Remuneration Committee in 2023) and an excellent relationship with the Defence Portfolio Committee, Executive Authority and all its stakeholders. It is tackling the gaps in its management team with the urgency it deserves.

Allow me 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*. The Board 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, ensuring that these 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 it wants to position the Castle as a UNESCO World Heritage site.

- We utilise 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*. In this regard, the MOA with SITA is crucial. The CCB's role in the non-classroom education of learners, students, scholars, and researchers is now a bigger priority than ever. Linking up with global progressive forces will enhance our heritage status and *give visitors a life-changing educational and conscientization experience* at the historic Castle of Good Hope.
- Finally, the Board *has publicly committed to achieving another clean audit outcome*. The institutional and governance arrangements of the Castle Control Board, among other things, the composition of its Board, staff contentment, the signing of a shareholder's agreement with the Ministry and the activating of partnerships with other government departments are integral elements of this strategic priority.
- The Board is committed to promoting the interests of women, youth, military veterans, and persons with disabilities.

The rest of this Report shall detail the operational highlights, annual financial performance and actions to address challenges in the foreseeable future.

Given the ministerial, departmental, public, and business support levels, I am confident that 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.

Thank you for the opportunity to serve the Board, Management and key stakeholders in a small but hugely significant and impactful institution.



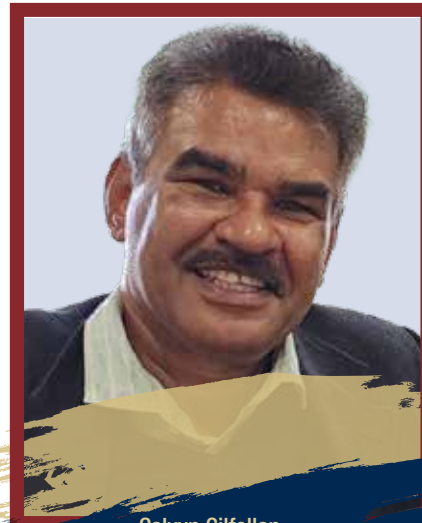
Lieutenant-General XB Ndlovu

On behalf of the Castle Control Board: Chairperson

31 July 2023



4. Chief Executive Officer's Overview



Calvyn Gilfellan
Chief Executive Officer

Introduction

It is hard to believe this is my tenth Annual Report with the Castle Control Board and the Ministry of Defence and Military Veterans. And what a remarkable and eventful journey of transformative heritage and cultural work it was. The past financial year is the first after more than two years of unprecedented turmoil: the aftermath of the COVID-19 Pandemic. During this year, the Board, its staff and all CCB partners repositioned themselves for the ultimate return to normality: it includes re-building our organisational capacity and resilience, galvanising expertise to manage the built environment of the Castle, community programs, heritage, culture, and marketing efforts to again reach of benchmark of 200 000 visitors per annum.

Pages 19 to 28 synoptically reflect the CCB's performance against its approved Annual Performance Plan. The following are among the things I want to distil from the more formalistic, data-driven and statutory annual Report:

- The two visits by the **Honorable Minister, Ms Thandi Modise**, namely at the book launch of the late anti-Apartheid struggle stalwart, **Mr Ebrahim-Ebrahim** (16 June 2022) and when she joined the **Deputy-President**, and **Deputy-Minister** to address the plights and benefits packages for military veterans (10 November 2022). The best part of the veterans' event was witnessing emotions of joy and melancholy when former comrades saw each other after so many years.
- The spirit of teamwork between the Board, Audit and Risk Committee, and the management team and staff resulted in an unqualified audit with findings on compliance with laws and regulations.
- Despite a tourism economy on the road to recovery, the CCB still managed to **self-generate R4 785 755**. Added to the R6 million from the Department (R10 785 755), we were well-resourced during the financial year to deliver impactful programs to thousands of clients. The small surplus will be invested in much-needed programs delayed during the Pandemic.
- Perhaps the most telling signal that we are post-pandemic is that we either met but mostly exceeded every **corporate governance, heritage maintenance, tourism, and public access** target.
- **Visitor numbers** (scholars, learners, tourists, event attendees, cultural groups) **more than** doubled over the past year to **73 765**, but it is still way off pre-pandemic achievements.
- Our vocal, progressive **participation on national heritage platforms** continued with involvement and publications in **SAMA conferences (October 2022)**, **Western Cape Museum Workshops (December 2022)**, and the **Sri-Lanka-Dutch Heritage Cooperation colloquium (February 2023)**.

- One of the outstanding achievements made possible by the full-time deployment of the eight **Regional Works Unit**, the CCB's small maintenance team, and the six-member gardening team have **improved the architectural and heritage integrity and enhanced the aesthetics** (they completed 59 repair and maintenance projects) of this 356-year-old building, thereby staving off negative attention from mostly local polemicists.
- Apart from the homeless close to our entrance, **media coverage** on the Castle and CCB was overwhelmingly favourable and, despite quiet periods, reached a record **worldwide audience of 1.8 billion people**, translating into an **advertising value equivalent (AVE) of R231 million** (the amount it will cost us to buy that amount of exposure).
- On the downside, we have witnessed an **irregular expenditure increase from R76 121 in FY 2021/22 to R133 832 this year (See AFS, page 79)**. Irregular expenditure is disclosed as follows and further broken down below:

	2023	2022
Opening balance	76 121	939 746
Add: Irregular Expenditure – current	133 832	37 885
Add: Irregular Expenditure – prior period		38 236
Less: Amount condoned	-76 121	-939 746
Total	133 832	76 121

- The CCB extended contracts without informing the National Treasury. The value of extended contracts exceeds 15% of the initial contract value. We asserted that by extending these contracts, there was value for money, no losses were incurred, and the process was free of fraudulent, corrupt, or criminal conduct. These contracts have run their term, and new contracts are in place. The irregular expenditure is R 38 658,73. No contracts were extended in the current financial year in contravention of applicable laws and regulations.

- The CCB procured services without following National Treasury prescripts (no valid Tax clearance, no three quotations, no SBD 4 forms, AGSA not informed of the deviations). The total value of irregular expenditure is R 95 173.

The CCB undertakes to be evaluated and registered in terms of the B-BBEE Act. The CCB will conduct further investigations during FY 2023/24 to determine whether any of its employees were responsible for the irregular expenditure and define steps to ensure it does not recur.

The outgoing Chairperson, General Mbuli, has highlighted and seamlessly handed over the critical priorities for the new financial year to the incoming Chair, General Ndlovu. Save to say that the incoming Chair, Board and Management are behind his legacy's implementation, galvanizing, and continued growth.

During these ten years, one of my standouts was the excellent interpersonal and professional relationship between the outgoing Chairperson, myself, the staff, and the Board. For that alone, I want to thank retired Lieutenant General Mbuli from the bottom of my heart.

Finally, I want to thank my Board, Committee members, staff, Ministry of Defence & Military Veterans, Portfolio Committee, Department of Defence, Department of Military Veterans, National Treasury, DPME, the AGSA, partners, funders, media, and the public we serve, and on whose behest, we run this critical heritage site, for keeping us on our toes while lending immeasurable material and moral support.

I thank you.


Calvyn Travers Giffellan
 Chief Executive Officer
 Castle Control Board

31 July 2023

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.



Calvyn Travers Giffellan
Chief Executive Officer
Castle Control Board

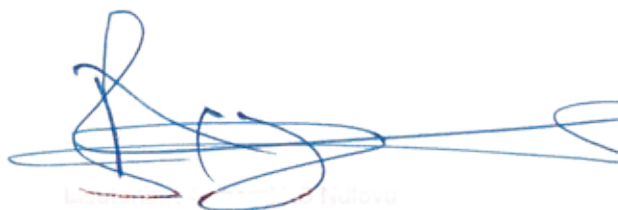
31 July 2023

The accounting authority is responsible for preparing the annual financial statements and judgements 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 conclusion 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 ending 31 March 2023.



Lieutenant-General XB Ndlovu
On behalf of the Castle Control Board: Chairperson

31 July 2023

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 under 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, 1999 (Act No. 25 of

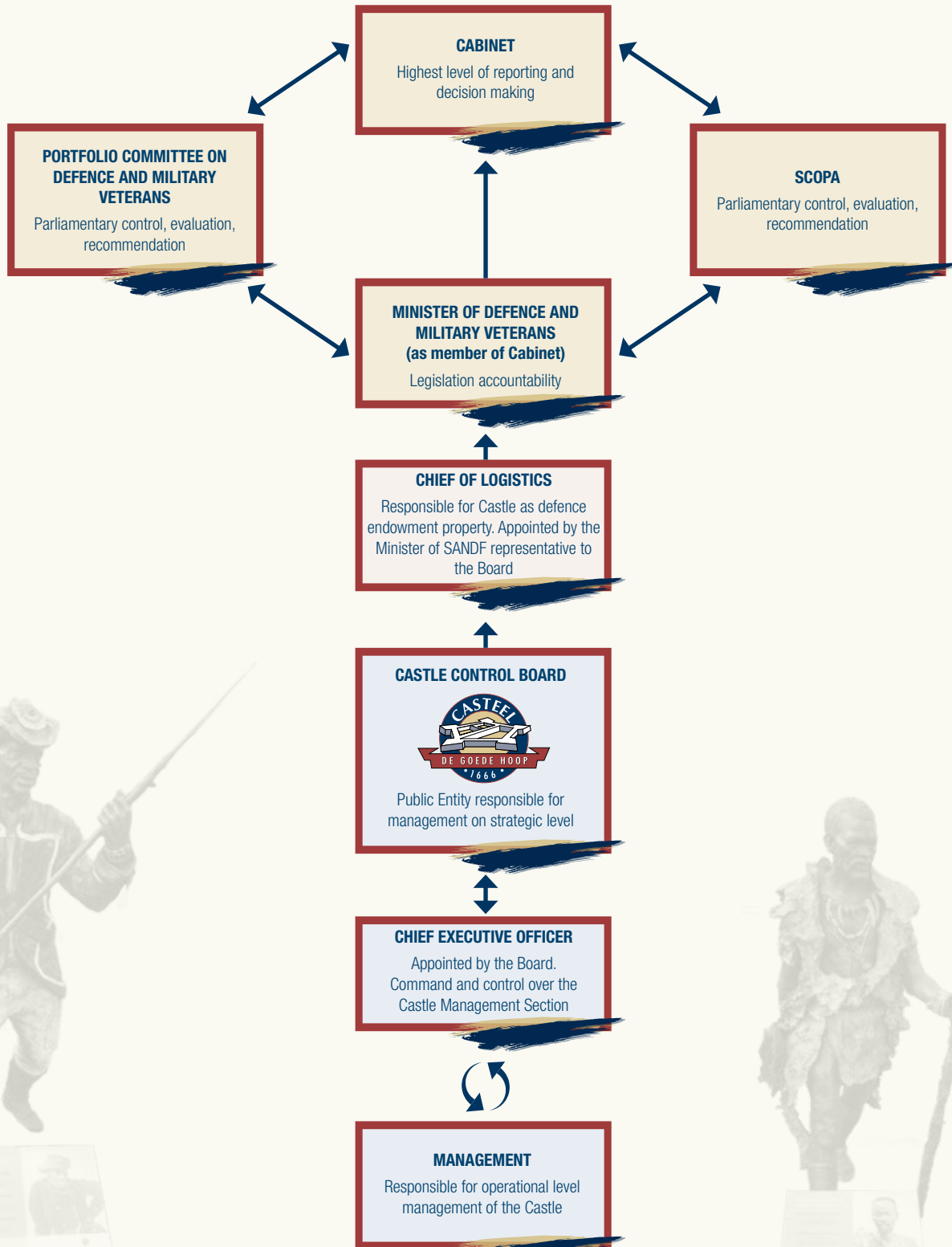
1999), is applicable because the Castle of Good Hope is a declared national heritage site managed within this legislative framework. The CCB also utilizes Tourism policies and frameworks to guide its interventions and programmes.

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.

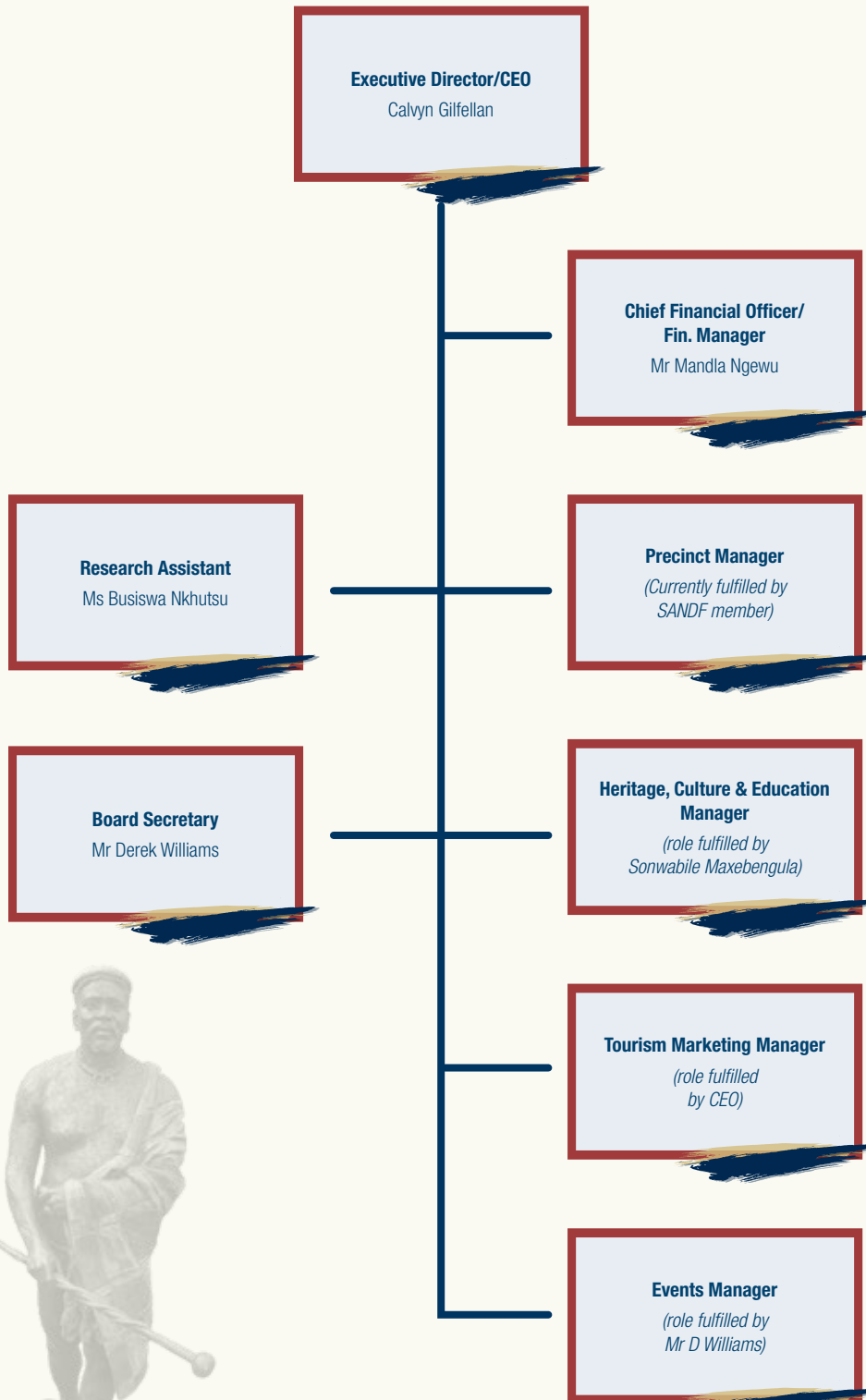


8. Organisational Structure

8.1 The Castle Control Board



8.2 The CCB's Operational Management Structure





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 a findings engagement on selected performance indicators. The audit conclusion on the performance against predetermined objectives is included in the Report to Management, with material findings being reported under *Predetermined Objectives* in the section headed *Report on other legal and regulatory requirements* of the Auditor's Report.

Refer to pages 44 to 49 of the Report of the Auditor-General, published as Part E: Financial Information.



2. Situational Analysis

2.1 Service delivery environment

The aftermath of 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 budget year has seen 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 organisations' planning and implementation systems. However, the Pandemic also taught us how to organise virtual or hybrid engagements, and e-commerce has become a norm instead of an exception. We continuously look at ways to 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 also depends 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, the CFO's Office, Strategy and 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 developed new strategic relationships to support the Minister's strategic priorities.

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 need more open communication of its activities and achievements hence a massive increase in media coverage and people reached through the media during FY 2022/23) 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 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 Heritage Museum, the Camissa Museum, the Regional Works Unit (WC), SAHRA, SAMA, Military Veterans Associations, Cape Town Tourism, SATSA, Robben Island Museum, the South African Religious and Traditional Leadership Council, CONTRALESA, various Khoi-revivalist groupings, 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 have a fully-fledged, albeit reduced civilian staff complement. In March 2023, it also established an HR&REMS Committee. After the DOD's Directorate for Management Services (DIMS) designed the best structure for the CCB, the Board completed recruiting its entire management team. With a full-time staff complement of 26, this is a significant step towards stability, focus and service delivery, all of which paid immediate dividends. Towards the end of the budget year, after the contract of the gardening and maintenance team expired, the Board took on the seven workers on fixed contracts. Although it increased our personnel cost, improved maintenance of this vast site was worth the investment.

The Board has significantly tightened 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 noteworthy 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 potentially compromising our ability to reach our strategic aims 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 to discuss issues of common concern. We also circulate a weekly activity schedule to ensure all Castle inhabitants know what is happening on the site.

But the greatest is that the minuscule CCB has become a national and international leading and respected voice in tangible and intangible heritage, cultural and developmental discourses.

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 October 2022 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 check the mandate of the CCB. The Board has updated the handover document and fed elements thereof in the MODMV-handover memorandum 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 programme ensures 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 program's intended outcome is to optimize public access and increase the CGH's public profile and positive perception across all community sectors.



3. CCB Outcome Performance Indicators

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

1. Accountable and effective governance of the CCB – ensuring compliance with National prescripts, thus improving corporate governance, and
2. A well-conserved, maintained, and protected Castle of Good Hope – incorporates heritage and educational services, tourism, public access, communication, and marketing services.

3.1 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 2022/23 MTEF

Outcomes	Outputs	Output indicators	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Comments on deviations (>5%)
A	B	C	D	E	F	G	H
Accountable and effective governance of the CCB	Delivery of excellent corporate governance through tight internal controls and world-class administration	Number of corporate governance policies approved per annum	4	3	Achieved: 4 The following policies have been approved during the year: Reviewed and Approved Gift Policy. Reviewed and Approved Asset Management Policy. Updated and Approved SCM Policy. Updated Delegations.	+25%	None
Accountable and effective governance of the CCB	Delivery of sound financial Management and control measures	Percentage reduction in the number of audit findings within the CCB	New	70%	Achieved: 70%	0%	None
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	CCB Annual Performance Plan timeously submitted to the Executive Authority	100% (1)	100% (1)	Achieved: 100% Final APP FY 2022/23 submitted February 2022	0%	None
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	CCB Annual Report timeously submitted to the Executive Authority	100% (1)	100% (1)	Achieved: 100% The 2022 Final CCB Annual Report was timeously submitted to all statutory bodies, and the Draft 2023 version was sent to the AGSA on 31 May 2023.	0%	None

Outcomes	Outputs	Output indicators	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Comments on deviations (>5%)
A	B	C	D	E	F	G	H
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	CCB Quarterly Performance Reports timeously submitted to the Executive Authority	100% (4)	100% (4)	Achieved: 100% The CCB's four Quarterly Reports were submitted on the DPME QRS system as follows: Q1: 31 July 2022 Q2: 30 October 2022 Q3: 30 January 2023 Q4: 30 April 2023	0%	None
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	CCB Quarterly Financial Reports are timeously submitted to the Executive Authority and National Treasury	100%	100% (4)	Achieved: Submitted with ENE as described above.	0%	None
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	CCB CEO performance agreement submitted to the Board for approval	100% (1)	100% (1)	Achieved 100% CEO's PA is implicit in APP and his Employment Contract.	0%	None
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	CCB Members' performance agreements to the CEO for approval	New	100% (3)	Achieved 100% CFO, Acting Events and Heritage Managers' PA are implicit in their current Contracts.	0%	None
Accountable and effective governance of the CCB	Percentage Compliance with Parliamentary Activities	Submission of all reports and attendance of committee meetings in support of parliamentary activities	New	100% (4)	100% (4)	0%	None
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	Percentage reduction in the number of irregular expenditures within the CCB	New	65%	76% Increase in irregular expenditure.	75%	The CCB procured services without following National Treasury prescripts (no valid Tax clearance, no three quotations, no SBD 4 forms, AGSA not informed of the deviations). Management have taken steps to prevent the recurrence of the irregular expenditure.
Accountable and effective governance of the CCB	Percentage adherence to the submission date of CCB Accountability documents	Percentage reduction in the number of fruitless and wasteful expenditures within the CCB	New	98%	100% The CCB did not incur fruitless and wasteful expenditure.	0%	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 2022/23 MTEF

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

Table 3.2: Programme 2 - Maintenance and conservation at the CGH: Outcomes, outputs, performance indicators and targets for the 2022/23 MTEF

Outcome	Outputs	Output indicators	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a range of projects and services aimed at the enhancement, upkeep, and maintenance of the Castle of Good Hope as a heritage site	Number of preventative and regulation maintenance projects completed	57	8	Achieved: 59 (Kindly see the complete list below, supported by auditable photographic and other evidence. In March 2023, we signed an MOU with SAHRA and henceforth, maintenance works will also be recorded on their online heritage portal called SAHRIS) ¹	+638%	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.

¹ **LIST OF MAINTENANCE INTERVENTIONS:** 1. Windows B-Block (Glass & glazing), 2. Painting prep-work and screed of walls at the public ablation F-Block), 3. Maintenance and repair of public ablation (F-Block), 4. Maintenance and repair of Mil Mess, 5. Lights inspections at Mil Museum, 6. Inspection DB supplying power to the new bakery, 7. Inspections & logged call with DPW for disrupted water supply to Moat, 8. Repair of Castle front door, 9. Carpentry, LEGSATO, 10. Windows (glass & glazing in B-block & Public Ablution), 11. Maintenance and repair of public ablation, 12. Maintenance and repair of Mil Mess, 13. Unblock shower at female guard accommodation, 14. Maintenance and repair work on ablation at Iziko (F-Block), 15. Renovation of Het Bakhuis Ablution, 16. Unblock urinals at guard accommodation, 17. Repair 2x geysers, 18. Lights inspections at Mil Museum & DB supplying power to the new bakery, 19. Installing repaired BEKA floodlights (x4), 20. Manufacture covers for pop-up sprinklers, 21. Logging of fault reporting calls to DPW, 22. Sealing of leaking roof at the Orange bastion, 23. The blocked sewage line repaired, 24. The damaged DG at guard house repaired, 25. Burst main water supply pipe repaired, 26. Blocked sewage line unblocked, 27. Leaking roof fixed (Block F), 28. Leaking roof at MP's fixed, 29. Leaking roofs fixed (Block B, C, D, E, F, G), 30. Blocked sewage drains at MP's unblocked, 31. Casting new concrete ramp to access 500 Years of Circumnavigation Exhibition, 32. Cutting and straightening of steel rails to the same exhibition, 33. Fixing of the exploded electric box at LEGSATO/MP's, 34. Painted doors of Torture Chamber, 35. Camissa, Museum and Rhino Exhibition, 36. Repair the edge of stairs leading to Orange Bastion, Repair drain lid in front of Torture Chamber, 37. Complete repainting of Chapel for UCT Arts Exhibition, 38. Fixing and pointing the paving in front of Camissa Museum, 39. Fixing of roof tiles on Captain's Tower, 40. Painting of bottom doors and window frames in B-Block, 41. Painting of door and window frames at Het Bakhuis, 42. Glazing of slate in the main entrance, 43. Fixing green door in Cape Heritage Museum, 44. Fixing of a significant roof leak in F-Block, 45. Glazing of slate in between CEO and CFO's Office, 46. Repair and fixing of floodlights on top of Block A, 47. Fixing hinges on the power box linked to Phillips LED lights, 48. Repairing the timers on Phillips LED lights, 49. Glazing of the floor in the Camissa Museum, 50. Fixing of curtain rails in guard accommodation, 51. Fixing of bollards in the main entrance, 52. Restoration of antique garden benches, 53. Fixing of slate over French Chanel, 54. Back courtyard, repairing of major water burst, 55. Replace and repair Phillips LED light timer, 56. Repairing of roof slate tiles on top of B-block, 57. Painting Het Bakhuis wall with Midas sponsored ochre limewash, 58. Fixing and painting of tap in the Leerdam toilet, 59. Painting of intricate golden edges in Castle Chapel.

Outcome	Outputs	Output indicators	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences	An annual increase in the number of tangible heritage projects implemented at the Castle of Good Hope	6	4	Achieved: 4 1. The installation of the "Crying for Justice" information board. 11 April 2022. 2. Restoration and repainting of archways and walls of the Castle. 3. We revamped an Old Storeroom for the Opening of 500 Years of Circumnavigation, Spanish. 4. Completion of Phase 3 of Camissa Museum (long storyboard).	0%	None
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences	Number of non-commercial cultural events hosted annually at the Castle of Good Hope	26	10	Achieved: 64 This figure reflects the cultural events when indigent and non-commercial event organisers host their events at the CGH and are detailed under Note 2 below. ²	+640%	Non-commercial cultural events radically increased when the country moved to COVID-19 Restricted Level 1.

² **NON-COMMERCIAL EVENTS:** 1. Griqua Royal House Meeting, 07 Apr 2022, 2. Camissa Museum/International Museum Day event, 18 May 2022, 3. CONTRALESA meeting, 21 May 2022, 4. African Religious and Traditional Leaders Council, 26 May 2022, 5. #Cocreate SA/NL Event, 30 May – 06 Jun 2022, 6. District Six meeting, 31 May 2022, 7. Johnson Gonoqua Clan meeting, 04 Jun 2022, 8. African Religious and Traditional Leaders Council and Department of Justice workshop on same-sex marriages, 24 Jun 2022, 9. Griqua Royal House, 29 Jun 2022, 10. Bo-Kaap Music Video Shoot August 29, 2022, 11. Abaqua Royal House Meeting September 04, 2022, 12. Khoi and San Business Hub Workshop September 15, 2022, 13. District Six Meeting August 29, 2022, 14. District Six Meeting September 26, 2022, 15. City of Cape Town Unit, Environmental Capacity Building, Education and Training September 28, 2022, 16. Heritage Day Celebrations September 24, 2022, 17. Islamic Relief Foundation September 24, 2022, 18. Treasure Magazine September 24, 2022, 19. World Scholars Cup Cultural Fair 12 Oct 2022, 20. Battle of El Alamein Memorial Service 23 October 2022, 21. CT Arts Festival 29 October 2022, 22. Cape Heritage Museum Fundraising Dinner 19 November 2022, 23. Homeless People's Alliance meeting 10 October 2022, 24. Dept of Cultural Affairs & Sports Career Fair 21 October 2022, 25. Al-Gay-Rya Cultural Festival 11 Nov 2022, 26. Community kids for Creche Graduation 19 November 2022, 27. Third Energy and Habitat Conference 28 – 29 Nov 2022, 28. SAPS 16 Days of Activism Event 28 – 29 Nov 2022, 29. Slave Walk in Collaboration with Freedom Park 30 November 2022, 30. Patric Mallet's 'The Cleaner's Boy' Book Launch 9 December 2022, 31. Woodlands Women's Annual Xmas Lunch Event 10 December, 32. Argus/Cape Heritage Museum/Minstrel CT Heritage Walk 14 December 2022, 33. Cape Minstrel Festival, Darling Street Parking, 2 Jan 2023, 34. NMAR Band Practice, 10 Jan 2023, 35. SONA preparations meeting, 16 Jan 2023, 36. ASB WC SONA Meeting, 16 Jan 2023, 37. NMAR Band Practice, 17 Jan 2023, 38. ASB WC SONA Meeting, 18 Jan 2023, 39. NMAR Band Practice, 21 Jan 2023, 40. NMAR Band Practice, 24 Jan 2023, 41. Leadership Workshop for High School Representatives, 28 Jan 2023, 42. NMAR Band Practice, 7 Feb 2023, 43. NMAR Band Practice, 8 Feb 2023, 44. NMAR Band Practice, 9 Feb 2023, 45. Police Minister B Cele's SONA Security Parade, 9 Feb 2023, 46. NMAR Band Practice, 14 Feb 2023, 47. SA/Sri Lanka/Netherlands Virtual Knowledge Exchange, 14 Feb 2023, 48. Freedom Park/Castle teen pregnancy workshop, 15 Feb 2023, 49. Hosting of Benin Minister of Tourism, 15 Feb 2023, 50. Cochoqua Council Meeting, 18 Feb. 2023, 51. NMAR Band Practice, 21 Feb 2023, 52. Sister Cities Gala Event with the Mayor, 22 Feb. 2023, 53. NMAR Band Practice, 28 Feb 2023, 54. Prof. Scanlon and UCT Art Students workshop, 2 Mar 2023, 55. NMAR Band Practice, 7 Mar. 2023, 56. Minstrel Cultural Heritage Route Meeting, 9 Mar. 2023, 57. NMAR Band Practice, 10 Mar 23, 58. NMAR Band Practice, 14 Mar 2023, 59. Human Rights Day Educational with Canadian Teacher Students, CHM, 21 Mar. 2023, 60. NMAR Band Practice, 21 Mar 2023, 61. MOA signing ceremony with SAHRA, 23 Mar 2023, 62. National Heritage Council/CHM Seminar, 24 Mar 2023, 63. NMAR Band Practice, 28 Mar 2023, 64. SAPS Human Rights Workshop, 28 Mar 2023.

Outcome	Outputs	Output indicators	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences	Number of exhibitions hosted annually at the Castle of Good Hope	5	3	Achieved: 7 <ol style="list-style-type: none"> Sistaaz of the Castle Fashion Parade 28 May 2022. #Cocreate exhibition 30 May – 6 June 2022. Spanish 500 Years Explorer Exhibition is opening permanently) Unfinished Business, UCT Art Exhibition by S'tembile in Old Chapel (25 November) Dieuwke Linee's Krotoa Art Exhibition (1 December 2022 – 11 January 2023) Opening Phase 2 of the UCT Art Exhibition, Castle Chapel, February 2023. ! Habesi (Roots) Art Exhibition, Mr Fortuin, 15 March 2023. 	+133%	The post-Pandemic period has witnessed a renewed interest in the Castle as an exhibition space, hence the increase.



3.3 Programme 3: Maximising the Castle’s tourism potential

Purpose

The purpose of this programme is to maximize 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 the 2020/21 and 2022/23 targets have been “COVID-19” adjusted.

Table 3.3: Programme 3 - Maximizing the Castle’s tourism potential: Outcomes, outputs, performance indicators and targets for the 2022/23 MTEF.

Outcome	Outputs	Output indicators	Actual performance 2020/21	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences to attract tourists and locals to the Castle of Good Hope	The annual number of visitors and tourists attracted to the Castle of Good Hope	33 452	120 000	Not achieved: 73 765	-44.17%	Although our tourism numbers doubled yearly, they did not meet our recovery rate estimates.
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the Castle of Good Hope	Gross revenue generated through tourism and events	R8 829m (incl. R5.5m grant)	R10 005 000	Achieved: R10 785 755	+7,8%	This was another year when the CCB benefitted through financial support from the DOD. But the tourism industry is clearly on the mend, as witnessed by the R4.7 million own revenue generated.
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the Castle of Good Hope	Number of commercial events hosted at the Castle of Good Hope	19	20	Not achieved: 18 Details of this achievement are outlined in Footnote 3 below: ³	-10%	Given where the events industry was 18 months back, we got close to our target.

³ **COMMERCIAL EVENTS:** 1. 13 April 2021 – Good Hope Christian Centre; 2. 13 to 19 April – Revelation Road; 3. 16 and 17 April – Treasure Magazine’s Pre Eid market; 4. 19 to 27 April – Nando’s UK dinner; 5. 22 May – Van Dyk birthday party; 6. 7 July – Mukadam (baby shower); 7. 8 August – Doek on Fleek (Women’s event); 8. 22 October – Proteus; 9. 9 November – Spinners; 10. 26 November – IDM; 11. 3 December – Limitless events (SIGMA); 12. 10 December – Doek on Fleek; 13. 26 December – Sizzled; 14. 2 January – Minstrels Carnival Parking; 15. 22 February – Steyn Events; 16. 5 March – AMWAY Dinner; 17. 15 March – VVV (Nando’s); 18. 19 March – CT Cycle Tour.

Outcome	Outputs	Output indicators	Actual performance 2020/21	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the Castle of Good Hope	Number of film and fashion shoots accommodated at the Castle of Good Hope	16	12	Achieved: 42 Details of this achievement are outlined in footnote four below: ⁴	+250%	Filming events overhauled footfall as a significant revenue generator for the first time.
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the Castle of Good Hope	Number of tourism infrastructure upgrades completed	2	1	Achieved: Water and drain water connection from Het Bakhuyts to establish a Demonstration Kitchen/restaurant space at the bottom of Old SAHRA Offices.	0%	None
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the Castle of Good Hope	Number of Joint Marketing Initiatives undertaken	3	2	Achieved: 2 1. July – Treasure Magazine. 2. ZDF television insert magazine (Stories of HAJ).	0%	None

3.4 Programme 4: Increased 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 Increase Public Access to the CGH Programme. The 2020/21 and 2022/23 targets have been "COVID-19" adjusted.

⁴ **FILM, VIDEO & COMMERCIAL SHOOTS:** 1. 8 April 22 – Panda; 2. 22 May – Norbert Kelvin commercial; 3. 22 June – Film Afrika (FDR); 4. 22 June – Permitz – Fear Factor India; 5. July 22 – Film Afrika (African Queen); 6. July 22 – Film Afrika (FDR); 7. July 22 – Film Afrika (Interviews); 8. 6 July 22 – Unseen base camp; 9. August – Moonlighting 1923 (set build); 10. September – Moonlighting Warrior base camp; 11. September – Darling Films Commercial; 12. September – LMP S1 base camp ; 13. September – Film Afrika DP base camp parking; 14. September – UCT student film; 15. 9 October – Z Soga Student Film; 16. 4 October – Thank You Kindly, Bobby; 17. 17 October – Moonlighting; 18. 29 October – CMAK; 19. 7 November – AFS Production; 20. 8 November – CMAK; 21. 8 November – Idea Candy; 22. 12 November Patriot Films; 23. 15 November – Monkey Film; 24. 23 November – Monkey Films; 25. 29 November – Carbon Films; 26. 30 November – Julia Gunther; 27. 5 December – Patriot Films; 28. 2 December – Carbon Films; 29. 7 December – Trace studios; 30. 14 December – M & M Images; 31. 16 December – Juice Films; 32. 7 January – CMAK; 33. 27 January – Gatehouse; 34. 3 February – Romance Productions; 35. 7 February – Migrate Films; 36. 10 February – Altrad Optical; 37. 27 February – Migrate; 38. 27 February – Happy Olive; 39. 17 March – Sniper verse. 40. March – Film Afrika Harlem; 41. 2 Feb North South; 42. 13 February – Bird Films.

Table 3.4: Programme 4 - Increased public access to the CGH: Outcomes, outputs, performance indicators and targets for the 2022/23 MTEF.

Outcome	Outputs	Output indicator	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Deliver a series of innovative public events aimed at promoting understanding of the CGH as a heritage icon	The annual number of potential visitors reached through the media	604.24m	90 000 000	Achieved: 1.8 billion	+1900%	The post-COVID-19 recovery is reflected in the increased media coverage. We now must convert it to positive visitation numbers.
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a range of public programmes with SA schools, cultural groups, and special community groups	Number of student interns hosted at the CGH per annum	7	12	Achieved: 18 <ol style="list-style-type: none"> 1. Khutso Arthur Nkuna, 17 March 2022 – 16 September 2022 2. Sithonga Masiwakhe, 1 April 2022 – October 2023 3. Khanyisile Princess Damane 2 May 2022 – 2 January 2023 4. Ms Jill Muraski, International Student, June 2022 – December 2022 5. Jay Ghate, International Student, March 2023. 6. Unathi Nyengule September 2022- October 2022 7. Nosipho Gwe, September 2022 – October 2022 8. Mila Ndaliso September 2022 – October 2022 9. Mapula Lehana September 2022 – October 2022 10. Edwina October September 2022 – October 2022 11. Neliswa Jozana, September 2022 – October 2022 12. Maris Byl, September 2022 – October 2022 13. Ntombizanele Ndzube, September 2022 – October 2022 14. Siziwe Matiwane, September 2022 – October 2022 15. Athenkosi Pomboyi, September 2022 – October 2022 16. Thabisa Mboneli, September 2022 – October 2022 17. Andisiwe Sinkutsho, September 2022 – October 2022 18. Nothando Mtikulu, 16 January 2023 – 31 May 2023 	+50	Most of the surrounding tertiary institutions reverted to online classes because our source of interns dried up. However, the National Tourism Department sent us 12 Tourism Safety Interns.

Outcome	Outputs	Output indicator	Actual performance 2021/22	Planned target 2022/23	Actual achievements 2022/23	Deviations	Reason for deviation (>5%)
A	B	C	D	E	F	G	H
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a range of public programmes with SA schools, cultural groups, and special community groups	Number of heritage-educational programmes organized for women, unemployed youth, disabled and traditional communities	22	15	Achieved: 19 Details appear in note 5 below: ⁵	+26.6%	After the lockdown, the return of high-profile community cultural events drove this positive deviation.
A well-conserved, maintained and protected Castle of Good Hope	Delivery of a range of public programmes with SA schools, cultural groups, and special community groups	The number of heritage programmes organized for Military Veterans.	9	6	Achieved: 14 Details presented in note 6: ⁶	+133.3 %	After the lockdown, the return of military veteran events drove this positive deviation.

Strategy to overcome areas of underperformance

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. We appointed a new Restaurateur in December 2022, promising to deliver an excellent service to our clients who can spend in other areas too. 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 other institutions and Departments.

Changes to planned targets

Although we have prepared an APP with downward adjusted targets, we decided to stick to MTEF targets for FY2022/23 as submitted and approved in March 2022.

5 **HERITAGE-EDUCATIONAL PROGRAMS FOR DESIGNATED GROUPS:** 1. #thehandsofmen workshop for the youth, 27 April 2022; 2. #thehandsofmen workshops for the youth, 5 May 2022; 3. Khoi-Khoi Leadership Council Meeting, 13 May 2022; 4. Sistaaz of the Castle parade, 28 May 2022; 5. #thehandsofmen workshops for the youth, 28 May 2022; 6. Mamelani Organisation Amazing Race, 4 June 2022; 7. Khoi-Khoi Leadership Council Meeting, 8. 11 June 2022. Balls, not Guns Meeting, 14 Jun 2022; 9. Youth Day Commemorations, 16 June 2022; 10. Sisters Engage event, 30 June 2022; 11. Cape Muslim and Slave Heritage Museum's Women's Day Event, 9 August 2022; 12. CONTRALESA's Women in Traditional Leadership event, 9 August 2022; 13. African Religious and Traditional Leaders Council Meeting, 7 September 2022; 14. CONTRALESA Conference, 11 February 2023; 15. Hosting of Dutch Researcher Bart De Graaf and fifteen Khoi Elders, 16 February 2023; 16. Rising Star Academy Educational, 22 February 2023; 17. Castle-Stellenbosch Outreach Programme, 24 February 2023; 18. CONTRALESA Meeting, 26 February 2023; 19. Ouma Katrina Esau, last !Nu! Speaker San Royals Event, 15 March 2023.

6 **MILITARY VETERAN PROGRAMS:** 1.#operationkhumbula, a dialogue in collaboration with military veterans, 27 April 2022; 2. Department of Military Veterans Meeting, 17 May 2022; 3. Book launch on the life of Ebrahim-Ebrahim, 16 June 2022; 4. Restoring of Humanity One, 28 June 2022; 5. Restoring of Humanity Two, 30 June 2022; 6. Battle of Square Hill Memorial, 18 September 2022; 7. Presidential Task Team engagement with military veterans and ex-political prisoners with Deputy President, Minister and Deputy Minister for Defence and Military Veterans, 10 November 2022; 8. Chaplaincy-DMV Gender Based Violence Prayer Service, (25 November); 9. Pre-SONA Milvets (Rev. Dixon) Dialogue, 6 February 2023; 10. Pre-SONA Milvets (Rev. Dixon) Dialogue, 8 February 2023; 11. DMV Military Veteran Meetings, 15 to 17 February 2023; 12. SAAACA military veterans meeting, 23 February 2023; 13. DMV Meeting, 4 March 2023; 14. SAAACA military veterans meeting, 30 March 2023.

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	2021/2022			2022/2023*		
	Budget R'000	Actual Expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/under expenditure R'000
Administration through corporate governance	8 450	6 203	2 247	8 957	7 441	1 516
Preservation and protection of military and cultural heritage	660	483	177	700	639	61
Maximising the Castle's tourism potential	85	5	80	90	22	68
Increased public profile and positive perception of the Castle	243	65	178	258	257	1
TOTAL	9 438	6 756	2 682	10 005	8 359	1 646

4. Revenue Collection

Sources of revenue	2021/22			2022/23		
	Estimate R'000	Actual Amount collected R'000	(Over)/under collection R'000	Estimate R'000	Actual Amount collected * R'000	(Over)/under collection R'000
Sales	2 586	1 075	1 511	2 559	2 507	52
Rental Income	1 100	2 100	(1 000)	1 212	1 910	(698)
Other Income (incl. in-kind services)	102	46	56	74	441	(367)
Interest Income	150	107	43	160	293	(133)
Grant	5 500	5 500	0	6 000	6 000	0
Total	9 438	8 828	610	10 005	11 151*	(1 146)


*Total revenue includes an amount of R365 937 for in-kind services.

The Castle Control Board runs a relatively uncomplicated heritage enterprise with limited 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 combine these investments during the past budget 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, the Board embarked on no infrastructure projects for the period under review.



|KX'AM PRESENTS

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!Habesi (Roots) Exhibition

JOIN US FOR A
MULTIDISCIPLINARY EXHIBITION
OF FINE ART, POETRY,
PHOTOGRAPHY, SOUND AND
AUGMENTED REALITY

FREE ENTRY
SATURDAY, MARCH 25, 2023
12 MIDDAY - 6PM

CASTLE OF GOOD HOPE
CAPE TOWN

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 earlier budget year and develops and implements an action plan to resolve them. The Executive Authority is usually informed about the Board's intentions about this.

2. Portfolio Committees

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

- 19 May 2022, the Chairperson, CEO and Board presented the 2022/23 Annual Performance Plan and accompanying budget; and
- 19 October 2022, the Chairperson and CEO presented the 2021/22 Annual Report highlights. The Committee commended the significant progress made and raised no crucial issues.

The CCB valued these engagements since they nurtured an understanding of our work and empathy for our difficult financial situation. The CCB received relief from the DOD for 2020 – 2023 through their oversight and guidance.

3. Executive Authority

The Minister of Defence and Military Veterans, the Honourable Ms T Modise, is the executive authority for the Castle. Due to various circumstances, the Minister delegated this role to Deputy Minister T Makwetla, an issue that still needs some clarification. The CCB had subsequent engagements with the honourable Minister on the following dates:

16 June 2022, Minister T Modise officiated at the launch of the book of late MK Veteran Mr Ebrahim-Ebrahim.

10 November 2022, Minister Modise officiated at a Military Veterans Presidential Task Team mass meeting in the presence of the Honourable Deputy President of the RSA, Mr D Mabusa and Deputy Minister T Makwetla.

A formal EA briefing and handover meeting is still in the pipeline.

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 makeup 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 includes 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 board members if they serve in their respective capacities to help such stakeholders.
- The Vice-Chairperson is to be elected by Board members, and the Executive Director will function as Secretary to the Board. A quorum for a meeting includes 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 adopted to separate the board and executive Management's roles.

Composition of the Board

Stakeholders	Name
South African National Defence Force – Chief of Logistics (Chair)	Lieutenant General JS Mbuli (Retired December 2022) Since January 2023, replaced by Lt Gen. XB Ndlovu
Cape Town Regional Chamber of Commerce and Industry	Mr J Moolman
Iziko Museums of South Africa	Dr B Ndlovu
Department of Public Works	Mr Theo Esau (Vacant since he left DPW in February 2023)
South African Heritage Resources Agency	Mr G Sipoyo
Officer Commanding Army Support Base Western Cape	Col. PV Mchunu
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 held	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 Ndlovu	Nil	Nil	Nil	Nil
Col PV Mchunu	Nil	Nil	Nil	Nil
Dr B Ndlovu	Nil	Nil	Nil	Nil
Mr G Sipoyo	Nil	Nil	Nil	Nil
Mr D Hart	Nil	Nil	Nil	Nil
Ms C Koch	Nil	Nil	Nil	Nil
Mr J Moolman	Nil	Nil	Nil	Nil
Adv. D Mitchell*	R16k	Nil	Nil	R16k
Ms A Aggenbach	R4.6k	Nil	Nil	R4.6k
Mr CT Gifellan**	R1 156k	Nil	Nil	R1 156k
Mr D Williams**	R328k	Nil	Nil	R328k
Mr M Ngewu**	R944k	Nil	Nil	R944k

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 devised a risk management policy and strategy framework. 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 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 and 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 fully functional Internal Audit function for the year under review. Morar Incorporated was evaluating the Board's activities for the FY2022/23:

- 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 and Risk Committee, and the AGSA is excellent, leading to completing some preliminary work around reviewing critical policies, approval of ICT policies, and the Internal Audit Charter by year-end.

The Audit and 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	–	February 2015	N/A	4
Mr C Giffellan	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 March 2023	Since 31 March 2023
Adv. D Mitchell (Chairperson)	3	1
Ms C de Vries	2	1
Ms J Niekerk	3	1
Mr D Williams	3	1
Mr M Ngewu	3	1
Mr C Giffellan	3	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 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 the on-site military staff applied, are more than enough to deal with the issue. For significant corporate functions at the Castle, we source additional private security paid for by the client. Upgrading 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 meeting. A declaration register allowing 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 guide 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 show how employees should perform their duties to avoid conflict of interest.

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 do not follow any provision thereof.

Health safety and environmental issues

Given that the Castle of Good Hope is a quasi-military site, health and safety are 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 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 manages the role and responsibilities of the company secretary—ditto for reports and returns. However, the Board has appointed Mr Derek Williams to function as secretary. The Board will review as the organization expands.

Social responsibility

In both the Chairperson and Accounting Officer's reports, it is clear that the entity takes its social responsibility very seriously. It dedicates an entire strategic aim 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 but still unaffordable to large sections of our communities. Mindful of this, we have provided all citizens selected public holidays free access.

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 charge. 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.

5. Audit and Risk Committee Report

We are pleased to present the Audit and Risk Committee Report for the Castle Control Board (CCB) for the financial year ended 31 March 2023.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of three independent persons, all with the required expertise and experience in business, compliance, legal and financial matters. The committee's chairperson is also a member of the Board, appointed by the executive authority. The Committee met three times during the year to 31 March 2023 and twice 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	Number of meetings attended	
	Year to 31 March 2023	Since 31 March 2023
Adv. David Mitchell (Chairperson)*	3	2
Ms Carmen de Vries	2	2
Adv. Joedee Niekerk	3	1

* Member of the Castle Control Board (appointed by the Minister of Defence and Military Veterans)

Representatives of the Auditor-General have attended or were invited to all Audit Committee meetings.

Audit and Risk Committee responsibility

The Audit and 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, as read 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

The Auditor-General conducted this year's audit as a review engagement on the AFS which is more suitable for smaller entities. This has enabled the Auditor-General to pay close attention to key areas for audit

coverage, while still achieving a considerable and most welcome saving in the audit fee budget.

CCB Management and the Castle Board can be complimented on an unqualified audit opinion, albeit with findings:

- The entity's annual financial statements as submitted were of a high standard. A software glitch was timeously identified and corrected.
- The Auditor-General has undertaken a findings engagement on reported performance information for Programme 2: Maintenance and conservation at the Castle of Good Hope; Programme 3: Maximising the Castle's tourism potential; and Programme 4: Increasing public access to the Castle. These show exemplary performance although some ambitious targets were not fully achieved. Improvements were identified as regards the retention of performance information.
- In procurement and contract management, non-compliance findings were identified in that tax clearances and no conflict of interest disclosures had not been obtained from other Castle stakeholders upon the provision of in-citadel services for special events.

Internal audit

Following a hiatus with COVID-19 and national lockdown, the entity has appointed a new outsourced internal audit service provider who have examined a wide range of the entity's policies and procedures.

Areas for improvement or updating have been pinpointed with constructive recommendations. We are looking carefully at the retention of evidence to support performance reporting and to show the basis for operational decision-making, so that all relevant correspondence and documentation is on-hand and available for easy scrutiny. Internal audit will also assist management in tracking compliance updates in areas of supply chain management and other regulatory prescripts.

Audit Committee welcomes the strengthened support in what has become something of a regulatory minefield quite out of balance for a small public service entity of the size and nature of the Castle.

Reporting and oversight

The Castle Control Board has reported regularly to the Minister of Defence and 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 and 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 S. A. National Defence Force and the Minister of Defence and Military Veterans has enabled the Castle Control Board to better fulfil its mandated functions and responsibilities. This support supplements the entity's own revenue-generating activities and key stakeholder partnerships which are essential for the Board's sustainability.

Evaluation of financial statements

The Audit and 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 and Risk Committee has reviewed the Auditor-General's management report on the findings of the 2023 external audit and management's responses, and has reviewed all changes in accounting policies and practices.

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

There are no unresolved audit matters arising from previous years.

The Committee has reviewed the Auditor-General's independence and objectivity, has considered the Auditor-General's conclusion 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.



Adv. D Mitchell, C.A. (S.A.)

Chairperson of the Audit & Risk Committee

Date: 2 August 2023



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 remains on the back foot with the departure of three managers and two other staff members. The recruitment drive to replace at least two positions started towards the end of the financial year.

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, it established an HR & REMS Committee, and 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 included 26 full-time CCB remunerated staff members at the end of FY 2022/23.

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 interns (12) and added casual staff employed to help 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 were later listed as employees since year-end.)

Table 13: Personnel cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity (r'000)	Personnel expenditure (r'000)	Personnel exp. as a % of total exp. (R'000)	No. Of employees	Average personnel cost per employee (R'000)
Administration	R8 345	R5 659	67.8%	38*	R148.9

Notes: *Includes 12 interns, one casual needed to supplement cleaners and help 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 101	37.1%	2	R1 051
Senior Management	R0	0%	0*	R0*
Professional qualified	R1 625	28.7%	8**	R203
Skilled	R0	0%	0	R0
Semi-skilled	R954	16.9%	6	R159
Unskilled	R979	17.3%	22***	R45
TOTAL	R5 659	100%	38	R148.9

Notes: *Three managers ended their contracts in the 2019 budget 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	R5 659	0
Senior Management	0	R5 659	0
Professional qualified	0	R5 659	0
Skilled	0	R5 659	0
Semi-skilled	0	R5 659	0
Unskilled	0	R5 659	0
TOTAL	0	R5 659	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 (R'000)
Administration	R5 659	R49	0.01%	8	R6.13

Table 17: Employment and vacancies

Programme/activity/objective	2021/2022 No. of employees	2022/2023 Approved posts	2022/2023 No. of employees	2022/2023 Vacancies	% of vacancies
Administration	28	28	26	2	7.1%

Table 18: Employment and vacancies per employment category

Employment category	2021/2022 No. of employees	2022/2023 Approved posts	2022/2023 No. of employees	2022/2023 Vacancies	% of vacancies
Top Management	2	2	2	0	0%
Senior Management	0	3	0	2*	67%
Professional qualified	7*	5	8*	0	0%
Skilled	1	1	0	0	0%
Semi-skilled	5	5	6	0	0%
Unskilled	21**	12**	22**	0	0%
TOTAL	37**	28	38**	2*	7%

* The CCB has made temporary internal appointments to fill two 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 period	Appointments	Terminations	Employment at the end of the period
Top Management	2	-	-	2
Senior Management	0	-	-	0
Professional qualified	7	-	-	7
Skilled	0	-	-	0
Semi-skilled	7	-	1	6
Unskilled	12	-	1	11
TOTAL	28	-	-	26

Table 20: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	1	3.6%
Dismissal	-	-
Retirement	-	-
Ill-health	-	-
Expiry of contract	-	-
Other	1	3.6%
TOTAL	2	7.1%

Table 21: labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	4
Written warning	2
Final written warning	0
Dismissal	0
TOTAL	6

Table 22: labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	8
Final written warning	-
Dismissal	-
TOTAL	9

Table 23: Equity target and employment equity status (male)

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1		1		0		0	
Senior Management	0		0		0		0	
Professionally qualified	2		1		0		1	
Skilled	0		0		0		0	
Semi-skilled	1		1		0		1	
Unskilled	8		0		0		0	
TOTAL	12		3		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	2		1		0		0	
Skilled	0		0		0		0	
Semi-skilled	1		2		0		0	
Unskilled	1		1		0		0	
TOTAL	4		4		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 review of the financial statements

1. I have reviewed the financial statements of the Castle Control Board set out on pages 54 to 80, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Castle Control Board as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Castle Management Act 207 of 1993.

Other matter

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

4. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements.

Only the current year and prior year figures are disclosed in note 27 to the financial statements of the Castle Control Board. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

5. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of PFMA and the Castle Management Act 207 of 1993 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.
6. 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.

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

7. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to

my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.

8. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
9. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to programme 2 – maintenance and conservation at Castle Control Board, programme 3 – maximising the castle’s tourism potential and programme 4 – increase public access to the Castle of Good Hope presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the entity’s performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of preventative and regulation maintenance projects completed
 - An annual increase in the number of tangible heritage projects implemented at the Castle of Good Hope
 - Number of non-commercial cultural events hosted annually at the Castle of Good Hope
 - Number of exhibitions hosted annually at the Castle of Good Hope
 - The annual number of visitors and tourists attracted to the Castle of Good Hope
 - Gross revenue generated through tourism and events
 - Number of commercial events hosted at the Castle of Good Hope
 - Number of film and fashion shoots accommodated at the Castle of Good Hope
 - Number of tourism infrastructure upgrades completed
 - Number of joint marketing initiatives undertaken
 - Number of student interns hosted at the Castle of Good Hope per annum
 - Number of heritage educational programmes organised for women, unemployed youth, disabled and traditional communities
 - Number of heritage programmes organised for military veterans
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity’s planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the entity’s mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements

- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over/under achievement of targets.
14. I performed the procedures for the purpose of reporting material findings only.
 15. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over/under achievements.

Material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for programme 3 – maximising the Castle’s tourism potential. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

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

Procurement and contract management

23. Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by Treasury Regulation 16A8.4 and paragraph 7.2 of National Treasury Instruction 03 of 2021/2022.
24. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).

Internal control deficiencies

25. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
26. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
27. Management did not to ensure that the appropriate legislation were applied to ensure that a supplier's tax status are verified at the time of the award and suppliers declare their interest on whether they are employed by the state or connected to any person employed by the state.

Professional ethics and quality control

28. 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 engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

29. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor-General

Cape Town

31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

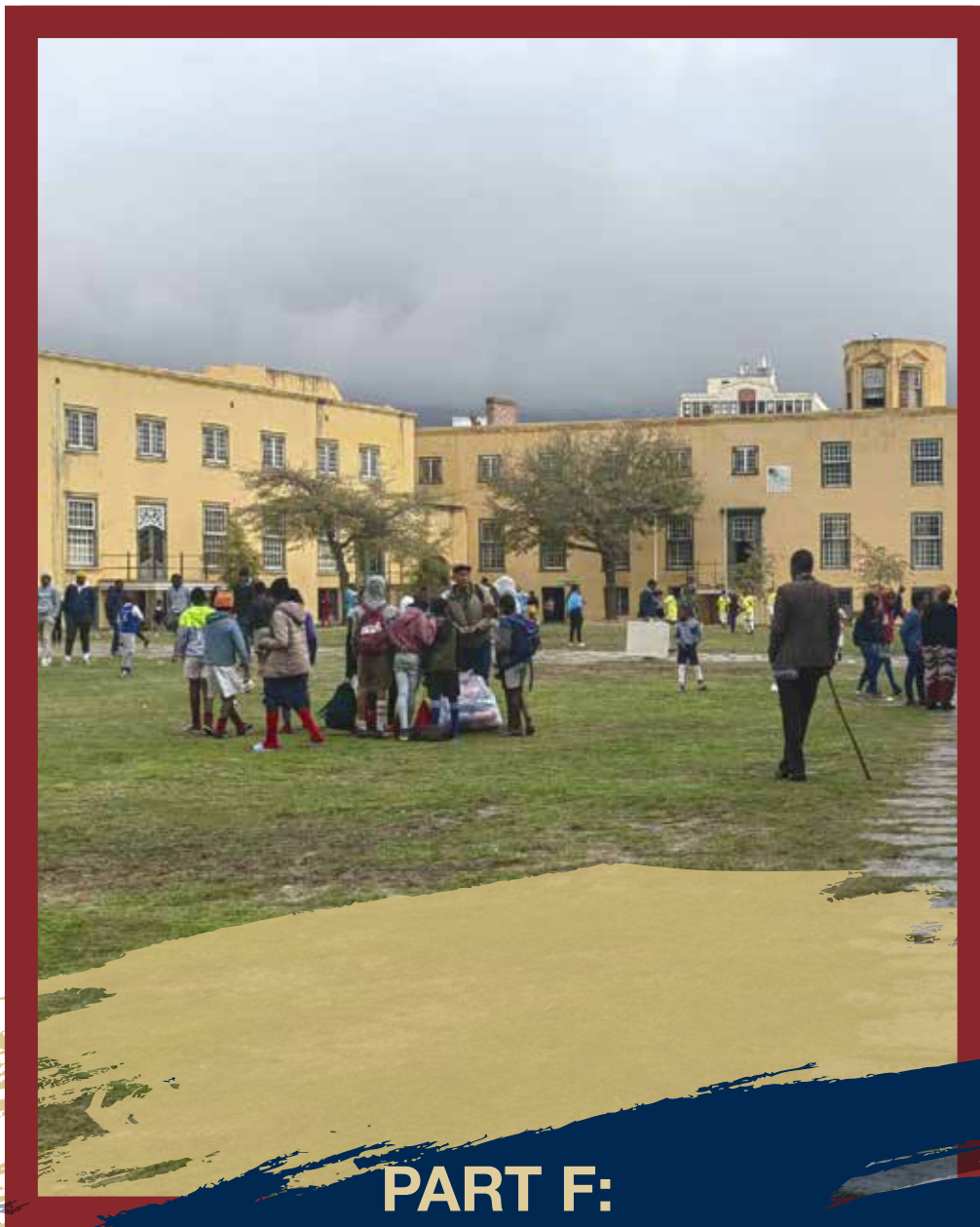
Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b)
Treasury regulations	Regulation 16A3.1; 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) & (b); 16A6.2(e); 16A6.3(a); 16A6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(d); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.2(1) & (2); 16A8.3; 16A8.3(d); 16A8.4; 16A9; 16A9.1 16A9.1(b)(ii); 16A9.1(c); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c); 31.2.5; 31.2.7(a) Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c);18; 18(1) and (2);
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25(5) & 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1; 12.2
Preferential Procurement regulations, 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 29 Section 34(1)
PFMA Supply Chain Management (SCM) Instruction No. 09 of 2022/2023	Paragraph 3.1; 3.3(b); 3.3(c); 3.3(e); 3.6

Legislation	Sections or regulations
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
National Treasury SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
National Treasury SCM Instruction 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction Note 03 2019/20	Paragraph 5.5.1(vi); 5.5.1(x)
National Treasury SCM Instruction Note 11 2020/21	Paragraph 3.1; Paragraph 3.4(a); 3.4(b) Paragraph 3.9 Paragraph 6.1; 6.2; 6.7
National Treasury SCM Instruction Note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a); 3.4.2(b); 3.3.1; Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1) Paragraph 4(2) Paragraph 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act 89 of 1998	Section 4(1)(b)(ii)
National Treasury Instruction Note 4 of 2015/16	Paragraph 3.4
National Treasury Instruction 3 of 2019/20 – Annexure A	Section 5.5.1(iv) & (x)
Second amendment of National Treasury Instruction 05 of 2020/21	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum National Treasury Instruction 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/09	Paragraph 3.1 Paragraph 3.1(b)
National Treasury Instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act 103 of 1994	Section 30(1)



Youth Day, 16 June 2022

PART F: Financial Information

Index

	Page
Accounting authority's responsibility and approval statement.....	52
Accounting authority's report.....	53
Statement of financial position as at 31 March 2023.....	54
Statement of financial performance	55
Statement of changes in net assets	56
Cash flow statement	57
Statement of comparison of budget and actual amounts.....	58
Accounting policies.....	59
Notes to the annual financial statements	67

COID	Compensation for Occupational Injuries and Diseases
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GRAP	Generally Recognised Accounting Practice
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EA	Executive Authority
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DoD	Department of Defence
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CCB	Castle Control Board
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CEO	Chief Executive Officer
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CFO	Chief Financial Officer
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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 2024 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 to express a conclusion 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 44 to 49.

The annual financial statements set out on pages 54 to 80 which have been prepared on the going concern basis, were approved by the Board on 31 July 2023 and were signed on its behalf by:



Lieutenant-General X.B. Ndlovu

Chairperson

Accounting authority's report

The members of the Board submit their report for the year ended 31 March 2023.

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 receives a COVID-19 relief grant from the Department of Defence to assist in meeting the obligations of the CCB as they become due. The last tranche will be for the 2023/24 financial period. The Board is satisfied that the CCB will be able to generate sufficient revenue to continue as a going concern in the foreseeable future. Management's assessment of going concern is disclosed under note 26 of these annual financial statements.

4. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year.

5. Accounting Authority

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

Name	Stakeholders	Changes
Lt. Gen. (Ret.) JS Mbuli	SANDF - Chief of Logistics (Chairman)	Resigned Saturday, 31 December 2022
Lt. Gen. XB Ndlovu	SANDF - Chief of Logistics (Chairman)	Appointed Sunday, 1 January 2023
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 CT Gilfellan	Castle Control Board	
Ms C. Koch	WESGRO	
Mr G Sipoyo	South African Heritage Resources Agency	Appointed Sunday, 1 May 2022
Mr J Moolman	Cape Town Regional Chamber of Commerce and Industry	
Col. PV Mchunu	Officer Commanding - 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.



Lieutenant-General X.B. Ndlovu
Chairperson

Statement of Financial Position

as at 31 March 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Current Assets			
Inventories	5	2 611	2 621
Receivables from exchange transactions	6	565 357	133 528
Cash and cash equivalents	7	6 162 779	3 514 180
		6 730 747	3 650 329
Non-Current Assets			
Property, plant and equipment	2	1 072 161	1 400 839
Intangible assets	3	17 431	38 709
Heritage assets	4	1 386 810	1 386 810
		2 476 402	2 826 358
Total Assets		9 207 149	6 476 687
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	372 913	378 562
Employee benefits	8	377 871	434 335
		750 784	812 897
Total Liabilities		750 784	812 897
Net Assets		8 456 365	5 663 790
Accumulated surplus		8 456 365	5 663 790
Total Net Assets		8 456 365	5 663 790

Statement of Financial Performance

Figures in Rand	Note(s)	2023	2022
Revenue			
Revenue from exchange transactions			
Ticket sales	10	2 507 139	1 075 113
Rental of facilities and equipment	11	1 910 383	1 696 550
Interest received	10	293 327	106 682
Other revenue	12	74 906	46 466
Total revenue from exchange transactions		4 785 755	2 924 811
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	13	6 000 000	5 500 000
Services in-kind and public donations	14	365 937	323 715
Total revenue from non-exchange transactions		6 365 937	5 823 715
Total revenue	10	11 151 692	8 748 526
Expenditure			
Employee related costs	15	5 617 208	4 699 593
Depreciation and amortisation	16	535 218	563 592
Bad debts	6	-	3 000
Contracted services	17	254 894	65 478
Loss on disposal of property, plant and equipment	2	13 877	1 548
Cost of sales	20	23 909	17 819
General Expenses	19	1 914 010	1 403 366
Total expenditure		8 359 116	6 754 396
Surplus for the year		2 792 576	1 994 130

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
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 01 April 2022	5 663 789	5 663 789
Changes in net assets		
Surplus for the year	2 792 576	2 792 576
Total changes	2 792 576	2 792 576
Balance at 31 March 2023	8 456 365	8 456 365

Cash Flow Statement

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Receipts			
Rental of facilities and equipment, ticket sales and other services		4 024 762	2 655 574
Grants		6 000 000	5 500 000
Interest income		293 327	106 682
Other income		74 906	46 466
Public contributions and donations		10 400	-
		10 403 395	8 308 722
Payments			
Employee costs		(5 673 672)	(4 722 337)
Suppliers		(1 881 984)	(1 080 672)
		(7 555 656)	(5 803 009)
Net cash flows from operating activities	21	2 847 739	2 505 713
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(199 139)	(18 161)
Purchase of heritage assets	4	-	(4 850)
Net cash flows from investing activities		(199 139)	(23 011)
Net increase in cash and cash equivalents		2 648 600	2 482 702
Cash and cash equivalents at the beginning of the year		3 514 180	1 031 478
Cash and cash equivalents at the end of the year	7	6 162 780	3 514 180

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Ticket sales	2 559 000	-	2 559 000	2 507 139	(51 861)	Ref: 28.1
Rental of facilities and equipment	1 212 000	-	1 212 000	1 910 383	698 383	Ref: 28.1
Interest received (trading)	160 000	-	160 000	293 327	133 327	Ref: 28.1
Other income	74 000	-	74 000	74 906	906	Ref: 28.1
Total revenue from exchange transactions	4 005 000	-	4 005 000	4 785 755	780 755	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	6 000 000	-	6 000 000	6 000 000	-	
Services in-kind and public- donations		-	-	365 937	365 937	Ref: 28.2
Total revenue from non-exchange transactions	6 000 000	-	6 000 000	6 365 937	365 937	
Total revenue	10 005 000	-	10 005 000	11 151 692	1 146 692	
Expenditure						
Employee related costs	(7 275 000)		(7 275 000)	(5 617 208)	1 657 792	Ref: 28.3
Depreciation and amortisation	(440 000)		(440 000)	(535 218)	(95 218)	Ref: 28.4
Bad debts	-	-	-	-	-	
Contracted Services	(290 000)		(290 000)	(254 894)	35 106	Ref: 28.5
Cost of sales	-	-	-	(23 909)	(23 909)	Ref: 28.6
General Expenses	(2 000 000)		(2 000 000)	(1 914 010)	85 990	Ref: 28.7
Total expenditure	(10 005 000)		(10 005 000)	(8 345 239)	1 659 761	
Operating surplus	-			2 806 453	2 806 453	
Loss on disposal of assets and- liabilities	-			(13 877)	(13 877)	
Surplus	-			2 792 576	2 792 576	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-			2 792 576	2 792 576	

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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.

Accounting Policies (continued)

1.5 Significant judgements and sources of estimation uncertainty (continued)

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.

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:

Accounting Policies **(continued)**

1.6 Property, plant and equipment *(continued)*

Item	Depreciation method	Estimated 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.

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	Estimated 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.

Accounting Policies (continued)

1.8 Heritage assets (continued)

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.

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

Class	Category
Trade 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.

Accounting Policies **(continued)**

1.10 Impairment of non-cash-generating assets *(continued)*

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.

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.

Accounting Policies (continued)

1.12 Revenue from exchange transactions (continued)

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.

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.

Accounting Policies **(continued)**

1.13 Revenue from non-exchange transactions Recognition *(continued)*

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

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 and interpretations

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.

Accounting Policies (continued)

1.17 New standards and interpretations (continued)

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Insignificant
• Improvements to the Standards of GRAP (2020)	01 April 2023	Insignificant
• Amendments to GRAP 1 on Presentation of Financial Statements (2019)	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 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• iGRAP 7 (as revised): The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	01 April 2023	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

1.17.3 Standards and interpretations not yet effective or relevant

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 1 (amended): Presentation of Financial Statements	01 April 2009	Not expected to impact results but may result in additional disclosure
• GRAP 103 (Revised 2022) - Heritage Assets	01 April 2009	Not expected to impact results but may result in additional disclosure

Notes to the Annual Financial Statements

Figures in Rand

Note(s)

2023

2022

2. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office equipment	1 181 308	(612 790)	568 518	1 165 295	(508 412)	656 883
IT equipment	2 172 913	(1 669 270)	503 643	2 156 545	(1 412 589)	743 956
Total	3 354 221	(2 282 060)	1 072 161	3 321 840	(1 921 001)	1 400 839

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Office equipment	656 883	16 013	-	(104 378)	568 518
IT equipment	743 956	183 126	(13 877)	(409 562)	503 643
	1 400 839	199 139	(13 877)	(513 940)	1 072 161

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

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.

Notes to the Annual Financial Statements (continued)

Figures in Rand

Note(s)

2023

2022

3. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	221 414	(203 983)	17 431	221 414	(182 705)	38 709

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software, other	38 709	(21 278)	17 431

Reconciliation of intangible assets - 2022

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

Pledged as security

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

4. Heritage assets

	2023			2022		
	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	1 386 810	-	1 386 810

Reconciliation of heritage assets 2023

	Opening balance	Total
Art Collections, antiquities and exhibits	1 386 810	1 386 810

Reconciliation of heritage assets 2022

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	1 381 960	4 850	1 386 810

Pledged as security

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

Heritage assets which fair values cannot be reliably measured

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

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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4. Heritage assets (continued)

Impairment of heritage assets

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

5. Inventories

Consumable stores	2 611	2 621
Inventories recognised as an expense during the year	23 909	17 819

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

6. Receivables from exchange transactions

Trade debtors	521 006	126 018
Staff loan	40 076	3 500
Prepaid expenses	4 275	4 010
Total Receivables from Exchange Transactions	565 357	133 528

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

Provision for impairment	-	3 000
Amounts written off as uncollectible	-	(3 000)
	-	-

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 2023

	0 - 30 days	31 - 60 days	61 - 90 days	+90 days	Total
Gross balances	80 155	-	550	440 301	521 006
Payments made in advance	4 275	-	-	-	4 275
Staff loan	40 076	-	-	-	40 076

The major component of the accounts receivable balance is R 391 146 owed to the CCB by the Department of Military Veterans. Management is of the opinion that the debt is recoverable and hence there is no impairment of the receivables.

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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6. Receivables from exchange transactions (continued)

Trade receivables 2022

	0 - 30days	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

As at 31 March 2023 receivables of R 440 851(2022: R0) were past due but not impaired. Management has determined that these receivables are recoverable.

In the prior year the R 126 018 was incorrectly disclosed as past due but not impaired. This has since been corrected.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	24 547	27 684
Bank balances	6 138 232	3 486 496
Total cash and cash equivalents	6 162 779	3 514 180

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 - 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	434 335	420 703	(477 167)	377 871

Reconciliation of provisions - 2022

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

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.

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
9. Payables from exchange transactions			
Trade payables		47 293	90 635
Payments received in advance		19 654	17 426
Other payables		26 761	21 923
Accruals		68 105	7 478
Deposits received		211 100	241 100
		372 913	378 562

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

10. Revenue

Ticket sales	2 507 139	1 075 113
Rental of facilities and equipment	1 910 383	1 696 550
Interest received	293 327	106 682
Other income	74 906	46 466
Government grants & subsidies	6 000 000	5 500 000
Public contributions and donations	365 937	323 715
	11 151 692	8 748 526

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

Ticket sales	2 507 139	1 075 113
Rental of facilities and equipment	1 910 383	1 696 550
Interest received	293 327	106 682
Other income	74 906	46 466
	4 785 755	2 924 811

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

Taxation revenue Transfer revenue

Government grants & subsidies	6 000 000	5 500 000
Services in-kind and public donations	365 937	323 715
	6 365 937	5 823 715

11. Rental of facilities and equipment

Premises

Rental of facilities	1 910 383	1 696 550
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12. Other revenue

Bad debts recovered	19 000	-
Curio shop	53 906	41 166
Overtime	2 000	5 300
	74 906	46 466

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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13. Government grants and subsidies

Operating grants

Government grant (operating)		6 000 000	5 500 000
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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. The CCB will receive the last tranche of relief funding of R 6.0 million in the FY2023/24.

14. Services in-kind and public donations

Public donations		10 400	500
Office space		355 537	323 215
		365 937	323 715

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		5 243 808	4 428 106
UIF - employer portion		37 386	28 522
Leave pay provision charge		(56 464)	(22 745)
Overtime payments		392 478	265 710
		5 617 208	4 699 593

The CCB employed eight members of the gardening team during FY2022/24. The members used to work for a maintenance service provider, and the CCB employed the members upon the expiry of the maintenance contract.

The Board increased employees' salaries by 6.00% across the board effective December 2022.

16. Depreciation and amortisation

IT equipment		409 562	436 448
Office equipment		104 378	105 866
Intangible assets		21 278	21 278
		535 218	563 592

17. Contracted services

Consultancy services		50 217	43 961
Internal auditors		182 266	-
Security services		14 990	13 211
Sanitation services		7 422	8 306
		254 895	65 478

Internal Auditors were appointed during the last quarter of the FY2021/22, and hence started with the internal audit work in the FY2022/23.

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
18. Repairs and maintenance			
Repairs and maintenance		-	-
<p>The repairs and maintenance relate to expenditure incurred on assets owned by the CCB. No repairs and maintenance expenses were incurred on CCB-owned assets during the FY 2022/23.</p> <p>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.</p> <p>The CCB incurred repairs and maintenance expenditure of R 140 935 (2022: R 32 159) on the day-to-day maintenance of the building. The cost of repairs and maintenance includes R 80 822 regarding diesel purchase for the generator.</p>			
19. General expenses			
Advertising		17 065	-
External audit fees		410 079	533 880
Bank charges		85 652	59 895
Cleaning		44 033	32 917
Computer expenses		297 817	160 479
Legal fees		530	24 280
Entertainment		20 683	8 011
Insurance		24 049	23 666
Printing and stationery		47 390	36 678
Repairs and maintenance		140 935	32 159
Subscriptions and membership fees		5 447	5 231
Telephone and fax		56 671	51 164
Training		49 321	-
Travel - local		63 751	3 761
Uniforms		1 000	-
Tourism development		237 336	29 402
Laundry		1 100	-
Audit and risk committee fees		34 170	28 665
Venue expenses		357 725	325 691
Other expenses		19 256	47 487
		1 914 010	1 403 366
20. Cost of sales			
Sale of goods			
Cost of goods sold		23 909	17 819

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
21. Cash used in operations			
Surplus		2 792 576	1 994 130
Adjustments for:			
Depreciation and amortisation		535 218	563 592
Loss on disposal of property, plant and equipment		13 877	1 548
Debt impairment		-	3 000
Bad debts written off		-	(3 000)
Movements in provisions		(56 464)	(22 744)
Changes in working capital:			
Inventories		10	(508)
Receivables from exchange transactions		(395 253)	(117 049)
Other receivables from non-exchange transactions		(36 576)	(1 500)
Payables from exchange transactions		(5 649)	88 244
		2 847 739	2 505 713

22. Financial instruments disclosure

Categories of financial instruments

2023

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	521 006	521 006
Call deposits	5 997 607	5 997 607
Bank balance	140 625	140 625
Staff loans	40 076	40 076
	6 699 314	6 699 314

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	114 348	114 348
Other payables	26 761	26 761
Deposits received	211 100	211 100
	352 209	352 209

2022

Financial assets

	At amortised cost	At amortised cost
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

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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22. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	At amortised cost
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

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
Department of Military Veterans	DMV

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

Bakhuis	3 600	3 600
Department of Military Veterans	(391 146)	-
Related party transactions		
Iziko	5 565	39 858
ASB	-	76
Bakhuis	41 178	41 100
CMSHM	21 495	8 000

SANDF

Staff salaries	1 297 621	1 281 285
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Department of Defence

Services in-kind	355 537	323 215
Unconditional grant	6 000 000	5 500 000

During the 2022/23 financial period, the CCB received R 6.0 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 reconciliation note and the disclosure of R 382 537 have been removed as the grant is unconditional.

Notes to the Annual Financial Statements (continued)

Figures in Rand

Note(s)

2023

2022

23. Related parties (continued)

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 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. The DMV hosted a Presidential event at the Castle of Good Hope.

The services in kind relate 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.

Remuneration of management

Management class: Executive management

2023

Name	Basic salary	Total
Mr. Calvyn Gilfellan -CEO	1 156 428	1 156 428
Mr. Mandla Ngewu -CFO	944 119	944 119
	2 100 547	2 100 547

2022

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

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

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

2023

	Members' fees	Committees fees	Total
Adv. D. Mitchell	-	16 036	16 036
Ms. A. Aggenbach	4 644	-	4 644
Mrs C. de Vries	-	5 396	5 396
Adv. J. Niekerk	-	8 094	8 094
	4 644	29 526	34 170

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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24. Audit and Risk Committee fees (continued)

2022

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

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 reviewed compliance with policies and procedures during the 2022/23 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.

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 the CCB can be required to pay. The table includes both interest and principal cash flows.

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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25. Risk management (continued)

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

31 March 2023

	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Payables from exchange transactions	352 209	-	-	-	352 209

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

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	2023	2022
Receivables from exchange transactions	521 006	126 018
Bank, cash and cash equivalents	6 138 232	3 486 496
Staff loans	40 076	3 500
Maximum credit exposure	6 699 314	3 696 014

Market risk

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

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate due to 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 2023 due to the significant investment balance which attracts interest.

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
25. Risk management (continued)			
The following balances are exposed to interest rate fluctuations			
Cash and cash equivalents (excluding cash on hand)		6 138 232	3 486 496
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% (2022 -1%) increase in interest rates		61 382	34 865
1% (2022 - 1%) decrease in interest rates		(61 382)	(34 865)

26. Going concern

Management considered the following matters relating to the going concern:

- The three-year Medium Term Revenue and Expenditure Framework to support the ongoing delivery of services to the public reflected that the CCB has adequate financial resources to meet its FY2022/23 budget obligations.
- The CCB critically analyses its budget before the Board approves to align with expected revenue projections.
- The Department of Defence injected R 6.0 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 R 6.0 million to the CCB for the 2023/24 financial period. The relief funding will augment the anticipated revenue and alleviate financial pressures on the CCB.

Considering all these factors, 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. Irregular, fruitless and wasteful expenditure

Irregular expenditure	133 832	76 121
Fruitless and wasteful expenditure	-	-
Total	133 832	76 121

28. Budget differences

Material differences between budget and actual amounts

The CCB had an approved budget of R 10.005 million for the 2022/23 financial period. Material variances between the budget and actual expenditure are explained underneath:

Ref: 28.1 - The number of tourists visiting the site is slowly improving, as reflected by the increase in income from ticket sales. However, the actual ticket sales are less than anticipated.

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

Other outdoor events are slowly picking up and contributing to the revenue generated from events. The CCB is improving the offering at the Gift Shop, which will enhance the Other income line item.

The positive bank balance has improved interest income.

Ref: 28.2 - The CCB will incorporate services in-kind in its September 2023/24 adjustments budget.

Notes to the Annual Financial Statements (continued)

Figures in Rand	Note(s)	2023	2022
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28. Budget differences (continued)

Ref: 28.3 - The budget includes the Events and Marketing managers' positions. However, these positions are still vacant.

Ref: 28.4 - The CCB purchased new assets, thus contributing to increased depreciation and amortisation expense to more than the budgeted amount. The effect will be included in the FY2023/24 adjustments budget.

Ref: 28.5 - The Internal Auditors have actively monitored internal controls within the CCB. However, as the FY 2022/23 was the internal auditors' first year of full operation, the amount billed by the Internal Auditors was less than the budgeted amount. There was a new contract for sanitation services, thus leading to nominal savings.

Ref: 28.6 - The CCB will make adjustments to its budget during the FY2023/24 to ensure the cost of sales in the Gift Shop are budgeted for.

Ref: 28.7 - Given the current economic conditions, the CCB made every effort to reduce its general expenses through the efficient management of the available resources. Savings were realised in the external audit fees. The CCB has also significantly reduced advertising costs through partnerships with other entities that helped to promote the Castle of Good Hope without incurring exorbitant advertising fees.

29. B-BBEE Performance

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

30. Subsequent events

The Board is satisfied that there are no subsequent events.

31. Commitments

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

32. Contingent liabilities

The Board is satisfied that there are no contingent liabilities.





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