



# ANNUAL REPORT

CASTLE CONTROL BOARD  
2019/2020 FINANCIAL YEAR



**defence**

Department:  
Defence  
REPUBLIC OF SOUTH AFRICA





**MS N.N. MAPISA-NQAKULA**  
MINISTER OF DEFENCE AND  
MILITARY VETERANS, MP



**Board Members:** From left to right: Lt Gen JS Mbuli, Mr CT Gilfellan, Ms C De Vries, Ms A Aggenbach, Mr M Ngewu, Mr D Williams and Col M Feni



**Staff Members:** From left to right: Mr P Msingizana, Ms N Gqweta, Ms V Kom, Mr S Hani, Mr B Kondlo, Ms B Nkutsu, Mr S Fredericks, Ms T Sisusa, Ms J Fredericks, Mr M Ngewu, Mr G Smuts, Mr D Williams, Mr S Maxebengula, Ms D Hartszenberg, Ms S Gertze, Mr S Roberts and Ms V Carelse (Absent: Ms N Swartz)



# TABLE OF CONTENTS

<b>PART A: GENERAL INFORMATION</b>	<b>2</b>	<b>PART C: GOVERNANCE</b>	<b>22</b>
1. Public entity's general information	2	1. Introduction	22
2. List of abbreviations/acronyms	3	2. Portfolio committees	22
3. Foreword by the Chairperson	4	3. Executive authority	22
4. Chief Executive Officer's overview	4	4. The Accounting Authority: The Castle Control Board	23
5. Statement of responsibility and confirmation of accuracy for the Annual Report	8	Risk management	24
6. Strategic overview	9	Internal control unit	24
6.1 Vision	9	Internal audit and audit committee	25
6.2 Mission	9	Compliance with laws and regulations	26
6.3 Values	9	Fraud and corruption	26
7. Legislative and other mandates	9	Minimising conflict of interest	26
8. Organisational structure	10	Code of conduct	27
		Health safety and environmental issues	27
<b>PART B: PERFORMANCE INFORMATION</b>	<b>12</b>	Board secretary	27
1. Auditor's report: predetermined objectives	12	Social responsibility	27
2. Situational analysis	12	Audit committee report	28
2.1 Service delivery environment	12		
2.2 Organisational environment	13	<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	<b>30</b>
2.3 Key policy developments and legislative changes	13	1. Introduction	30
2.4 Strategic outcome oriented goals	14	2. Human resource oversight statistics	30
3. Performance information by programme/ activity/ objective	14		
3.1 Programme 1: Administration through good corporate governance	14	<b>PART E: REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA</b>	<b>34</b>
3.2 Programme 2: Preservation, interpretation and showcasing of the history of the Castle	17		
3.3 Programme 3: Maximising the tourism potential of the Castle of Good Hope	18	<b>PART F: FINANCIAL INFORMATION</b>	<b>38</b>
3.4 Programme 4: increased public profile and positive perception across all sectors of the community	19		
4. Capital investment	21	<b>ANNEXURE 1: CULTURAL AND COMMUNITY EVENTS HOSTED AT THE CASTLE</b>	<b>78</b>
		<b>ANNEXURE 2: COMMERCIAL EVENTS HOSTED AT THE CASTLE</b>	<b>80</b>

# PART A: GENERAL INFORMATION

## 1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Castle Control Board
PHYSICAL ADDRESS:	c/o Castle and Darling Streets Cape Town 8001
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EMAIL ADDRESS:	ceo@castleofgoodhope.co.za
WEBSITE ADDRESS:	www.castleofgoodhope.co.za
EXTERNAL AUDITORS:	AGSA
BANKERS:	ABSA
BOARD SECRETARY:	Mr Derek Williams

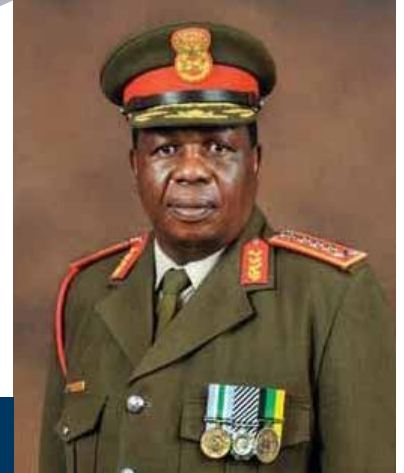
## 2. LIST OF ABBREVIATIONS/ACRONYMS

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



Jazzart/Artscape dancers are performing for the SA/Dutch collaborative project called "Sites of Memory"

# FOREWORD BY THE CHAIRPERSON



Lt Gen J.S. Mbuli

Who could ever have predicted that the very last month of the 2019/20 financial year would end in such a dramatic fashion? Yes, on 19 March 2020, the Castle Control Board (CCB) - like almost every other institution in the world - was struck with the sober reality of arguably the biggest news story of the century: a global outbreak of the deadly *Severe Acute Respiratory Syndrome Coronavirus 2* (hereafter (COVID-19)).

The global economic havoc, death, human pain, and suffering caused by this invisible scourge is now well documented. For the CCB staff, the resultant lockdown meant no access to the Castle, no tourists, no events, no filming, no work - no income. The impact on staff and our client's morale was abrupt and palpable.

Given that nobody could have foreseen this, we reached out for help. Our frantic appeals were heard when the Department of Defence (with unanimous support from the Portfolio Committee on Defence and Military Veterans) transferred R3 million worth of relief funding to the CCB on 20 May 2020. The Unemployment Insurance Fund (UIF) also came to the party on 26 May 2020. However, after gratefully accepting the assistance from its mother Department, the CCB returned the allotted R57 565 arguing that millions of South Africans were worse affected than us. We optimistically based our relief allocation on a December 2020 return to "normality".

Even before the pandemic, our critical risk dealt with the going concern status of the organization. In this respect, I am proud to report that through a mixture of sheer determination, cost-curtailment and a prudent business culture implemented under the watchful eyes of our Audit and Risk Committee, the CCB overcame its difficult cash flow dilemma. An unintended consequence was the transfer of pressure on our contracting human resource compliment, but it has created us the breathing space to engage the new executive authority (Deputy Minister T Makwetla) and Department of Defence on a firmer footing. Although the CCB's going concern status is intact for the present, we have registered our urgent need for a nominal operational subsidy for the organization. The supplementary allocation will allow us to amplify our delivery impact.

Allow me to now highlight some of our most significant achievements during this extraordinary year:

- The CCB achieved another **unqualified opinion** from the AGSA. We are now more than ever convinced that good corporate governance and sound public administration is a prerequisite for shareholder trust, public confidence and win-win partnerships.
- We managed to **strengthen our ties with the Executive Authority, the Portfolio Committee**, and the Department of Defence, which ultimately culminated in the historic R3 million relief support to the CCB during the COVID-19 crisis.
- The completion of The Castle's first-ever **Integrated Conservation Management Plan** in December 2019 - the basis for our UNESCO World Heritage listing ambitions - for the Castle of Good Hope, and we record our appreciation for SANDF support in this crucial owner-custodian asset management responsibility.
- Clear signals that the Castle, previously a symbol of armed colonial conquest and apartheid oppression, has managed to open its doors to an **inclusive, multi-cultural and diverse visitor audience**.
- We also managed to build **long-term, working heritage partnerships** amongst others with the Spanish Consulate, Dutch Embassy, Robben Island Museum, Pan South African Language Board, Cape Tour Guide Association, Iziko Museums of S.A., South African Heritage Resources Agency, Cape Peninsula University of Technology, University of Johannesburg, Cape Town Tourism, South African Travel Association, Nelson Mandela Foundation, Cape Town Highlanders Trust, South African Religious Forum, the First Nations Foundation, Congress of Traditional Leaders of S.A. and MTN.

Throughout this challenging year, the Board and Management have demonstrated that we are wholeheartedly committed to clean administration and good corporate governance. Using the principle of heritage enterprise risk, the Castle Control Board has a highly functional Board, strong management team, effective Audit and Risk Committee and Internal Audit function. We continued to galvanise our excellent relationships with the Executive Authority, Defence Portfolio Committee, the Auditor General of South Africa, and all key-stakeholders. Details of how these enterprise risks were mitigated and managed in 2019/20, and our achievements against predetermined objectives, will be presented in the CEO and his dedicated team's report in the sections that follow.

The Castle of Good Hope occupies a very peculiar spot within the global heritage landscape. COVID-19 has exposed the global inequalities and rifts between nations, groups, and individuals. We could describe places like the Castle as the crucible of our complicated past, our turbulent present and uncertain but exciting new future. As the oldest surviving colonial structure – built on land that has existed for aeons before that -- it is perfectly positioned as a space of reflection, debate, learning and healing for every citizen of this country.

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

Sincerely

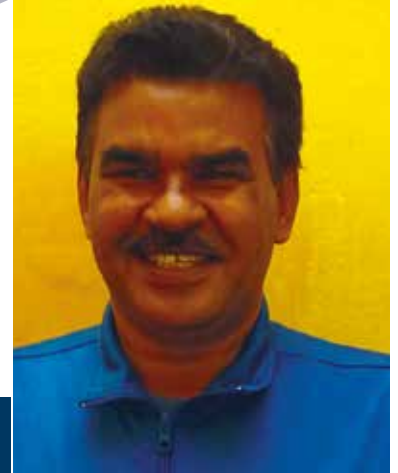


LIEUTENANT GENERAL JABULANI SYDNEY MBULI  
CASTLE CONTROL BOARD: CHAIRPERSON  
30 September 2020



# CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr C. T. Gelfellan



## INTRODUCTION

Over the past five years (Medium-term Strategic Framework or MSTF), the Castle Control Board has undoubtedly established itself as an influential and critical voice in the heritage, cultural and tourism landscape. Under the slogan *"Bringing the People to the Castle - Taking the Castle to the People"*, we managed to turn this cultural icon's past image of armed colonial conquest and apartheid, into one that is inclusive, reconciliatory, dialogical, and transformative.

Today the Castle is a space where our past – bad, good, and ugly – can be (re)interpreted, deconstructed, and relived by all South Africans. We have made some significant strides, but we must all agree that there is still a long way to go.

Responding to invitations from a host of prestigious international and national heritage institutions such as the South African Museum Association, the Commonwealth Museum Association, *DutchCulture*, *Institut Francais Afrique du Sud* (IFAS), Galle Literary Festival (Sri Lanka), the European Colonial Heritage Modalities in Entangled Cities, it was in the privileged position to debate and share South Africa's diverse, complex and vibrant heritage with experts the world over. With a combination of grassroots community heritage programs, adventurous commercial events, thought-provoking exhibitions and public educational programs, the organisation has managed to diversify its audiences, democratise its heritage and tourism offering and indeed *"Took the Castle to the People"*.

But who could ever have predicted that the very last month would bring the 2019/20 financial year to such an abrupt and dramatic end? Yes, on 19 March 2020, the Castle Control Board (CCB), was struck by the sober reality of arguably the biggest news story of the century: a global outbreak of the deadly *Severe Acute Respiratory Syndrome Coronavirus 2* (hereafter COVID-19).

Given that nobody could have foreseen this, the CCB reached out for help. The Department of Defence and the Unemployment Insurance Fund responded almost immediately. As early as 20 May 2020, the former generously transferred relief funding of R3 million to the CCB. This decisive intervention will keep the CCB afloat until the end of the 2020 calendar year by which we hope the tourism industry will return to some form of normality.



The Castle of Good Hope occupies a prime spot within the national and global heritage fraternity. COVID-19 has exposed the inequalities and rifts between nations, groups, and individuals. One of the responses was a colossal awakening of how historical processes, heritage, and culture, have contributed towards the huge disparities between and within nations, groups, and individuals. Places like the Castle, the portents of nations, could be described as the crucible of our painful past, our turbulent present and uncertain but exciting new future.

As South Africa's oldest surviving colonial structure – built on land that has existed for aeons before that – the Castle of Good Hope is perfectly positioned as a space of reflection, debate, learning, healing – and hope – for every citizen of this country.

## HIGHLIGHTS OF THE FY2019/20

Pages 14 to 20 aptly reflects the CCB's performance against its approved Annual Performance Plan. But it would be amiss if I do not reflect on some of the highlights in what turned out to be an extraordinary albeit an almost surreal financial year:

- The extraordinary spirit of teamwork between the Board, Audit & Risk Committee and the radically reduced management team and staff, particularly at the time when the pandemic struck, resulting in **another unqualified audit opinion from the AGSA**.
- The December 2019 completion of the Castle's first-ever **DOD-funded Integrated Conservation Management Plan (ICMP)**, the basis for our bid to apply for UNESCO World Heritage status. This ICMP now becomes the blueprint on which all future performance plans and initiatives flow.
- Despite a struggling Western Cape tourism economy, we still managed to **self-generate R5 516 780**.
- Except for two KPI's (30-day payment of service providers and revenue), we were **meeting or exceeding all our corporate governance, heritage maintenance, tourism, and public access** targets (kindly see pages 14 – 20). Given the loss of three managers at the end of 2018/19, this is no mean feat.
- **Visitor numbers (scholars, learners, tourists, event-attendees, cultural groups) stood at 195 054**, slightly below the record 2018/19 figure of 201 756, but still well above our APP target of 170 000.
- Our **participation in international heritage platforms** (*European Colonial Heritage Modalities in Entangled Cities*, Brussels, 24 October 2019; Common-Wealth Museum Association Conference, Cape Town, underscores our status on the global heritage stage.
- The small, DOD-funded **maintenance and gardening team have transformed the aesthetics** of this 354-year old building thereby staving off negative attention from mostly local polemicists.
- **Media coverage** on the Castle and CCB was overwhelmingly favourable and in a historical first, **reached a worldwide audience of 1.99 billion** that translates into an **advertising value equivalent (AVE) of R248.95 million**. This is publicity no money can buy.

## FOCUS DURING THE NEW FINANCIAL YEAR: CHALLENGES AND OPPORTUNITIES

- Dealing with the challenges and opportunities a post-COVID-19 world offers all of us;
- Formalizing the legal agreement between the Executive Authority and the Board;
- Seriously addressing the going concern and sustainability challenges once and for all;
- Pursuing the review of and possible amendments to the Castle Management Act;
- Tackling the safety and security risks at the main entrance and around the Castle;
- Pursuing the Castle's UNESCO World Heritage Site listing;
- Roll-out of the CCB's Responsible Commercialization strategy to drive sustainability; and
- Maintain and strengthening institutional, corporate, and administrative management processes at the CCB.

## ACKNOWLEDGEMENT AND APPRECIATION

I wish to express a sincere word of gratitude towards the following persons and institutions who significantly contributed towards the growth and development of the entire organization: The CCB Board Chairperson and all Board members, the Minister of Defence and Military Veterans and her staff, the Deputy-Minister of Defence and Military Veterans and his team, the Portfolio Committee on Defence and Military Veterans, the South African National Defence Force, the Logistics Division, National Treasury, the AGSA, the Audit Committee Chairperson and his team, the Department of Public Works,

the South African Heritage Resources Agency, IZIKO Museums of S.A., the City of Cape Town, the South African Museum Association, Robben Island Museum, Ambassador and Consul-General for the Netherlands, media partners and last but not least, all Castle clients, members of the Castle inter-stakeholder committee, the staff of the CCB who ultimately deliver our noble mandate to the people of South Africa.



**Calvyn Travers Gilfellan**  
**Executive Director/Chief Executive Officer**  
**Castle Control Board**  
**30 September 2020**

## **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 is free from any omissions.
- The annual report has been prepared following the guidelines as issued by the National Treasury.
- We prepared the Annual Financial Statements (Part E) following the S.A. Standards of GRAP, the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Castle Management Act of South Africa, 1993 (Act 207 of 1993) and all other standards applicable to the Castle Control Board as a public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and the judgements made regarding this information.
- The accounting authority is responsible for the establishment and implementation of a system of internal control designed to provide reasonable assurance relating to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are bound to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



**Chief Executive Officer**  
**Calvyn Travers Gilfellan**  
**30 September 2020**



**Chairperson of the Board**  
**Lt. General JS Mbuli**  
**30 September 2020**

## 6. STRATEGIC OVERVIEW

### 6.1. VISION

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

### 6.2. MISSION

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

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

### 6.3. VALUES

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

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

## 7. LEGISLATIVE AND OTHER MANDATES

The Castle Control Board is established in terms of the Castle Management Act of South Africa 1993 (Act No. 207 of 1993) to govern and manage the Castle of Good Hope on behalf of the Minister of Defence and Military Veterans. It is furthermore a designated Schedule 3A Public Entity as defined in the Public Finance Management Act, 1999 (Act No.1 of 1999).

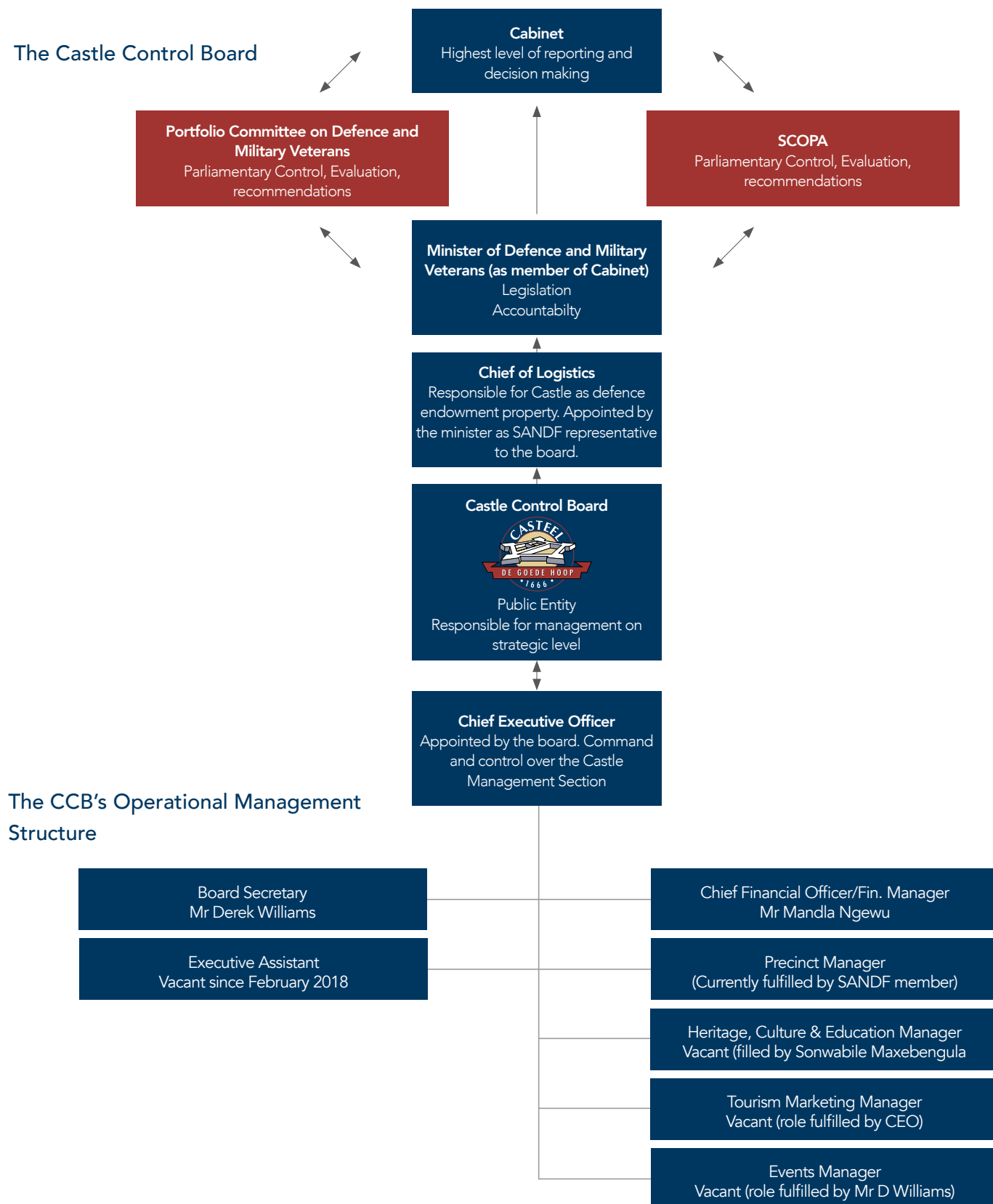
The Defence Endowment Property and Account Act, 1922 (Act No. 33 of 1922) designates the Castle of Good Hope as defence endowment property that was transferred to the 'defence organisations' for the exclusive use by and benefit of the SANDF and MOD&MV.

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

Based on the above, the Board has identified overlap 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 hand-over report to the new executive authority.



## 8. ORGANISATIONAL STRUCTURE





Van der Stel (Main) Entrance to the Castle

# PART B:

## PERFORMANCE INFORMATION

### 1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA, as an external auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management; with material findings being reported under the heading *Predetermined Objectives* in the section headed *report on other legal and regulatory requirements* of the auditor's report. Refer to page 35 (Par. 14) of the Report of the Auditor's Report, published as Part E: Financial Information.

### 2. SITUATIONAL ANALYSIS

#### 2.1. SERVICE DELIVERY ENVIRONMENT

Despite it being a post-reporting date event, the COVID-19 pandemic has profoundly influenced our delivery environment as it related to the delivery of our goods and services to tourists, community members, learners, students, event organisers and the public at large. The pandemic has exposed existing, and future operational deficiencies in the CCB and all state organisation's planning and implementation systems. We organise virtual meetings; most engagements are taking place electronically, and e-commerce has become a norm instead of an exception. How do we creatively respond to this and other new environmental challenges?

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

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



The CCB is acutely aware that stakeholders require a more open communication of its activities and achievements hence a massive increase in media coverage (close to 2 billion people reached through the media during FY 2019/20) during the year under review. However, the Board has taken a deliberate decision that a partnership for the sake of partnerships is no longer sufficient; the partnership needs to show a return on investment and that all stakeholders and partners are required to contribute positively and constructively towards the successes and achievements of the Castle as one citadel. Given the worldwide significance of the Castle of Good Hope, the organisation actively reached out and involved the Dutch, British, Spanish, Belgium, and French Consulates in some of its significant heritage and cultural activities. The increased awareness of the Castle and the CCB's determined attempts to reposition the Castle as a place of reflection, healing and nation-building placed a greater responsibility on the CCB to ensure that we manage these demands responsibly and sensitively.

## **2.2. ORGANISATIONAL ENVIRONMENT**

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

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

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

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

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

## **2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES**

In July 2013, the Board initiated a process with the DOD to investigate the possible review of the Castle Management Act (Act 207 of 1993) as it was not entirely in line with the Constitution and the PFMA as well as other vital pieces of legislation. Towards the end of the financial year, the Department's legal team prepared a draft document. However, we decided to let it stand over for the next Executive Authority to pursue. Through the Legal Advisor in the Minister's Office, Dr Lirette Louw's interventions, this process has been reopened, and the DOD's Legislative Team recommended a complete review and redrafting of the Castle Management Act. This team has suggested that the Castle Management Act be reviewed and redrafted.

The CCB team provided an update to the Portfolio Committee on Defence and Military Veterans when we met the latter on 6 May and 8 July 2020 and articulated this requirement in the hand-over document prepared and delivered for the new E.A. in December 2018. This matter was finalised during two subsequent meetings with the E.A., as represented by Deputy-Minister T Makwetla, on 10 June and 7 July 2020.

## 2.4. STRATEGIC OUTCOME ORIENTED GOALS

The strategic outcome goals of the CCB articulated in the APP for the 2019/20 financial year were:

- To ensure effective administrative management in terms of corporate governance and project a professional, competent corporate image;
- To ensure the maintenance, preservation, interpretation and showcasing of the history of the Castle;
- To ensure the promotion of the Castle as a must-see and vibrant tourist destination accessible to all the citizens of South Africa and the world; and
- To ensure the accessibility of the Castle as an attractive and user-friendly centre of cultural significance by all sectors of the community.

## 3. PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

The core programme outputs, performance indicators and annual targets are indicated in the tables below. Core Programme Performance Indicators are defined as this performance information directly link to the legislative mandate of the CCB. During the 2019/20 FY, the CCB had the following programmes:

### 3.1. PROGRAMME 1: ADMINISTRATION THROUGH GOOD CORPORATE GOVERNANCE

**Strategic Objective 1:** The objective of this programme was to ensure effective administrative management in terms of corporate governance and a professional, project competent corporate image and strive towards optimal resource support and public relations. It covers the areas of administration, corporate governance, financial management, human resource management and stakeholder communication.

**Table 3.1 Administration and Corporate Governance**

Outcomes/ Outputs	Performance Indicator	Actual Performance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Comments on Deviations (>5%)
A	B	C	D	E	F	G
Delivery of excellent corporate governance through tight internal controls and world-class administration	Number of corporate governance policies approved per annum	0	4	4	Achieved  1. Fraud Prevention Policy 2. Finance Policy 3. Supply Chain Management Policy 4. Integrated Conservation Management Policy	None

Outcomes/ Outputs	Performance Indicator	Actual Performance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Comments on Deviations (>5%)
A	B	C	D	E	F	G
Delivery of sound financial management and control measures	Percentage of significant prior-year audit findings resolved	100%	100%	-	Achieved	None
Delivery of good governance and clean administration	CCB Annual Performance Plan timeously submitted to the Executive Authority	100%	100% (1)	100% (1)	Final APP submitted February 2020	None
Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1), Quarterly Reports (4), CEO Performance Agreement (1), Strategic Plan 2020 - 2025	CCB Annual Report timeously submitted to the Executive Authority		100% (1)	100% (1)	Done	None
Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1), Quarterly Reports (4), CEO Performance Agreement (1), Strategic Plan 2020-2025(1)	CCB Quarterly Reports timeously submitted to the Executive Authority and National Treasury	100%	100% (4)	100% (1)	Q1 Report submitted 21 July 2019; Q2 Report on 28 October 2019; Q3 Report 27 January 2020, Q4 Report 27 March 2020.	None



Outcomes/ Outputs	Performance Indicator	Actual Performance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Comments on Deviations (>5%)
A	B	C	D	E	F	G
Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1), Quarterly Reports (4), CEO Performance Agreement (1), Strategic Plan 2020 -2025	CCB CEO Performance Agreement timeously submitted to the Executive Authority and National Treasury	100%	100% (1)	100% (1)	Submitted with APP as described above	None
Delivery of good governance and clean administration - Annual Performance Plan (1), Annual Report (1), Quarterly Reports (4), CEO Performance Agreement (1) Strategic Plan 2020-2025 (1)	CCB Strategic Plan 2020 – 2025 timeously submitted to the Executive Authority	100%		100%(1)	Final S.P. and APP submitted in February 2020. Due to COVID-19, the CCB resubmitted its adjusted planning instrument on 8 July 2020.	None
Payment of legitimate invoices within 30 days, as determined by the Government	All correct invoices paid within 30 days from date of receipt.	New indicator	98%  Invoices paid	98%  Not achieved due to cashflow issues related to COVID-19	Finance section has all controls set up to pay all valid invoices in time	Cashflow issue delayed some of our payments

### 3.2 PROGRAMME 2: PRESERVATION, INTERPRETATION AND SHOWCASING OF THE HISTORY OF THE CASTLE

**Strategic Objective 2:** Ensure the maintenance, preservation, interpretation and showcasing of the history of the Castle.

**Table 3.2: The Preservation, Interpretation and showcasing of the history of the Castle**

Outcomes/ Outputs	Performance Indicator	Actual Per- formance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Devia- tions	Reason for Deviation (>5%)
A	B	C	D	E	F	G
Delivery of a range of projects and services aimed at the enhancement, upkeep, and maintenance of the CGH as a heritage site	Number of preventative and regulation maintenance projects completed	75% (8)	6	12	+6	After the appointment of the DOD-funded Gardening Team, pressure on the small CCB maintenance team was relieved opening the way for this achievement. The Regional Works Unit (RWU) was in the process of fixing the toilet cistern in CFA offices when they were interrupted by the lockdown
Delivery of a comprehensive offering of visitor services and experiences	An annual increase in the number of tangible heritage projects implemented at the CGH	5	3	3	No deviation	None
Delivery of a comprehensive offering of visitor services and experiences	Number of non-commercial, cultural events hosted annually at the CGH	24	10	27	+17	The Castle is now firmly established as a place of cultural expression, memorialisation, heritage, education, and healing. The management team is, at times, inundated with requests by community groups to host them.
Delivery of a comprehensive offering of visitor services and experiences	Number of exhibitions hosted annually at the CGH	8	8	8	No deviation	None

### 3.3 PROGRAMME 3: MAXIMISING THE TOURISM POTENTIAL OF THE CASTLE OF GOOD HOPE

**Strategic Objective 3:** The objective of this programme is to ensure the promotion of the Castle as a must-see and vibrant tourist destination, accessible to all citizens of South Africa and the world; networking with local and national tourist organisations and utilising suitable opportunities to establish educational and social programmes.

**Table 3.3: Maximizing the tourism potential of the Castle**

Outcomes/ Outputs	Performance Indicator	Actual Per- formance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Reason for Deviation (>5%)
A	B	C	D	E	F	G
Delivery of a comprehensive offering of visitor services and experiences to attract tourists and locals to the CGH	Total number of visitors per annum	201 756	170 000	195 054	+25 054  This figure is the footfall to the Castle and includes tourists, scholars, and event attendees.	None – it depends on the number of significant events hosted.
Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Total gross revenue generated per annum	R5 682 903	R8.359m (Over-stated to balance budget)	R5 516 780	-R2 842 220  Reflecting income from tourists and events	Given that we overstate our revenue to balance our budget, this is the closest we have come to bridge the difference between income and expenses.
Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of commercial events hosted annually at the CGH	52	30	34	+4	Higher demand than anticipated
Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of film and fashion shoots accommodated at the CGH per annum	26	14	17	+3	None



Outcomes/ Outputs	Performance Indicator	Actual Per- formance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Reason for Deviation (>5%)
A	B	C	D	E	F	G
Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of tourism infrastructure upgrades completed	3	2	2	No deviations	None  This annual target deals with additions to tourism experiences
Delivery of a comprehensive offering of visitor services and experiences to attract more tourists and locals to the CGH	Number of Joint Marketing Initiatives undertaken per year	4	2	2	No deviations	CCB's partnership approach is strategic sound and a cost-effective way to invest public funds.

### 3.4 PROGRAMME 4: INCREASED PUBLIC PROFILE AND POSITIVE PERCEPTION ACROSS ALL SECTORS OF THE COMMUNITY

**Strategic Objective 4:** The objective of this programme is to ensure the accessibility of the Castle as an attractive and user-friendly centre of cultural significance by all sectors of the community and that it is also promoted to the business and corporate community as a high-profile event, conference and functions venue.

**Table 3.4 Public Access and Communication**

Outcomes/ Outputs	Performance Indicator	Actual Per- formance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Reason for Deviation (>5%)
A	B	C	D	E	F	G
Deliver a series of innovative public events aimed to promote understanding of the CGH as a heritage icon	The annual number of potential visitors reached through the media	365m	60m	1,991.59m	+1,931.59m	A few of the quarter's commercial events, and the COVID-19 coverage towards the end, attracted exceptional media coverage.
Delivery of a range of public programmes with S.A. schools, cultural groups, and special community groups	Number of student leaderships offered per annum	15	12	23	+11	Due to an excellent partnership with and funding from the Cape Peninsula University of Technology, we could maintain the internship program.

Outcomes/ Outputs	Performance Indicator	Actual Per- formance 2018/19	Planned Target 2019/20	Actual Achievements 2019/20	Deviations	Reason for Deviation (>5%)
A	B	C	D	E	F	G
Delivery of a range of public programmes with S.A. schools, cultural groups, and special community groups	Number of heritage-educational programmes organised for women, unemployed youth, disabled and traditional communities	25	12	30	+18	High-profile community cultural events drove this positive deviation.
Delivery of a range of public programmes with S.A. schools, cultural groups, and special community groups	Number of heritage programmes organised for Military Veterans	15	6	7	+1	None

## STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The CCB is continuously looking at ways to enhance performance. In respect of income-improvement, we are rolling out 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, and although the new restaurateur (Five Star Restaurant) has not made significant profits for sharing with the CCB, it is delivering an excellent service to our clients who can then spend in other areas. The focus is on high-yield commercial events for the site.

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

## CHANGES TO PLANNED TARGETS

We did not change any targets for FY2019/20. We will adjust the targets for media coverage upwards in the next APP.

## 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 to the data in the annual financial statements.

Programme/activity/ Objective	2018/2019			2019/2020		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration through corporate governance	7 061	6 534	527	8 031	5 299	2 732
Preservation and protection of military and cultural heritage	525	230	295	662	428	234
Maximising the Castle's tourism potential	60	3	57	15	9	6
Increased public profile and positive perception of the Castle	204	294	(90)	250	109	141
<b>TOTAL</b>	<b>7 850</b>	<b>7 061</b>	<b>789</b>	<b>8 958</b>	<b>5 845</b>	<b>3 113</b>

### Revenue collection

Sources of revenue	2018/19			2019/20		
	Estimate	Estimate	Estimate	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales	5 000	4 383	617	5 870	3 921	1 949
Rental Income	2 220	1 322	898	2 456	1 496	960
Other Income	575	3 343	(2 768)	622	394	228
Interest Income	55	14	41	10	0	10
<b>Total</b>	<b>7 850</b>	<b>9 062</b>	<b>(1 212)</b>	<b>8 958</b>	<b>5 811</b>	<b>3 147</b>

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

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 two institutions, namely Rand Merchant Bank and ABSA Bank. During the past financial year, we decided to consolidate these investments and invest it with ABSA Bank as this investment carried an interest rate of 0.5% more. The Board has no stake in fixed-property; thus, no infrastructure projects were embarked on by the Board for the period under review.

# PART C:

## GOVERNANCE

### 1. INTRODUCTION

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

### 2. PORTFOLIO COMMITTEES

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

- 3 June 2019, when the Chairperson and CEO presented the final draft 2019/20 APP to the Portfolio Committee.
- 16 October 2019, when the Chairperson and CEO presented the 2018/19 Annual Report highlights. The Committee commended the significant progress made and raised no significant issues.
- We also had two post-year-end engagements to update the Committee on our COVID-19 responses.

Committee members also visited the Castle of Good Hope to acquaint themselves with the activities at the Castle.

### 3. EXECUTIVE AUTHORITY

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

- 10 June 2020, which was an introductory meeting with the Board.
- 7 July 2020, when we discussed the CCB's presentation to the Portfolio Committee on Defence and Military Veterans.

## 4. THE ACCOUNTING AUTHORITY: THE CASTLE CONTROL BOARD

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

- The Board comprises of 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 member of the Board, with the exclusion of 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 a period of two (2) years except for the Officer Commanding Army Support Base Western Cape and the Executive Director/CEO. They will remain appointed members to the Board if they serve in their respective capacities in the service of such stakeholder.
- The Vice-Chairperson is to be elected by Board members, and the Executive Director will act as Secretary to the Board. A quorum for a meeting comprises the Chairperson or Vice-Chairperson and at least six (6) members.

After the appointment of their Executive Director (CEO), the Board adopted a firm stance concerning the day-to-day management of the organization. The Board Charter, Code of Ethics and Business Conduct, Fraud Prevention Plan has been updated and adopted. Separating the role of the Board and executive management, a Delegation of Authority has also been developed and adopted.

### COMPOSITION OF THE BOARD

Stakeholders	Name
South African National Defence Force – Chief of Logistics	Lieutenant General J.S. Mbuli
Cape Town Regional Chamber of Commerce and Industry	Ms C. de Vries
Iziko Museums of South Africa	Dr B. Ndlovu
Department of Public Works	Mr F. Johnson (Retired October 2018)
South African Heritage Resources Agency	Mr B. Mwasinga
Officer Commanding Army Support Base Western Cape	Col B.M. Feni
City of Cape Town	Mr D. Hart
South African Tourism Board (WESGRO)	Ms J. Lain
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 and another member who served on the Audit Committee and ex-officio members of the Board.

Table 9: Remuneration of Board members

Name	Remuneration	Other allowance	Other Reimbursements	Total
Lt Gen JS Mbuli	Nil	Nil	Nil	Nil
Col B.M. Feni	Nil	Nil	Nil	Nil
Dr B Ndlovu	Nil	Nil	Nil	Nil
Mr B Mwasinga	Nil	Nil	Nil	Nil
Ms C de Vries**	R10 476	Nil	Nil	R10 476
Mr D. Hart	Nil	Nil	Nil	Nil
Ms J Lain	Nil	Nil	Nil	Nil
Adv. D. Mitchell*	R12 951	Nil	Nil	R12 951
Ms A. Aggenbach	Nil	Nil	Nil	Nil
Mr C.T. Gilfellan***	R1 040k	Nil	Nil	R1 040k
Mr D Williams***	R252k	Nil	Nil	R252k
Mr M Ngewu***	R842k		Nil	R842k

Notes: \*In his capacity as Audit Committee Chairperson

\*\*In her capacity as Audit Committee Member

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

## RISK MANAGEMENT

The Board, guided by the Audit & Risk Committee and Management, has endeavoured to put together a framework for a risk management policy and strategy. Given the delegations of authority and segregation of duties, the Board has appointed management to spearhead this critical part of the entity's work and has adopted a Risk-based Enterprise Development approach to its work.

Management has developed a Risk Register (adopted by the Board), which forms the basis for regular risk assessments to determine the effectiveness of its risk management strategy and to 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 the completion of the appointment of the CCB's management structure, we implemented the organization's segregation of duties and responsibilities' protocols. The latter has significantly enhanced the system of internal control. The existence of a robust functioning Audit & Risk Committee and the efforts of individual Board members have strengthened internal control at the CCB. Regular management meetings, unit meetings and monthly staff meetings, clear delegation of authority and the appointment of internal SCM committees have radically strengthened the internal control environment.

## INTERNAL AUDIT AND AUDIT COMMITTEE

The CCB had a fully functional Internal Audit function for the year under review. Nexia-SAB&T was appointed in April 2017 to fulfil the following functions:

- Evaluate the effectiveness of controls over the reliability and integrity of information for 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 their planned goals.
- Assist management in identifying business risks and in assessing the adequacy of their risk management and governance processes.

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

The Audit & Risk Committee, under the exemplary leadership of Advocate Dave Mitchell, has been invaluable to the strides that have been made in the CCB policy, oversight as well as 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. A case in point was their swift response after the surfacing of the unsubstantiated allegations against the CCB in March 2018.

*Table 11: Audit committee details*

Name	Qualifications	Internal or external	If the internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Adv D. Mitchell	B Com. LLB., B Compt. (Hons), CFA, Advocate of the High Court of SA., Chartered Accountant (SA)	Internal	Board Member	May 2012	N/A	4
Ms C de Vries	Post Grad Dip in Marketing/ Management, B. Soc. Sci.	External	–	Feb. 2015	N/A	4
Mr C Gilfellan	BA, BA-Honors, MA (Geography and Environmental Studies)	Ex-Officio	Board Member	April 2013	N/A	4
Mr M Ngewu	BSc, B Com, B Compt (Hons)	Ex-Officio	Board Member	April 2014	N/A	4
Ms J Niekerk	B.A., L.L. B	External	–	February 2018	N/A	2

Table 12: Attendance at meetings

Name of member	Number of meetings attended	
	Year to 31.3.2020	Since 31.3.2020
Adv D. Mitchell (Chairperson)	3	1
Ms C de Vries	3	1
Mr C Gilfellan	3	1
Mr M Ngewu	3	1
Ms J Niekerk	1	1
Mr D Williams	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, expenditure not managed in terms of section 51 (1) (b) (ii) of the PFMA, SCM not done in terms of the relevant sections of Treasury Regulations 16A6.3 and the PPPFA, and strategic planning not done in terms of Treasury Regulation 30.1.3(d).

This year's audit proved that we addressed most of the matters to the satisfaction of the Board, 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. or that matter, the MOD&MV's operational guidelines as applied by the on-site military staff is more than enough to deal with the issue. In the case of significant corporate functions at the Castle, we source additional private security that is paid for by the client. The upgrading of the CCTV camera system will further enhance our capability to manage safety and security.

## MINIMISING CONFLICT OF INTEREST

Board Members were requested to declare their conflict of interest at every Board meeting. As a standard practice, a declaration register, which allows for directorships of companies, were also filled out. In a similar vein, staff members must declare their interest at procurement and other transactional activities of the CCB.

## CODE OF CONDUCT

The Board has reviewed and re-adopted a Code of Conduct to provide direction to all civilian officials and employees about their relationship with the legislature, political and executive office-bearers, other employees and the public. Another purpose of the Code is to indicate the spirit in which employees should perform their duties to avoid conflict of interests.

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

## HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

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

## BOARD SECRETARY

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

## SOCIAL RESPONSIBILITY

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

We are acutely aware that, measured against international standards, the entrance fees of R50 and R30 for adults and children respectively to access our heritage offering is very reasonable, however still unaffordable to large sections of our communities. Mindful of this, we have provided free access to all citizens selected public holidays.

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

# AUDIT COMMITTEE REPORT

We are pleased to present the Audit Committee Report for the Castle Control Board (CCB) for the financial year ended 31 March 2020.

## AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consists of three independent persons, all with the required expertise and experience in business, compliance and financial matters. Two committee members are also members of the Board. The Committee has met three times during the year to 31 March 2020 and once subsequently, following its approved terms of reference.

Name of Member	Number of Meetings Attended	
	Year to 31.3.2020	Since 31.3.2020
Adv. David Mitchell (Chairperson) *	3	1
Ms Carmen de Vries *	3	1
Adv. Jodee Niekerk	1	1
Mr D Williams	3	1
Mr M Ngewu	3	1
Mr C Gilfellan	3	1

\* Member of the Castle Control Board

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

## AUDIT COMMITTEE RESPONSIBILITY

The Audit 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 and Treasury Regulation 27.

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.

## MONTHLY AND QUARTERLY REPORTING

The Castle Control Board has reported regularly to its Executive Authority and National Treasury on its financial and operational performance, in compliance with its statutory responsibilities.

## INTERNAL AUDIT

The internal audit focused on access control and revenue collection by way of gate monies and ticket sales for entrance to the Castle, as well as performance measurement and record retention. The appointment of the outsourced internal audit service provider expired in June 2020, and the CCB will pursue a new procurement exercise once lockdown has ceased.

## AUDIT REVIEW OF PREDETERMINED OBJECTIVES

In a limited assurance review, the Auditor-General has confirmed the quality, usefulness and reliability of performance management reporting, which continues to be of a good standard.

## IRREGULAR EXPENDITURE

Management and the Board can be commended for ensuring that there was no irregular or unauthorised expenditure, and also no fruitless and wasteful expenditure. Supply chain management policies and prescripts have been strictly observed, and actual spending has been closely monitored.



## COLLECTION OF OUTSTANDING RECEIVABLES

Management has taken resolute action to pursue outstanding debts. A settlement arrangement was agreed with Kamers Vol Geskenke following litigation.

## THE APPLICATION OF ACCEPTABLE ACCOUNTING PRACTICES AND DISCLOSURES

The Auditor-General pinpointed various instances where accounting presentation and disclosure in the expenditure notes to the annual financial statements lacked precision. Although somewhat trivial in nature and impact, the correction of these disclosure errors helps the financial statements to give a clear and accurate reflection of the entity's performance.

## FINANCIAL OVERVIEW

We draw attention to the entity's financial performance for the year to 31 March 2020. The entity generated revenue of R5,5 million through its efforts, showing a small surplus over its expenditure before depreciation (which is a non-cash item). This result included the tight management of all expenses, including remuneration costs and a waiving of employee bonuses previously provided for.

## UNPRECEDENTED CHALLENGES

We can especially commend the support of the Minister of Defence & Military Veterans, the Department of Defence and the S. A. National Defence Force, also the Portfolio Committee for Defence and Military Veterans, during these challenging times of a National Lockdown which required the Castle to close. Management has responded to the easing of lockdown restrictions with a vibrant programme that focuses on rebuilding and reaffirming our national spirit and determination. As regards the year-end audit, we would also like to record our appreciation of how the Auditor-General's team and Castle management adapted to the Covid-19 circumstances, as virtual and technological interaction necessarily countered our opportunity to embrace one another as warm-hearted South Africans.

## EVALUATION OF FINANCIAL STATEMENTS

The Audit 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
- reviewed the Auditor-General's management report on the findings of the audit and management's response, and has reviewed all changes in accounting policies and practices
- noted and reviewed the Auditor-General's assessment of the usefulness and reliability of performance information examined.

No unresolved audit matters are arising from previous years.

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

## COMMENDATION

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



**Adv. D. Mitchell, C.A. (S.A.)**  
**Chairperson of the Audit Committee**  
**Date: 30 September 2020**

# PART D:

## HUMAN RESOURCE MANAGEMENT

### 1. INTRODUCTION

Traditionally the Human Resources component of the CCB has been both 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 N.T. and the AGSA and delayed any decisiveness as to the ultimate civilian management structure of the CCB. The Board has now successfully resolved this matter but has been put on the backfoot with the departure of three managers and two other staff members.

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

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

### 2. HUMAN RESOURCE OVERSIGHT STATISTICS

The CCB Management team comprised a total of 13 full-time CCB remunerated staff members at the end of FY 2019/20. 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 H.R. Tables below. Short-term contract staff, interns (35) and additional casual staff employed to assist during the peak tourism season and the ten (10) members of the DOD-funded gardening maintenance team, increased the extended Castle HR base to

**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	R6 534	R3 978	75%	44*	R88

Notes: \* Includes 25 casuals required to supplement cleaners and assist with events and terrain management.

**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	R1,990	50%	2	R995
Senior Management	R0	0%	0*	R0*
Professional qualified	R557	14%	6**	R93
Skilled	R270	6.8%	1	R270
Semi-skilled	R766	19.3%	7	R109
Unskilled	R395	9.9%	29	R14***
TOTAL	R3,98	100%	16	R88.4

Notes: \* Three managers ended their contracts in the prior year

\*\* One staff member ended his contract in the year.

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

The first CCB staff member to be appointed on a performance contract basis was the chief executive. 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.

**Table 15: Performance Rewards**

Employment category	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	0	R3 978	0
Senior Management	0	R3 978	0
Professional qualified	0	R3 978	0
Skilled	0	R3 978	0
Semi-skilled	0	R3 978	0
Unskilled	0	R3 978	0
TOTAL	0	R3 978	0

**Table 16: Training Costs**

Programme/activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg training cost per employee
Administration	R3 978	R4	0.01%	2	R2

**Table 17: Employment and vacancies**

Programme/activity/ objective	2018/2019 No. of Employees	2019/2020 Approved Posts	2018/2019 No. of Employees	2019/2020 Vacancies	% of vacancies
Administration	13	16	13	3	18.%%

**Table 18: Employment and vacancies per employment category**

Employment category	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Top Management	2	2	2	0	0%
Senior Management	0*	3	0	3**	100%
Professional qualified**	4	5	5*	0	20%
Skilled	1	1	1	0	0%
Semi-skilled	3	3	3	0	0%
Unskilled	2	2	2	0	0%
<b>TOTAL</b>	<b>12</b>	<b>16</b>	<b>13</b>	<b>3</b>	<b>23%</b>

- CCB made three (3) short term appointments to fill positions vacated by other staff.

## EMPLOYMENT AND VACANCIES

The CCB traditionally had a very peculiar human resources component. The status quo is partially due to the availability of SANDF and Department of Public Works staff on site. However, the Board articulated the necessity to employ additional staff to execute their full mandate. Starting with the chief executive, the Board approved a structure to appoint a CFO, Heritage, Cultural and Education Coordinator, Events Coordinator, Tourism Marketing Coordinator, a Precinct Coordinator, and permanent cleaning staff. By the end of the F.Y., the CCB lost three managers and two other staff members.

**Table 19: Employment changes**

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	-	-	2
Senior Management	0	-	-	0
Professional qualified	5	-	-	5
Skilled	1	-	-	1
Semi-skilled	3	-	-	3
Unskilled	2	-	-	2
<b>TOTAL</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>13</b>

**Table 20: Reasons for staff leaving**

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

**Table 21: Labour Relations: Misconduct and disciplinary action**

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

**Table 22: 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	1		1		0		0	
Skilled	0		0		0		1	
Semi-skilled	0		1		0		1	
Unskilled	0		0		0		0	
<b>TOTAL</b>	2		3		0		2	

**Table 23: Equity Target and Employment Equity Status (Female)**

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

**Table 24: 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		1	
Unskilled	0		0	
<b>TOTAL</b>	0		0	



# PART E: REPORT OF THE AUDITOR-GENERAL

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CASTLE CONTROL BOARD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

1. I have audited the financial statements of the Castle Control Board set out on pages 43 to 76, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Castle Control Board as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Castle Management Act of South Africa, 1993 (Act No. 207 of 1993).

#### BASIS FOR OPINION

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

#### EMPHASIS OF MATTER

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

## MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

7. I draw attention to note 25 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of covid-19 on the entity's future prospects, performance and cash flows. Management has also described how it plans to deal with these events and circumstances. My opinion is not modified in respect of this matter.

## RESPONSIBILITIES OF ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP, the requirements of the PFMA and the Castle Management Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the Castle Control Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

### Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators / measures included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – maintenance and conservation at the CGH	17

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – maintenance and conservation at the CGH

## Other matters

17. I draw attention to the matters below.

## Achievement of planned targets

18. Refer to the annual performance report on pages 14 to 20 for information on the achievement of planned targets for the year and explanations provided for the overachievement of a number of targets.

## Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2 – maintenance and conservation at the CGH. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

# REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

## Introduction and scope

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

## Annual financial statements, performance and annual report

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Other information

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

## Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
28. Leadership did not excise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls to ensure that the financial statements and annual performance report are free from material misstatements.

Auditor - General

Cape Town  
30 September 2020



AUDITOR - GENERAL  
SOUTH AFRICA

## ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

### FINANCIAL STATEMENTS

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

### Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# PART F:

## FINANCIAL INFORMATION

### GENERAL INFORMATION

<b>Auditors</b>	AGSA Registered Auditors
<b>Country of incorporation and domicile</b>	South Africa
<b>Bankers</b>	ABSA

### ABBREVIATIONS/ACRONYMS

COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
EA	Executive Authority
PFMA	Public Finance Management Act
CCB	Castle Control Board
Coronavirus disease 2019	COVID-19
ASB	Accounting Standards Board





# INDEX

	Page
Accounting Authority's responsibility and approval statement	40
Accounting Authority's report	41 - 42
Statement of Financial Position	43
Statement of Financial Performance	44
Statement of Changes in Net Assets	45
Cash Flow Statement	46
Statement of Comparison of Budget and Actual Amounts	47
Accounting Policies	48 - 55
Notes to the Annual Financial Statements	56 - 76

## 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 entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and 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 entity 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 2021 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 entity, it is supported by the CCB's external auditors.

The external auditors are responsible for independently reviewing and reporting on the CCB's annual financial statements. The annual financial statements have been examined by the CCB's external auditors and their report is presented on pages 34 to 37.

The annual financial statements set out on pages 43 to 76, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2020 and were signed on its behalf by:



**Lt. Gen J.S Mbuli**  
Chairperson



## ACCOUNTING AUTHORITY'S REPORT

The members of the Board submit their report for the year ended 31 March 2020.

### 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 entity are fully set out in the attached financial statements and do not, in our opinion, require any further comment.

### 3. GOING CONCERN

The Board is aware of financial challenges that have a negative impact on the CCB's ability to continue as a going concern. These challenges have been exacerbated by the effects of the Coronavirus disease 2019 which led to the closure of the Castle of Good Hope from March 2020 when the President announced the national lockdown. However, the Board believes that the CCB has access to adequate financial resources, through the intervention of the Ministry of Defence, to continue operations for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Board is not aware of any new material changes that may adversely impact on the CCB. The Board is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the CCB.

### 4. SUBSEQUENT EVENTS

As an accessible national heritage site visited by tourists and educational groups, the Castle of Good Hope was sorely affected by the national lockdown against the spread of COVID-19, as announced by President C. Ramaphosa on Sunday 23 March 2020. This forced the Castle to close its doors to all visitors and to halt or curtail all non-essential activities, thereby also bringing to a complete and unprecedented standstill all tourism and commercial events that generate revenue for the Castle Control Board. The Castle will remain closed to visitors for as long as the national lockdown remains in place or such visitor restrictions are considered necessary.

An application for emergency relief funding was submitted to the Secretary of Defence on 04 April 2020, with the approval of Minister of Defence and Military Veterans, who is the Castle Control Board's Executive Authority, and a special emergency relief grant of R3 000 000 was received on 20 May 2020.

A parallel application was submitted to the Unemployment Insurance Fund (UIF) to cover a portion of staff salaries. UIF transferred an amount of R 58 000 to the CCB on 28 May 2020. As the CCB had already received a grant from the DoD these funds were repaid to the UIF on 11 June 2020.

## CASTLE CONTROL BOARD

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

#### 5. ACCOUNTING AUTHORITY

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

Name	Stakeholders	
Lt. Gen J.S Mbuli	SANDF - Chief of Logistics (Chairman)	
Col. M.B Feni	Officer Commanding - Army Support Base Western Cape	
Adv. D. Mitchell	Appointed by the Minister of Defence and Military Veterans	
Ms A. Aggenbach	Appointed by the Minister of Defence and Military Veterans	
Ms C. de Vries	Cape Town Regional Chamber of Commerce and Industry	Resigned Tuesday, 31 March 2020
Mr D. Hart	City of Cape Town	
Ms J. Lain	Cape Town & Western Cape Tourism, Trade and Investment (WESGRO)	Resigned Thursday, 06 June 2019
Dr B. Ndhlovu	Iziko Museums of South Africa	
Mr C.T Gilfellan	Castle Control Board	
Ms C. Koch	WESGRO	Appointed Thursday, 06 June 2019
Mr B. Mwasinga	South African Heritage Resources Agency	Appointed Thursday, 04 April 2019
Mr J. Moolman	Cape Town Regional Chamber of Commerce and Industry	Appointed Sunday, 01 March 2020

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



Lt. Gen J.S Mbuli  
Chairperson

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

Figures in Rand	Note(s)	2020	2019
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	5	2 263	2 622
Receivables from exchange transactions	6	111 130	29 198
Cash and cash equivalents	7	108 417	140 121
		<b>221 810</b>	<b>171 941</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	2 506 995	3 089 655
Intangible assets	4	133 459	206 931
Heritage assets	2	1 381 960	1 381 960
		<b>4 022 414</b>	<b>4 678 546</b>
<b>Total Assets</b>		<b>4 244 224</b>	<b>4 850 487</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	9	412 926	635 221
Employee benefits	8	316 353	666 436
		<b>729 279</b>	<b>1 301 657</b>
<b>Total Liabilities</b>		<b>729 279</b>	<b>1 301 657</b>
<b>Net Assets</b>		<b>3 514 945</b>	<b>3 548 830</b>
Accumulated surplus		3 514 945	3 548 830



## STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2020	2019
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Ticket sales	10	3 921 373	4 317 912
Rental of facilities and equipment	11	1 496 030	1 258 320
Interest received		-	14 019
Other revenue	12	99 377	128 883
<b>Total revenue from exchange transactions</b>		<b>5 516 780</b>	<b>5 719 134</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Public contributions and donations	13	294 582	3 342 445
<b>Total revenue</b>	10	<b>5 811 362</b>	<b>9 061 579</b>
<b>Expenditure</b>			
Employee related costs	14	3 604 117	4 870 104
Depreciation and amortisation	15	656 126	204 872
Bad debts		65 879	126 495
Contracted services	16	62 167	249 713
Loss on disposal of property, plant and equipment		5	14 500
Cost of sales		1 349	4 177
General Expenses	19	1 455 605	1 439 476
Special days		-	151 523
<b>Total expenditure</b>		<b>5 845 248</b>	<b>7 060 860</b>
<b>(Deficit) / surplus for the year</b>		<b>(33 886)</b>	<b>2 000 719</b>

## STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 01 April 2018</b>	<b>1 548 111</b>	<b>1 548 111</b>
Changes in net assets		
Surplus for the year	2 000 719	2 000 719
Total changes	2 000 719	2 000 719
<b>Balance at 01 April 2019</b>	<b>3 548 831</b>	<b>3 548 831</b>
Changes in net assets		
Deficit for the year	(33 886)	(33 886)
Total changes	(33 886)	(33 886)
<b>Balance at 31 March 2020</b>	<b>3 514 945</b>	<b>3 514 945</b>

## CASH FLOW STATEMENT

Figures in Rand	Note(s)	2020	2019
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rental of facilities and equipment, ticket sales and other services		5 161 020	5 502 733
Interest income		-	14 019
Other income		97 748	128 883
Public contributions and donations		750	800
		<u>5 259 518</u>	<u>5 646 435</u>
<b>Payments</b>			
Employee costs		(3 954 200)	(4 720 262)
Suppliers		(1 337 022)	(1 503 364)
Other payments		-	(150 157)
		<u>(5 291 222)</u>	<u>(6 373 783)</u>
<b>Net cash flows from operating activities</b>	21	<u><b>(31 704)</b></u>	<u><b>(727 348)</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	-	(13 551)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(31 704)</b>	<b>(740 899)</b>
Cash and cash equivalents at the beginning of the year		140 121	881 020
<b>Cash and cash equivalents at the end of the year</b>	7	<u><b>108 417</b></u>	<u><b>140 121</b></u>

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis Figures in Rand	Approved budget	Adjust- ments	Final Bud- get	Actual amounts on comparable basis	Difference between final budget and actual	Refer- ence
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Ticket sales	5 870 000	-	5 870 000	3 921 373	(1 948 627)	Ref:32.1
Rental of facilities and equipment	2 456 000	-	2 456 000	1 496 030	(959 970)	Ref: 32.2
Other income	620 000	-	620 000	99 377	(520 623)	Ref: 32.3
Interest received	10 000	-	10 000	-	(10 000)	Ref: 32.4
<b>Total revenue from exchange transactions</b>	<b>8 956 000</b>	<b>-</b>	<b>8 956 000</b>	<b>5 516 780</b>	<b>(3 439 220)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Public contributions and donations	2 000	-	2 000	294 582	292 582	Ref: 32.5
<b>Total revenue</b>	<b>8 958 000</b>	<b>-</b>	<b>8 958 000</b>	<b>5 811 362</b>	<b>(3 146 638)</b>	
<b>Expenditure</b>						
Personnel	(6 075 000)	-	(6 075 000)	(3 604 117)	2 470 883	Ref: 32.6
Depreciation and amortisation	(825 000)	-	(825 000)	(656 126)	168 874	Ref: 32.7
Bad debts	(10 000)	-	(10 000)	(65 879)	(55 879)	Ref: 32.8
Contracted Services	(595 000)	-	(595 000)	(62 167)	532 833	Ref: 32.9
Cost of sales	-	-	-	(1 349)	(1 349)	
Loss on disposal of assets	(10 000)	-	(10 000)	(5)	9 995	Ref: 32.10
General Expenses	(1 443 000)	-	(1 443 000)	(1 455 605)	(12 605)	
<b>Total expenditure</b>	<b>(8 958 000)</b>	<b>-</b>	<b>(8 958 000)</b>	<b>(5 845 248)</b>	<b>3 112 752</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33 886)</b>	<b>(33 886)</b>	

## 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 entity.

#### 1.2 Going concern assumption

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

#### 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 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the entity:

- GRAP 34 Separate Financial Statements
- GRAP 35 Consolidated Financial Statements
- GRAP 36 Investments in Associates and Joint Ventures
- GRAP 37 Joint Arrangements
- GRAP 38 Disclosure of Interests in Other Entities
- GRAP 110 Living and Non-living Resources

Management has considered all of the above-mentioned GRAP Standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the entity.

#### 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



## ACCOUNTING POLICIES (continued)

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 entity 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 entity is satisfied that recognition of the revenue in the current year is appropriate.

### Impairment of receivables from exchange transactions

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

### 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.

## ACCOUNTING POLICIES (continued)

## Budget information

Deviations between budget and actual amounts are regarded as material differences when a 10% deviation exists. All material differences are explained in the notes to the financial statements.

## 1.6 Property, plant and equipment

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

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

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

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

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

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

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

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	Average useful life
Computer software	Straight-line	3 years

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

## ACCOUNTING POLICIES (continued)

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 entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

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

#### Subsequent measurement

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

#### Impairment

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

#### Transfers

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

#### Derecognition

The CCB derecognises 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.

## ACCOUNTING POLICIES (continued)

**Classification**

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

<b>Class</b>	<b>Category</b>
Trade debtors	Financial asset measured at amortised cost
Payments made in advance	Financial asset measured at amortised cost
Call deposits	Financial asset measured at amortised cost
Bank balances	Financial asset measured at amortised cost
Cash floats and advances	Financial asset measured at fair value
Other cash equivalents	Financial asset measured at fair value

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

<b>Class</b>	<b>Category</b>
Trade creditors	Financial liability measured at amortised cost
Accruals	Financial liability measured at amortised cost
Deposits received	Financial liability measured at amortised cost
Payments received in advance	Financial liability measured at amortised cost
Other creditors	Financial liability measured at amortised cost

**1.10 Impairment of non-cash-generating assets**

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

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

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

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

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

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

## ACCOUNTING POLICIES (continued)

An impairment loss is recognised for non-cash generating units 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 entity 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. The entity recognises the expected cost of performance bonuses only when the entity has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

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

#### Measurement

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

## ACCOUNTING POLICIES

### 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 a condition is satisfied, the amount of the reduction in the liability is recognised as revenues.

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.

### Gifts and donations, including goods in-kind

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



## ACCOUNTING POLICIES (continued)

### Services in-kind

#### 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 as reflected in Notes 16 and 18.

#### 1.15 Segment information

A segment is an activity of an entity:

- 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 geographical area as a single unit.

#### 1.16 Budget information

The approved budget covers the fiscal period from 2019/04/01 to 2020/03/31.

The annual budget figures are consistent with the accounting policies adopted by the Board for the preparation of these Annual Financial Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 2. HERITAGE ASSETS

	Cost / Valuation	Accumulated impairment losses	2020 Carrying value	Cost / Valuation	Accumulated impairment losses	2019 Carrying value
Art Collections, antiquities and exhibits	1 381 960	-	1 381 960	1 381 960	-	1 381 960
<b>Total</b>	<b>1 381 960</b>	<b>-</b>	<b>1 381 960</b>	<b>1 381 960</b>	<b>-</b>	<b>1 381 960</b>

**Pledged as security**

All of the entity's heritage assets are held under freehold interests and no heritage assets have been pledged as security for any liabilities of the entity.

No restrictions apply to any of the heritage assets of the entity.

**Heritage assets not recognised**

Included in heritage assets held by the entity are three shackles, donated to the CCB in 2014/15 financial period, whose fair value could not be determined on initial recognition and were hence recognised at R nil value.

**Impairment of heritage assets**

No impairment losses have been recognised on heritage assets of the entity at reporting date. There were no changes to the balance of heritage assets in the current as well as in the prior year.

## 3. PROPERTY, PLANT AND EQUIPMENT

	Cost / Valuation	2020 Accumulated depreciation and accumulated impairment	2020 Carrying value	Cost / Valuation	2019 Accumulated depreciation and accumulated impairment	2019 Carrying value
Office equipment	1 192 276	(322 090)	870 186	1 192 276	(215 266)	977 010
IT equipment	2 447 663	(810 854)	1 636 809	2 462 290	(349 645)	2 112 645
<b>Total</b>	<b>3 639 939</b>	<b>(1 132 944)</b>	<b>2 506 995</b>	<b>3 654 566</b>	<b>(564 911)</b>	<b>3 089 655</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Total
Office equipment	977 010	(106 824)	870 186
IT equipment	2 112 645	(475 836)	1 636 809
	<b>3 089 655</b>	<b>(582 660)</b>	<b>2 506 995</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Office equipment	90 241	926 390	(7 243)	(32 378)	977 010
IT equipment	309 918	1 968 992	(7 256)	(159 009)	2 112 645
	<b>400 159</b>	<b>2 895 382</b>	<b>(14 499)</b>	<b>(191 387)</b>	<b>3 089 655</b>

#### Pledged as security

The entity 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 entity at the reporting date.

#### Changes in estimate - useful life of property, plant and equipment reviewed

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

#### Gross carrying amount of property, plant and equipment retired from active use and not classified as discontinued operations

No property, plant and equipment were retired from active use and not classified as a discontinued operation during the year.

#### 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 entity. They are also not quantitatively material.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 4. INTANGIBLE ASSETS

	2020			2019		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	221 914	(88 455)	133 459	221 914	(14 983)	206 931
<b>Total</b>	<b>221 914</b>	<b>(88 455)</b>	<b>133 459</b>	<b>221 914</b>	<b>(14 983)</b>	<b>206 931</b>

Reconciliation of intangible assets - 2020	Opening balance	Amortisation	Total
Computer software, other	206 931	(73 472)	133 459

Reconciliation of intangible assets - 2019	Opening balance	Additions	Amortisation	Total
Computer software, other	1	220 415	(13 485)	206 931

**Pledged as security**

All of the entity's Intangible Assets are held under freehold interests and no intangible assets had been pledged as security for any liabilities of the entity.

No restrictions apply to any of the Intangible Assets of the entity.

**Impairment of intangible assets**

No impairment losses have been recognised on intangible assets of the entity at the reporting date.

## 5. INVENTORIES

	2020	2019
Consumable stores	2 263	2 622

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2020	2019
Trade debtors	99 120	26 537
Staff loan	8 000	-
Prepaid expenses	4 010	2 661
<b>Total Receivables from Exchange Transactions</b>	<b>111 130</b>	<b>29 198</b>

#### 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 entity 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 entity and other parties as well as the current payment ratios of the entity's debtors.

#### Trade and other receivables past due but not impaired

At 31 March 2020, R71 592 (2019: (R 13 624)) were past due but not impaired.

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

1 month past due	887	245
2 months past due	56 838	2 375
3 months past due	13 867	11 004
	<b>71 592</b>	<b>13 624</b>

#### Reconciliation of provision for impairment of trade and other receivables

Opening balance	149 375	-
Provision for impairment	65 879	149 375
Amounts written off against the allowance for doubtful debts	(104 375)	-
	<b>110 879</b>	<b>149 375</b>

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
6. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Trade debtors 2020	0 - 30 days	31 - 60 days	61 - 90 days	+90 days	Total
Gross balances	36 773	887	113 675	58 664	209 999
Less: Allowance for doubtful debts	(9 245)	-	(56 837)	(44 797)	(110 879)
	<b>27 528</b>	<b>887</b>	<b>56 838</b>	<b>13 867</b>	<b>99 120</b>
					<b>Total</b>
Payments made in advance	4 010	-	-	-	4 010
Trade debtors 2019	0 - 30 days	31 - 60 days	61 - 90 days	+90 days	Total
Gross balances	45 163	5 870	2 375	122 504	175 912
Less: Allowance for doubtful debts	(32 250)	(5 625)	-	(111 500)	(149 375)
	<b>12 913</b>	<b>245</b>	<b>2 375</b>	<b>11 004</b>	<b>26 537</b>
Payments made in advance	2 660	-	-	-	2 660
Net balances	<b>2 660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 660</b>

As at 31 March 2020 receivables of R 71 592 ( 2019:R 13 624) were past due but not impaired. The entity believes these receivables are recoverable. Management have taken into account the effects of COVID-19 and determined that the allowance for doubtful debts is sufficient to cover the possibility of debts becoming bad.

All receivables are individually assessed for impairment.

The age analysis of these receivables is as follows:

31 March 2020	31 - 60 days	61 - 90 days	+90 days	Total
Net balances	887	56 838	13 867	71 592
31 March 2019	31 - 60 days	61 - 90 days	+90 days	Total
Net balances	245	2 375	11 004	13 624



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 7. CASH AND CASH EQUIVALENTS

	2020	2019
Cash and cash equivalents consist of:		
Cash on hand	67 769	30 074
Bank balances	40 648	110 047
<b>Total bank, cash and cash equivalents</b>	<b>108 417</b>	<b>140 121</b>

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 8. EMPLOYEE BENEFITS

Reconciliation of provisions - 2020	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	279 883	277 016	(240 546)	-	316 353
Performance bonus	386 553	-	-	(386 553)	-
	666 436	277 016	(240 546)	(386 553)	316 353
Reconciliation of provisions - 2019	Opening Balance	Additions	Utilised during the year		Total
Provision for leave pay		262 245	73 025	(55 387)	279 883
Provision for performance bonuses		386 553	-	-	386 553
		648 798	73 025	(55 387)	666 436

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.

Performance Bonuses accrue to staff and have been provided for at a maximum allowable amount according to the employment contracts and performance contracts of those individuals who may qualify or be considered for a bonus. The actual amount payable cannot be determined until performance evaluation processes have been duly completed by the Board. Any bonus that may be or become payable would ordinarily be paid within the next 12 months.

The CCB has not paid performance bonuses to its staff members for the past two years and it is unlikely that these will be paid in the foreseeable future. Staff members were informed. The amount was thus reversed in the current financial period.

## 9. PAYABLES FROM EXCHANGE TRANSACTIONS

	2020	2019
Trade payables	10 190	17 431
Payments received in advanced	20 212	131 784
Other payables	21 293	146 216
Accruals	92 970	59 529
Deposits received	268 261	280 261
	<b>412 926</b>	<b>635 221</b>

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 10. REVENUE

	2020	2019
Ticket sales	3 921 373	4 317 912
Rental of facilities and equipment	1 496 030	1 258 320
Interest received	-	14 019
Other income	99 377	128 883
Public contributions and donations	294 582	3 342 445
	<b>5 811 362</b>	<b>9 061 579</b>

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

Ticket sales	3 921 373	4 317 912
Rental of facilities and equipment	1 496 030	1 258 320
Interest received	-	14 019
Other income	99 377	128 883
	<b>5 516 780</b>	<b>5 719 134</b>

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

Public contributions and donations	294 582	3 342 445
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### 11. RENTAL OF FACILITIES AND EQUIPMENT

#### Facilities and equipment

Rental of facilities	1 496 030	1 258 320
	<b>1 496 030</b>	<b>1 258 320</b>

### 12. OTHER REVENUE

Curio shop	38 024	64 980
Overtime	37 975	57 630
Sundry income	23 378	6 273
<b>Total</b>	<b>99 377</b>	<b>128 883</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2020**13. PUBLIC CONTRIBUTIONS AND DONATIONS**

	2020	2019
Public contributions and donations	294 582	3 342 445
<b>Total public contributions and donations</b>	<b>294 582</b>	<b>3 342 445</b>

**14. EMPLOYEE RELATED COSTS**

Basic	3 585 144	4 490 798
Performance bonus reversal	(386 553)	-
UIF - employer portion	20 733	22 692
Leave pay provision charge	36 470	17 638
Overtime payments	348 323	338 976
<b>Total employee related costs</b>	<b>3 604 117</b>	<b>4 870 104</b>

The CCB had not separately disclosed basic salaries, overtime payments, UIF and the leave pay charge. The correction of this error has no impact on the current or prior year accumulated surplus. Comparative amounts have been restated.

**15. DEPRECIATION AND AMORTISATION**

IT equipment	475 830	159 009
Office equipment	106 824	32 378
Intangible assets	73 472	13 485
	<b>656 126</b>	<b>204 872</b>

The increase in depreciation and amortisation is due to the conference centre assets which were available for depreciation for 12 months in 2020 compared to 3 months in 2019. These assets were donated to the CCB in January 2019.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 16. CONTRACTED SERVICES

	2020	2019
Consultancy fees	42 866	122 291
Internal auditors	-	110 223
Security services	11 187	9 606
Sanitation services	8 114	7 593
	<b>62 167</b>	<b>249 713</b>

Management has disclosed sanitation services under contracted service. Previously, the expenditure item was incorrectly classified under general expenses ( Note 19). This correction has no effect on the accumulated surplus in the current or prior year. The comparative figure has been restated.

### 17. REPAIRS AND MAINTENANCE

Hardware maintenance & repairs	9 918	18 547
Building maintenance	8 330	5 685
Other assets - computer equipment/hardware	-	3 527
	<b>18 248</b>	<b>27 759</b>

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.

### 18. SPECIAL DAYS EXPENDITURE

General Heritage events	-	1 020
Mandela Day	-	396
Military Tattoo	-	150 107
	<b>-</b>	<b>151 523</b>

There was no expenditure incurred on the heritage related events in 2019/20 financial period due to the entity's cash flow challenges.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 19. GENERAL EXPENSES

	2020	2019
Advertising	5 000	1 391
Auditors remuneration	453 309	419 370
Bank charges	123 631	107 883
Cleaning	34 776	48 752
Computer expenses	154 399	46 652
Legal fees	66 606	68 831
Entertainment	20 902	24 404
Insurance	22 703	22 530
Postage and courier	65	863
Printing and stationery	110 133	144 877
Repairs and maintenance	18 248	27 759
Subscriptions and membership fees	3 630	1 727
Telephone and fax	39 450	55 516
Training	4 105	1 540
Travel - local	39 441	43 052
Travel - overseas	5 871	-
Tourism development	480	479
Laundry	31 340	27 923
Office machine rentals	302	1 521
Audit and risk committee fees	23 427	31 284
Venue expenses	293 832	309 400
Other expenses	3 955	53 724
	<b>1 455 605</b>	<b>1 439 478</b>

The CCB had incorrectly disclosed audit and risk committee fees under employee related costs. The correction of this error has no impact on the current or prior year accumulated surplus. Comparative figures have been restated.

Audit and risk committee details have been disclosed under note 24.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 20. COST OF SALES

	2020	2019
Cost of goods sold	1 349	4 177

### 21. CASH USED IN OPERATIONS

(Deficit) surplus	(33 886)	2 000 719
<b>Adjustments for:</b>		
Depreciation and amortisation	656 126	204 872
Loss on disposal of property, plant and equipment	5	14 508
Debt impairment	(38 496)	149 375
Movements in provisions	(350 083)	17 638
Public contribution and donation	-	(2 881 793)
Intangible assets donated	-	(220 415)
<b>Changes in working capital:</b>		
Inventories	359	4 177
Receivables from exchange transactions	(35 436)	43 952
Other receivables from non-exchange transactions	(8 000)	-
Payables from exchange transactions	(222 293)	(10 336)
Other adjustments	-	(50 045)
	<b>(31 704)</b>	<b>(727 348)</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

## 22. FINANCIAL INSTRUMENTS DISCLOSURE

## Categories of financial instruments: 2020

Financial assets	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	107 120	107 120
Call deposits	-	513	513
Bank balances	-	40 135	40 135
Other cash receivables	3 369	-	3 369
Payments made in advance	-	4 010	4 010
<b>Total financial assets</b>	<b>3 369</b>	<b>151 778</b>	<b>155 147</b>

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	10 190	10 190
Accruals	92 970	92 970
Deposits received	268 261	268 261
Payments received in advance	20 212	20 212
Other Creditors	21 293	21 293
	<b>412 926</b>	<b>412 926</b>

## 2019

Financial assets	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	26 537	26 537
Call deposits	-	513	513
Bank balances	-	109 533	109 533
Other cash equivalents	14 474	-	14 474
Payments made in advance	-	2 660	2 660
	<b>14 474</b>	<b>139 243</b>	<b>153 717</b>

Financial liabilities	At amortised cost	Total
Trade and other payables from exchange transactions	17 431	17 431
Accruals	59 529	59 529
Deposits received	280 261	280 261
Payments received in advance	131 784	131 784
Other creditors	146 216	146 216
	<b>635 221</b>	<b>635 221</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 23. RELATED PARTIES

#### Relationships

South African National Defence	SANDF
General Support Base Western Cape	GSB
Department of Military Veterans	DMV
Iziko Museums South Africa	Iziko
Castle Military Museum Foundation	CMMF

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

	2020	2019
DMV	-	3 102 245

The DMV donated the furniture and equipment at the conference centre to the CCB in 2018/19. This donation was accounted for in terms of GRAP 23.

GSB Western Cape currently operates Het Bakhuis at the Castle of Good Hope for the benefit of the Combined Officers' Club (non-public funds).

#### Related party transactions

DMV	-	(3 102 245)
GSB Western Cape	-	70 000
<b>South African National Defence Force</b>		
Payment for use of fixed telephone lines	520	618
Staff salaries	1 458 124	1 116 300

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.

GSB Western Cape currently operates Het Bakhuis at the Castle of Good Hope for the benefit of the Combined Officers' Club (non-public funds).

The expenditure transactions represent rentals for the use of the Het Bakhuis by end-user clients, which were facilitated by the CCB. The income represents rentals earned by the CCB from Het Bakhuis.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
23 RELATED PARTIES (CONTINUED)Remuneration of key management personnel  
Management class: Executive management

2020 Name	Annual remuneration	Total
Mr Calvyn Gilfellan - Chief Executive Officer	1 151 579	1 151 579
Mr Mandla Ngewu - Chief Financial Officer	939 929	939 929
	<b>2 091 508</b>	<b>2 091 508</b>

2019 Name	Annual remuneration	Total
Mr Calvyn Gilfellan - Chief Executive Officer	1 040 146	1 040 146
Mr Mandla Ngewu - Chief Financial Officer	841 775	841 775
	<b>1 881 921</b>	<b>1 881 921</b>

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

## 24. MEMBERS' EMOLUMENTS

No emoluments were paid to Board members for their services during the year. Audit and Risk Committee members were remunerated for attending audit and risk committee meetings as they are not employed by the state.

Non-executive	Committee fees	Total
<b>2020</b>		
Adv. D. Mitchell	12 951	12 951
Ms C. de Vries	7 857	7 857
Adv. J. Niekerk	2 619	2 619
	-	-
	<b>23 427</b>	<b>23 427</b>
<b>2019</b>		
Adv. D. Mitchell	12 951	12 951
Ms C. de Vries	10 476	10 476
Adv. J. Niekerk	5 238	5 238
Mr E. Bruttoh	2 619	2 619
	<b>31 284</b>	<b>31 284</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 25. PRIOR-YEAR ADJUSTMENTS

It was discovered that although payments made by the entity to renew the liquor licence were received by the the Western Cape Liquor Authority, these amounts have been held in trust as the licence had lapsed. Thus the R 9 000 paid resulted in understatement of accumulated surplus and debtors. The Western Cape Liquor Authority has undertaken to reimburse the CCB.

An error was discovered relating to understatement of creditors in the prior years. The net effect of the error is an understatement of sundry creditors and overstatement of accumulated surplus by R 1 764.

In the prior year sanitation services were incorrectly disclosed under general expenses. This resulted in understatement of Contracted services by R 7 593.

In the prior year basic salaries were presented as a single line item and not split to correctly reflect the UIF payments, overtime, and the leave pay charge. Audit committee fees were also incorrectly reflected under basic salaries instead of general expenditure. This resulted in overstatement of basic salaries by R 410 590 and understatement of general expenses by R 31 284.

A payment to a consultant was not raised in the prior year. This error resulted in understatement of sundry creditors and overstatement of accumulated surplus by R 4 950.

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

2019	Note	As previously reported	Correction of error	Restated
<b>Statement of financial position</b>				
Accumulated surplus		(3 546 544)	(2 286)	(3 548 830)
Receivables from exchange transactions	6	20 198	9 000	29 198
Payables from exchange transactions	9	(628 507)	(6 714)	(635 221)
		<b>(4 154 853)</b>	<b>-</b>	<b>(4 154 853)</b>
<b>Statement of financial performance</b>				
Sanitation	16	-	(7 593)	(7 593)
General expenses	19	(1 447 069)	7 593	(1 439 476)
Basic salaries	14	(4 901 388)	410 590	(4 490 798)
Overtime	14	-	(338 976)	(338 976)
UIF	14	-	(22 692)	(22 692)
Leave pay charge	14	-	(17 638)	(17 638)
Audit committee fees	19	-	(31 284)	(31 284)
<b>Surplus for the year</b>		<b>(6 348 457)</b>	<b>-</b>	<b>(6 348 457)</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 26. RISK MANAGEMENT

#### Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the entity's risk management framework. The entity's risk management policies are established to identify and analyse the risks faced by the entity, 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 entity 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. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors.

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

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 26. RISK MANAGEMENT (CONTINUED)

	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>31 March 2020</b>					
Payables from exchange transactions	407 480	-	-	-	407 480
<b>31 March 2019</b>					
Payables from exchange transactions	628 504	-	-	-	628 504

#### Credit risk

Credit risk is mitigated by the fact that the entity 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 entity.

The entity 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:

	2020	2019
Receivables from exchange transactions	87 120	20 198
Bank, cash and cash equivalents	108 417	140 120
Subtotal	195 537	160 318
<b>Maximum credit and interest rate exposure</b>	<b>195 537</b>	<b>160 318</b>

#### Market risk

The entity'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 market.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 26. RISK MANAGEMENT (CONTINUED)

#### Interest rate risk

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

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

The entity limits its counterparty exposures by only dealing with Absa Bank. No investments with a tenure exceeding twelve months are made. The entity is not exposed to credit interest rate risk as the entity has no borrowings.

The entity's exposures to interest rates on financial assets and financial liabilities are detailed in the credit risk section of this note.

## 27. GOING CONCERN

Management considered the following matters relating to the going concern:

- The three year Medium Term Revenue and Expenditure Framework to support ongoing delivery of services to the public reflected that the CCB budget covering a period from 2018/19 to 2019/20 was not cash backed. This is due to the depletion of the historical surplus and a challenging tourism economy in 2018/19.
- The CCB critically analyses its budget prior to approval by the Board to ensure it is aligned to expected revenue projections.
- The CCB management manages expenditure on salaries and wages through internal recruitment for vacant positions. This is done without compromising the service delivery aspects of the CCB. In addition to saving costs this also promotes upward mobility of staff within the entity.
- The effects of COVID-19 have shown the susceptibility of the entity's revenue generating capability to world events owing to it being in the events and tourism sphere. Cash flow forecasts and bank balance at 31 March 2020 do not show that the entity will be able to generate income due to cancellation of events and closure of the site to tourists.
- As reflected in Note 23 below the DoD has come to the rescue of the entity by advancing operational funds to ensure the entity is able to meet its obligations.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 28. EVENTS AFTER THE REPORTING DATE

The CCB applied to the Department of Defence for relief funding on 04 April 2020. The R3million emergency funding was approved by the Minister of Defence and Military Veterans and paid into the CCB's bank account on 20 May 2020. More details are contained in the Chairman's report.

### 29. FRUITLESS AND WASTEFUL EXPENDITURE

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

### 30. IRREGULAR EXPENDITURE

The Board is satisfied that no irregular expenditure was incurred during the year under review nor in the previous financial year.

### 31. SERVICES IN-KIND, DONATIONS AND ASSISTANCE

	2020	2019
Public donations	750	800
Office space	293 832	239 400
<b>Total</b>	<b>294 582</b>	<b>240 200</b>

The entity received an In-kind donation to the amount of R750 during the year under review.

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.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 32. BUDGET DIFFERENCES

#### Material differences between budget and actual amounts

- 32.1 The slump in the tourism sector resulted in CCB not collecting the anticipated revenue.
- 32.2 The rental of the site depends on many variables which are outside the control of the CCB or event organisers. Big outside events are influenced by weather conditions, restrictions on the number of patrons that can attend, the site itself as a National Heritage site and a Defence Endowment property. Filming events are even more challenging as these are dependent on whether the type of film matches the site. Even though the target was not achieved the results are an improvement from the previous years.
- 32.3 The CCB was hoping to invest in improvement of the curio shop to earn better revenue. The adverse financial challenges have meant that this is shelved.
- 32.4 Interest income is reflective of the nature of the financial challenges faced by the CCB. Income is used as it is received.
- 32.5 The CCB will take into account the effects of donations owing to services in kind in the 2020/21 budget cycle. The overall budget was not affected by the over-expenditure in the line item.
- 32.6 The saving on personal costs is due to non-replacement of staff who have left the employ of the CCB. The reversal of the performance bonus provision has contributed to the saving.
- 32.7 The CCB was hoping to invest in more assets to improve the curio shop during 2019/20.
- 32.8 There were indications that the debtors will still be recoverable when the budget was drawn.
- 32.9 The saving is as a result of the financial challenges.
- 32.10 There were fewer disposal of assets than anticipated.





Statues of the four warrior-kings, who resisted colonial conquest



# ANNEXURE 1:

## CULTURAL AND COMMUNITY

### EVENTS HOSTED AT THE CASTLE

#### HERITAGE, EDUCATIONAL & CULTURAL EVENTS (PROGRAMMES 2 & 4)

##### NON-COMMERCIAL

1. International Jazz Day Event (30 May 2019)
2. Western Cape Women's League (25 May 2019)
3. Military Veterans Book launch (6 June 2019)
4. Queen Itha Legal Colloquium (8 and 9 June 2019)
5. Moja Media Research Workshop (Contralesa) (2 June 2019)
6. Launch Event of 500 Year Circumnavigation (12 June 2019)
7. Mandela Day event (18 July 2019)
8. IPSOSA Khoi-Khoi film event (20 July 2019)
9. Moms Move for Justice March (1 August)
10. Rebuilding the First Nation (5 October 2019)
11. Rebuilding the First Nation (2 November 2019)
12. Chief Hennie Khoisan Meeting (2 November 2019)
13. S.A. Religious Forum meeting (29 October 2019)
14. S.A. Religious Forum meeting (5 November 2019)
15. Khoi meeting (9 November 2019)
16. Department of Cultural Affairs (14 – 15 November 2019)
17. Infecting the City (23 – 24 November 2019)
18. The official launch of the book "Praying Mantis" (7 December 2019)
19. Elim Slavery Emancipation Day (1 December 2019)
20. Khoi seven days event (26 Dec-1<sup>st</sup> Jan 2020) S.A. Religious Forum meeting (8 January 2020)

21. District Six 54<sup>th</sup> Commemoration Event, Front Courtyard (15 February 2020)
22. SAHRA Executive Farewell Function (28 February 2020)
23. CONTRALESA workshop with Prince Messelaar (10 March 2020)
24. Commonwealth Association of Museums Conference Paper delivered by C Gilfellan and S Maxebengula (11 March 2020)
25. Cape Peninsula University of Technology Diversify Management event (17 March 2020)
26. National Union of Mineworkers workshop (18 – 20 March 2020)
27. SAPS Policing Forum Japan Tabaco Company equipment hand-over (22 March 2020)

##### HERITAGE & CULTURAL EVENTS

28. Langvantage Entrepreneurial workshop (6 April 2019)
29. Tores Foundation (13 April 2019)
30. Langvantage Entrepreneurial workshop (26 – 27 May 2019)
31. District 6 Working Community (5 November 2019)
32. District 6 Working Community (12 November 2019)
33. District 6 Working Community (19 November 2019)
34. Women's March (9 August 2019)
35. Salsa Women's Fundraiser (9 August 2019)
36. Khoi Book Launch – "Tears of the Praying Mantis" (9 August 2019)
37. Sistaaz of the Castle Book Launch (9 August 2019)
38. District Six Western Cape Workshop (20 August 2019)

39. District Six Working Committee meeting (12 September 2019)
40. SAPS Gender-Based Violence Workshop (29 November 2019)
41. District 6 working community (26 November 2019)
42. Fight Back Self Defence Classes (30 November 2019)
43. Moms Move for Justice (22 December 2019)
44. Elim Slavery Emancipation Day (1 December 2019)
45. S.A. Religious Forum meeting (8 January 2020)
46. District 6 Working Committee meeting (14 January 2020)
47. SONA planning meeting (14 January 2020)
48. District 6 Working Committee meeting (21 January 2020)
49. District 6 Working Committee meeting (28 January 2020)
50. District 6 Working Committee meeting (14 February 2020)
51. Final SONA preparatory meetings (10 – 14 Feb 2020)
52. Kai Bia Bradley van Sitters, Nau planning meeting (4 March 2020)
53. District 6 Working Committee Meeting (10 Mar 2020)
54. CONTRALESA workshop with Prince Messelaar (10 March 2020)
55. CCB HR training session (18 – 20 March 2020)
56. Iziko Youth Training initiative (22 March 2020)

## MILITARY VETERAN PROGRAMS

57. SANDF COVID 19 Emergence meetings (23 – 27 March 2020)
58. SACC Military Veterans meeting (15 June 2019)
59. Military Veterans meeting (16 June 2019)
60. The Castle hosted MKVA (6 July 2019)
61. SACCMVA event (9 July 2019)
62. The Castle hosted MKVA (19 December 2019)
63. S.A. Navy Military Veterans meeting (5 March 2020)
64. Military Veterans Housing Meeting with Min Mapisa Nqakula (8 March 2020)

## EXHIBITIONS

65. The Jesus Exhibition (26 – 28 April 2019)
66. The Imam Haron 50th Anniversary Exhibition (26 – 28 April 2019)
67. The Islamic Art Exhibition (26 – 28 April 2019)
68. Spanish 500 years of circumnavigation (12 June 2019)
69. CONTRALESA Photographic exhibition (20 July - 21 July 2019)
70. Mandela-Luthuli Exhibition (1 November 2019 - 30 May 2020)
71. Post-Present-Past Exhibition filming, Garrison Cells (31 January 2020)
72. Jive Slave Route Challenge Exhibition (20 – 23 February 2020)



# ANNEXURE 2:

## COMMERCIAL EVENTS

### HOSTED AT THE CASTLE

## REVENUE GENERATING EVENTS (PROGRAMME 3)

### COMMERCIAL, LIFE-STYLE EVENTS

1. Good Hope Christian Church Function (16 April 2019)
2. Woolworths Executive Breakaway (17 April 2019)
3. Legends Concert (20 April 2019)
4. Ramadaan for All (23 April – 9 May 2019)
5. Coffee Festival (29 May – 3 June 2019)
6. Game On (1 – 3 June 2019)
7. DiNique Charity Auction (13 June 2019)
8. Full Moon Concert (15 June 2019)
9. A.P. Foundation (26 – 27 June 2019)
10. L'Fanto Gala Dinner (20 July 2019)
11. Woolworths (16 July 2019)
12. Woodstock Beer Fest (26 – 28 July 2019)
13. IPSOSA (20 July 2019)
14. A Apollis's Wedding Reception (3 August 2019)
15. Venturescapes (2 – 4 October 2019)
16. Big League Concert (5 October 2019)
17. Open Design Afrika (16 – 24 October 2019)
18. Slay with Doek (8 October 2019)
19. Doek on Fleek (2 November 2019)
20. M Parker 40<sup>th</sup> Birthday Celebration (2 November 2019)
21. Worldsport Triathlon (7 – 9 November 2019)
22. Dutch Consulate event (21 November 2019)
23. ESPAfrika (1 December 2019)
24. Catalyze-Playtopia (2 – 8 December 2019)
25. Crazy Store year-end (13 December 2019)
26. Fakier wedding (22 December 2019)



- 27. Private Affair concert (15 December 2019)
- 28. Full Moon youth concert (29 December 2019)
- 29. Christ Embassy NYE (31 November 2019)
- 30. Festival of Rebels (25 – 26 January 2020)
- 31. Cutting Edge concert (29 February 2020)
- 32. NUM Youth workshop (18 – 21 March 2020)
- 33. Cape Town Cycle Tour (7 March 2020)
- 34. Sidestep trading (10 March 2020)

## FILM SHOOTS

- 35. Urban Brew (5 April 2019)
- 36. Moonlighting 8 (8 – 10 May 2019)
- 37. Causeway Trading (17 – 24 May 2019)
- 38. Hipster Media (8 July 2019)
- 39. Agewise Trading (11 – 13 September 2019)
- 40. ADF (11 September 2019)
- 41. Trilogy (16 October 2019)
- 42. Orange Films (4 November 2019)
- 43. Moonlighting (10 – 25 November 2019)
- 44. AFS Productions (14 December 2019)
- 45. Gatehouse Films (17 December 2019)
- 46. Moonlighting (6 – 7 January 2020)
- 47. Blue Ice Production (9 February – 1 March 2020)
- 48. North-South Production (24 – 27 February 2020)
- 49. Redeeming Love (3 – 6 February 2020)
- 50. Gatehouse Films (2 March 2020)
- 51. Trilogy Studios (5 – 6 March 2020)



A recent aerial photo of the Castle of Good Hope



**Telephone:**

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**Opening Time:**

Daily 09:00 until 17:00

Last ticket sale is at 16:45

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Defence  
**REPUBLIC OF SOUTH AFRICA**

