

CASTLE CONTROL BOARD ANNUAL REPORT 2015/2016



defence

Department:
Defence
REPUBLIC OF SOUTH AFRICA

350 Years - Freedom from Oppression...



Image from the filming of "Roots" - Picture courtesy of Film Afrika, 2015
Front cover: "Roots" - Picture courtesy of Film Afrika, 2015

CASTLE CONTROL BOARD

ANNUAL REPORT 2015/2016

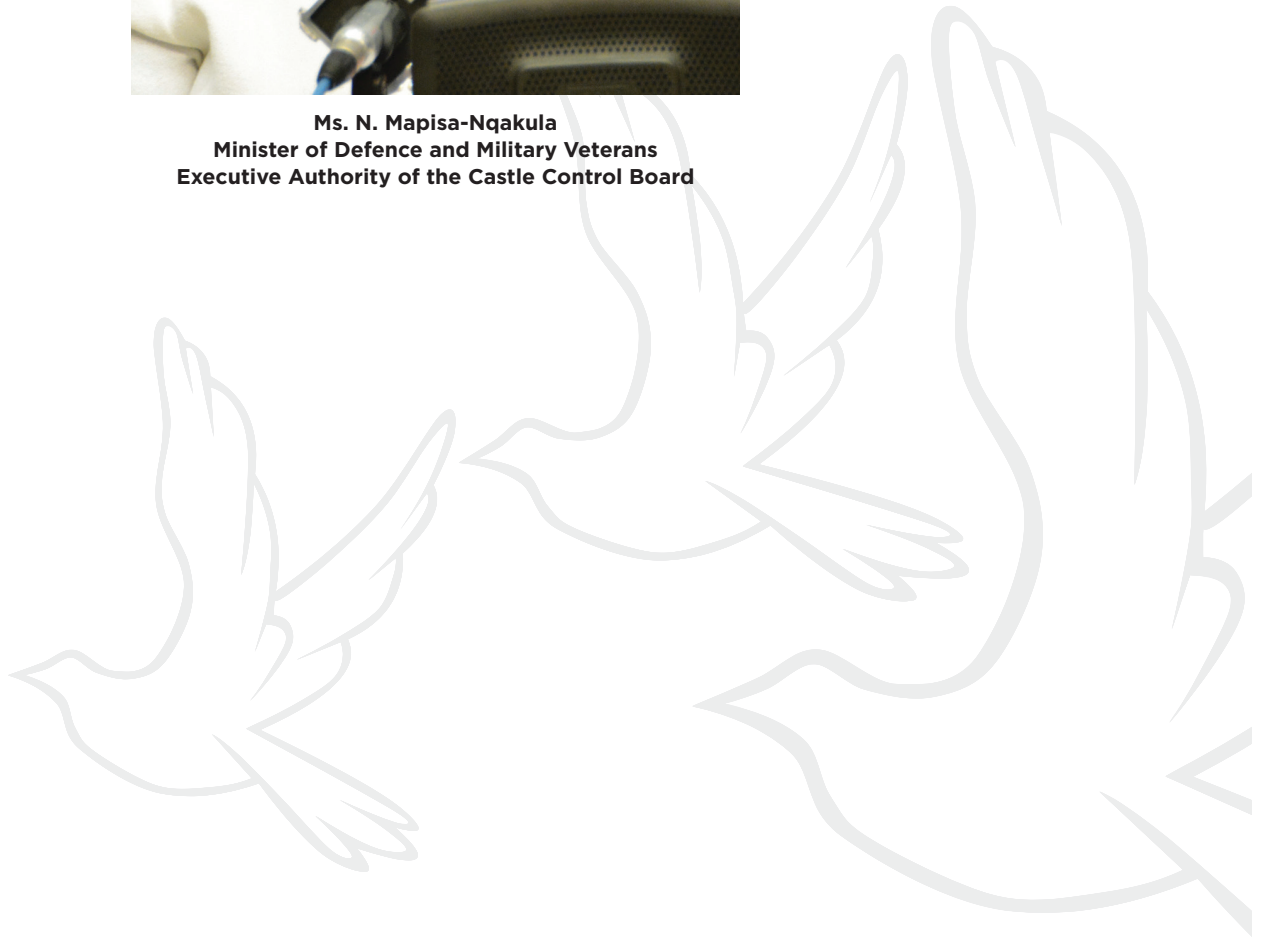
Freedom from Oppression...

RP 58/2016

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Ms. N. Mapisa-Nqakula
Minister of Defence and Military Veterans
Executive Authority of the Castle Control Board



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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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TELEPHONE NUMBER/S:	027 21 787 1260
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WEBSITE ADDRESS:	www.castleofgoodhope.co.za
EXTERNAL AUDITORS:	AGSA
BANKERS:	ABSA
BOARD SECRETARY:	Mr Derek Williams

2. LIST OF ABBREVIATIONS/ACRONYMS

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



3. FOREWORD BY THE CHAIRPERSON



Lt Gen (ret) J T Nkonyane
Chairperson of the Board

I am honoured to reflect on yet another exciting and eventful year in the life of South Africa's oldest, surviving colonial building – the Castle of Good Hope. This year, I am doing it with a touch of sadness because it is indeed my last year with the Castle Control Board (CCB) the organization I hold so dear.

The past year has been one of the most extraordinary ones in my entire 10 years in the organization. On 2 January 2016 we were marking the 350th year since the first foundation stones of the Castle of Good Hope were laid. The people who witnessed this historic occasion with our honourable Deputy-Minister Maphatsoe, could feel that they were part of a very special process of rewriting our unique South African story in a manner that is liberating, restorative and inclusive. The 12-month commemoration programme has truly captured the imagination of the nation and has received excellent, positive media coverage here and abroad.

I am also proud to say that our multi-million rand Castle renovation and refurbishment project is almost done. Despite the major disruption this has caused to the daily Castle activities, it is remarkable that the CCB team and partners have managed to maintain and even increase their strategic and operational deliverables. With a refurbished Castle available by September 2016, I can only see further increases in the delivery to the tourists, public and stakeholders.

If I could single out the highlights during the past year, the following are right from the top drawer:

- The clean 2015/16 audit opinion from the AGSA – a historic first for the CCB. I vividly recall the October 2015 Portfolio Committee of Defence and Military Veterans where we committed to work towards “operation clean audit”. I want to congratulate the entire team and urge them to up the ante even further.
- The fact that the Castle Management structure – after years of struggling – is now fully functional with a CEO, CFO and key management positions in place. I have no doubt in my mind that this small, culturally diverse team will take the Castle of Good Hope to new heights.

- The exceptional cooperation with the Ministry of Defence and Military Veterans in all its formations to launch the ambitious Castle 350 commemoration programme. This is the first time that a symbol of our country's colonial past is commemorated by all in an inclusive, educational and reconciliatory way. This is definitely assisting our efforts to position the Castle as the premier heritage site with National and UNESCO World Heritage Status; and
- The unprecedented media coverage the CCB managed to create over a range of topics. The 2015/16 audited figures indicate that the Castle was exposed to no less than 107 million potential visitors world-wide. The marketing team must capitalize on this huge, positive exposure to lure business to the Castle.

The Board has engaged the Deputy-Minister of Defence and Military Veterans on several occasions to report back on our response to his challenge for "radical transformation" of the CCB and the Castle. One of the most tangible matters is the current restoration and maintenance project where the Deputy Minister toured the Castle to acquaint himself with the restoration progress. Working together with the National Department and Public Works (NDPW) we are devising means to get more military veterans benefitting from this and other downstream opportunities.

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

Lastly, I want to use this opportunity to thank the Minister, the Deputy-Minister, the Department, my fellow board members and the CCB staff. I also wish the new Chairperson, Lt Gen Moadira well in the knowledge that the Ministry's smallest, but very potent public entity is left in his very capable hands.

I thank you.



Lieutenant General J.T. (ret) Nkonyane
Castle control board: Chairperson
31 July 2016



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

“ We, the people of South Africa,
Recognise the injustices of our past;
Honour those who suffered for justice and freedom in our land;
Respect those who have worked to build and develop our country; and
Believe that South Africa belongs to all who live in it, united in our diversity. ”

Constitution of the Republic of South Africa, 1996



Calvyn Gilfellan
Executive Director/CEO

Introduction

Scaffolding, jackhammers, danger tape, no-entry signs, wheelbarrows, short tempers, red barriers, concrete, paint, cement, blaring goats, wooden beams, sealed-off chambers, screaming school kids, trenches, forklifts, pulleys, prayers, more short-temper, swearing – and much more, characterized the year that was. Challenging yes – but exciting, even more so! And despite all of this, the show went on!

And what a show it was. Perhaps the 26 April 2015 Freedom Day event set the scene for the rest to follow. By the time the, 350 Commemoration started in all earnest with the marking of the laying of the first foundation stone on 25 September 2015, the general public and the media embraced and ran with it.

In fact, one of the undisputed highlights of the year, was the exceptional positive media coverage the 350 commemoration and the renovations received. The media we could trace (excluding social media) reached a collective audience of 107.5 million – the highest in the Castle's entire existence. All of these events – listed in more detail below – were extensively covered on SABC TV and radio, ETV television, all major radio stations and the mainstream print media.

It gives me immense pleasure to pick out a couple of other highlights of another exceptional financial year:

Financial Review

Returning to our 2015/16 financial performance - it is heartening to note the following:

- At R4 259 871 revenue from tourism, events, filming, trade and other activities is up 9.23% over the budgeted amount of R3, 9 million. Although the income from gate takings is understandably lower, income from commercial events increased from R737 598 last year to R1 113 265 this year. With a newly refurbished Castle at our disposal, a dedicated manager and creative marketing, we anticipate significant growth in this area.
- On the expenditure side, we need to highlight that the expansion of the management team has pushed up our salaries and wages from R3 092 161 the previous year to R3 361 566 in 2015/16. But I am confident this human resource investment will pay off in the medium term.
- One of the positive spin-offs of the renovations programme, is the massive savings that we registered for repairs and maintenance. Although we only spent R51 785, we cannot afford to adjust this budget item because post-renovations maintenance will be costly. In fact, we already made an approach to the SANDF's Logistics Division to budget for this item that cannot solely be carried by CCB income.
- In line with our mandate, we spent R1. 024 million of our Treasury approved surplus on the digitization of our heritage offering, the construction of a Khoi-kraal and the general improvement of the Castle's tourism offering (reflected under general expenses in the AFS).

The bottom line is that the CCB is a financially sound, going concern that can only excel with continued moral and financial support from the Ministry and the entire Defense and Military Veterans family.

Capacity constraints and challenges

One of the major challenges during the year, was managing the synchronization of the renovations programme with the daily Castle programmes.

Through regular meetings, engagements and respect for each other's role and objectives, conflict was kept to the minimal. The movement of precious collections and exhibitions was undertaken with the utmost care and security and cooperation of all involved. Perhaps this challenging circumstance was best summed in the manner which all the parties could compromise to allow for the remaking of Alex Haley's Roots, arguably the most seminal film series produced about the world's history of slavery.

It is heartening to know, that a perennial challenge, the lack of strong management, will be overcome in the next financial year. With the events, tourism, heritage and precinct managers in place, the CEO will be freed to focus on significant strategic matters such as UNESCO heritage status, transformation of the citadel in all its dimensions, responsible revenue generation and the development of world class visitor experiences.

Performance Delivery Review and Highlights

A complete report of the CCB's performance against its predetermined objectives is presented on pages 19 - 24 in this report. Suffice to say that in another historic first, all 12 of the CCB's key performance indicators were either met or exceeded. Herewith a summary:

Administration and Good Corporate Governance

We have **met all our KPI-targets** dealing with the operations of the Board, Board sub-committees and general administration. The Board approved its Asset Management Policy, the CCB updated the SCM Policy, the Gift Policy and ICT policy. In addition, staff underwent intensive workshop on SCM, skills training to improve their presentations and we implemented Caseware, a programme for the preparation of the AFS which will eliminate errors and improve reporting.

This culminated in the **CCB's first-ever clean audit opinion**. The challenge is to eliminate all other

shortcomings and maintain this good corporate governance standing.

Preservation, Interpretation and Showcasing of the History of the Castle

We are proud to report that we **exceeded our APP target of (6) by eleven (183%)**. The combination of heritage and 350 Commemoration activities and programmes has driven this outstanding performance. This was made possible by the November 2015 Board approval of R800k for 350 Commemoration programme purposes.

Some of the highlights under this programme were (attendance figures in brackets):

- 19 April 2015 – Hosting of King Sigcau (35)
- 18 April 2015 – Full Moon Khoi Ceremony (50)
- 26 April 2015 – Freedom Day Event (1200)
- 18 May 2015 – Full Moon Ceremony (50)
- 12 May 2015 – Jive Slave Route Challenge (6000)
- 5 July 2015 – Griqua Culture Book Launch (200)
- 27 August 2015 – Women's month activity with Department of Justice (50)
- 24 September 2015 – Heritage Day (5280)
- 24 September 2015 – Khoisan Cleansing ceremony, covered by SABC (80)
- 30 September 2015 – Deputy Minister and Department of Military Veterans Heritage month concluding function (80)
- 3 December 2015 – Chinese Arts Festival (200)
- 14 December 2015 – 350 Media Launch event (25)
- 2 January 2016 – Launch of the Castle's 350 Commemoration Programme (700)
- 7 February 2016 – Opening of the Erection of an authentic Khoi-Kraal with goats in the back court yard of the Castle (35)
- 20 February 2016 – Opening of a Khoisan Art Exhibition in Old Recruitment (35)
- 21 March 2016 – Human Rights Day commemoration at the Castle (1500)
- 1 March 2016 – Annual General Meeting of the VOC Foundation (100)

The community support and media and publicity generated by these events was overwhelmingly positive.

Maximising the Tourist Potential

Although **visitor figures to the Castle has decreased slightly from the previous year**, it is **still 1.4% more** than our 2015/16 KPI target of 152 000. As far as income from events, film and fashion shoots is concerned, the target of **R3.9 million was exceeded by 9.23%** reflecting a healthy R4.2 million for the year.

Increased Public Profile and Positive Perception Across all Sectors of the Community

Under the slogan *"Bringing People to the Castle and Taking the Castle to the People"*, the CCB hosted **15 successful community educational programmes exceeding our KPI target by three**.

The following events have definitely created greater awareness of this world renowned heritage site (attendance figures in brackets):

- 18 June 2015 – Female Empowerment Workshop (35)
- 15 May 2015 – Griqua Royal House Finance Workshop (50)
- 18 April 2015 – Naelstring Seminars (60)
- 18 June 2015 – Shared Heritage Workshop (45)
- 18 July 2015 – Help to Care SA: Children's early Intervention programme (130)
- 18 August 2015 – Traditional Herbal Medicine classes (70)
- 19 September 2015 – Aba Te Indigenous History Legacy Project (80)
- 29 September 2015 – City of Cape Town Cultural & Heritage Tourism Dialogue (200)
- 9 September 2015 – Masibambane Sibuyso Isidima project Disabled and Aged tour, talk and luncheon (30)
- 1 December 2015 – Emancipation of Slave Walk (300)
- 20 February 2016 – Week-long Exhibition to celebrate language diversity (150)
- 20 February 2016 – Celebratory function of International Mother tongue day with PANSALB (200)
- 1 February 2016 – Resuming of Abate Nama language classes (50)
- 2 March 2016 – Community film screening (50)
- 2 March 2016 – Filming workshop (25)

Requests for roll-over of funds

As reported elsewhere, access to the CCB's Treasury approved surplus funds significantly increased the capacity of the organization to fulfil its constitutional and other mandates.

Supply chain management

The CCB SCM Policy has now been updated and adopted by the Board. In addition, we have registered on the Western Cape Suppliers Database (Tradeworld) and the National Central Database an electronic procurement platform. By doing so, we have removed a number of our historic procurement challenges.

The Finance Unit is also recording all technical non-compliance cases in an Irregular Expenditure Register and submits it to the Board quarterly. The extension of invitations to the AGSA and our Internal Auditors to our highly effective Audit Committee meetings, and the leadership provided by Advocate Dave Mitchell, has ensured significant improvements in this area.

Economic Viability

In its current format, small as it is, the CCB is one of government's most economically viable and efficient public entities. However, we are acutely aware that come the post-renovations phase, significant amounts will be required to support a day-to-day preventative maintenance programme.

We have already listed this requirement at the Department's Planning and Budget Expenditure Committee and will do the necessary follow-up actions to ensure that we manage this future risk.

To ensure that we retain our current healthy economic position, our Executive Authority approved that we invest our surplus in activities and programmes that will offer returns and sustain us. We have set aside resources to upgrade the restaurant and coffee shop, as well as the Castle entrance – moves that paid off immediate dividends. In addition, the CCB's MOU with the DMV, which resulted in the approval of the funding of a Centre for Memory, Healing and Learning for military veterans, heritage organizations and community members, could also be utilized as a modest revenue stream for the organization.

Focus during the new Financial Year

Building on the major advances achieved during the year under review, we are committed to achieve even more, focusing on the following:

- Tackling the Integrated Conservation Management Plan;
- Preparing the post-renovations preventative maintenance programme;
- Consolidating the CBB's position as the central managing agent of a spatially unified Citadel;
- Tangible reinterpretation, reimagining and representation of the full Castle story particularly focusing on indigenous Khoi people and the military veterans;
- Rolling out of the first phase of our responsible revenue optimization plan; and
- Transforming the Castle management team into a high performance unit.

Acknowledgement and Appreciation

I wish to express a sincere word of gratitude towards the following person and institutions who significantly contributed towards the growth and development of the entire organization: The Board Chairperson and every Board member, the Minister and Deputy-Minister of Defence and Military Veterans, to DOD, DMV and their staff, the 350-inter-ministerial task team the Portfolio Committee on Defence and Military Veterans, the Chairperson of CONTRALESA Western Cape, National Treasury, the Dutch Ambassador and Consul-General, the French Ambassador, the Audit Committee Chairperson and his team, the Department of Public Works, SAHRA, IZIKO Museums of SA, the City of Cape Town, and last but not least, all Castle clients and members of the Castle 350 Steering Committee, Castle inter-stakeholder committee, the staff of the CCB who ultimately delivers our noble mandate to the people of South Africa.



Calvin Travers Gilfellan
Executive Director/Chief Executive Officer
Castle Control Board
31 July 2016



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 is 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 in accordance with the guidelines as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the SA Standards of GRAP, the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Castle Management Act of South Africa, 1993 (Act 207 of 1993) and all other standards applicable to the public entity.

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

The accounting authority is responsible for the establishing and implementation. A system of internal control has been 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 2016.

Yours faithfully

Chief Executive Officer
Calvyn Travers Gilfellan
31 July 2016

Chairperson of the Board
Lt. General (Ret) JT Nkonyane
31 July 2016

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 truly 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 a 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) designate 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 heritage site and should be managed within the legislative framework. We also utilize Tourism policies and frameworks to guide our interventions and programmes.

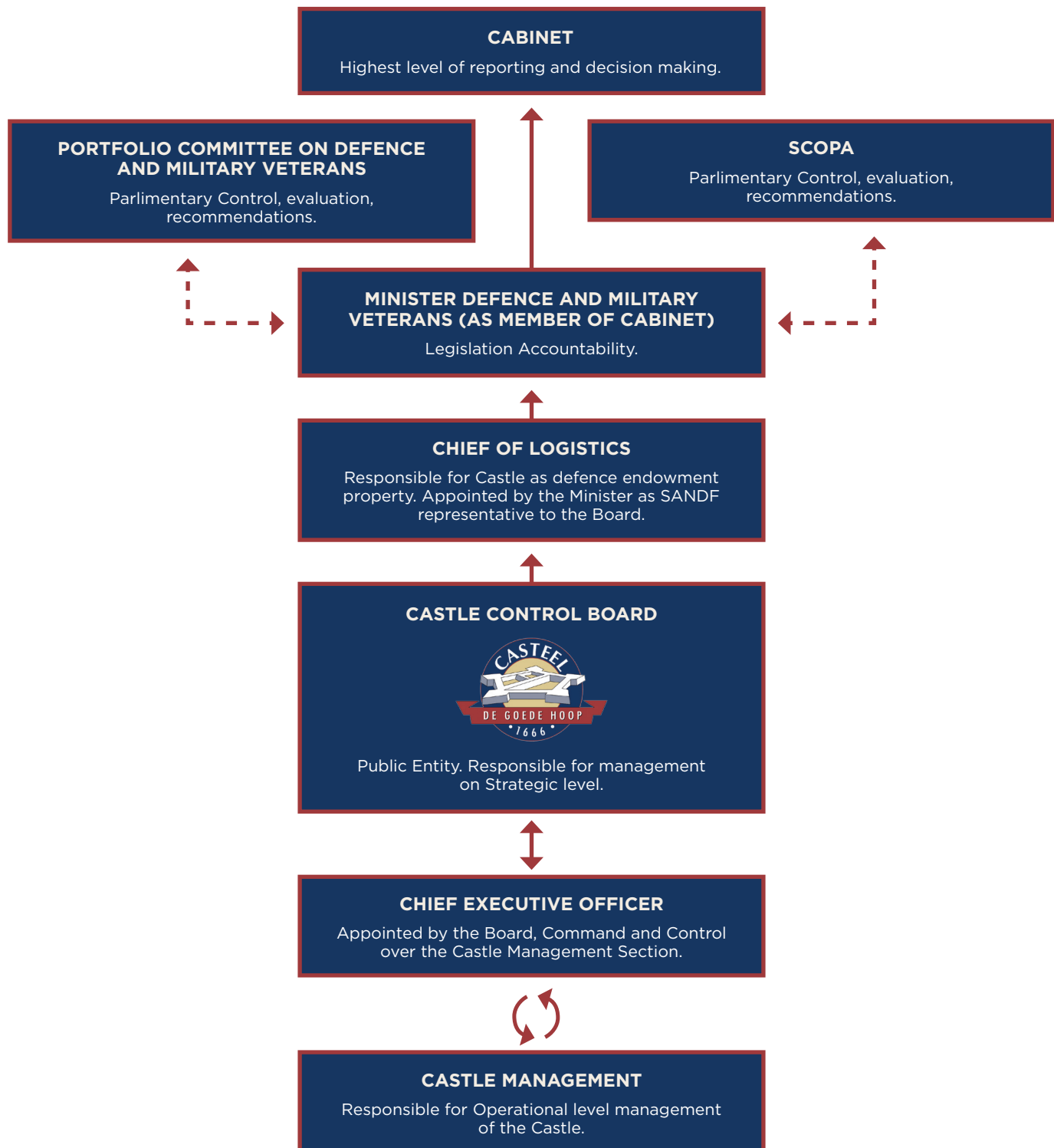
While the Board has identified gaps in the 1993 Castle Management Act, it fully acknowledges that the process to drive the legislative review shall be undertaken by the MOD&MV's Legislative Drafting Directorate. The Board has engaged the said Directorate and provided a broad outline of some of the issues to be addressed in the legislative review.



Deputy Minister Kebby Maphatsoe with outgoing Chair Lt Gen (Ret) JT Nkonyane and incoming Chair Lt Gen MM Moadira and Board members

8. ORGANISATIONAL STRUCTURE

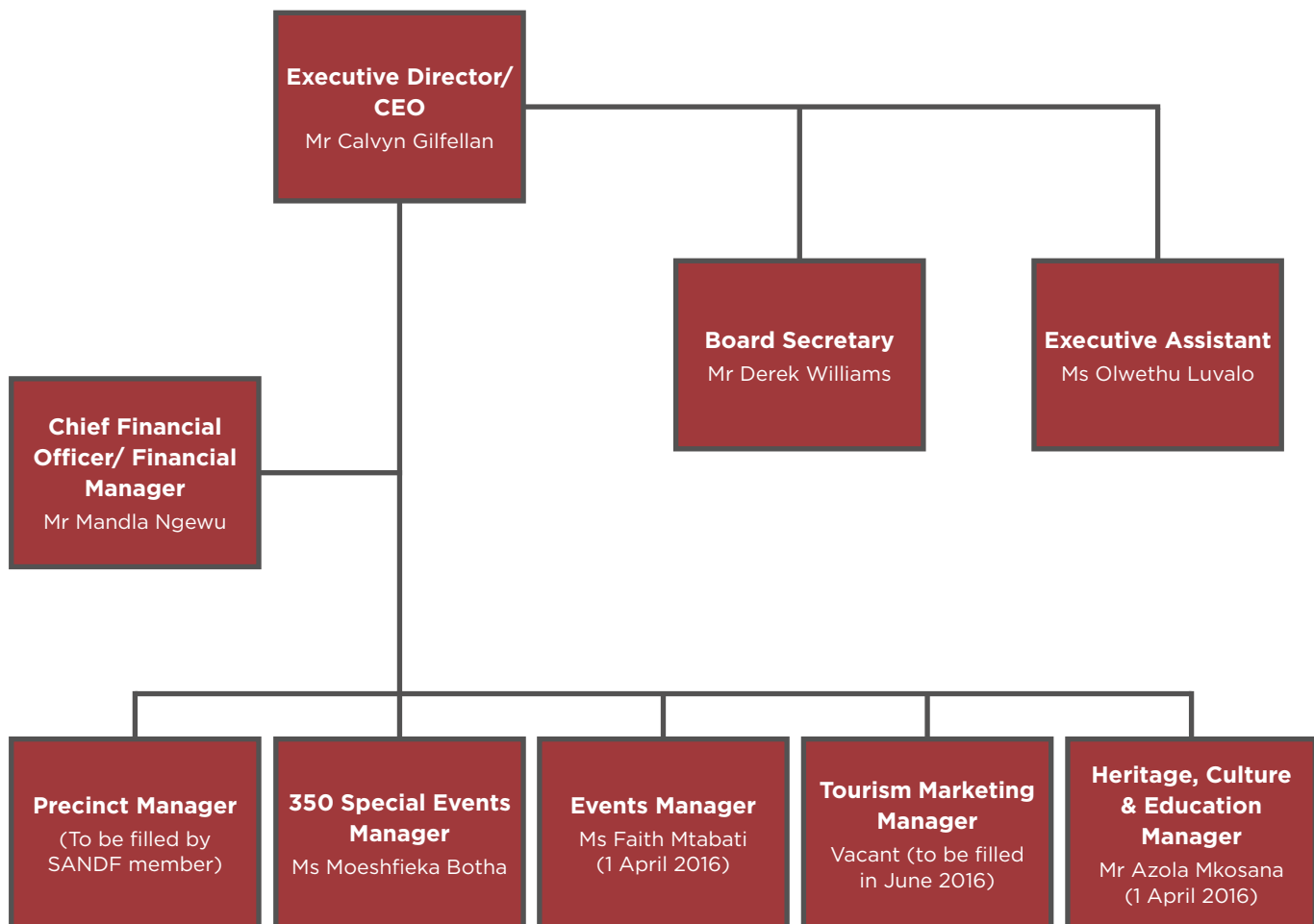
Figure 8.1. The Castle Control Board





8. ORGANISATIONAL STRUCTURE

Figure 8.2. The CCB's Operational Management Structure



PART B:

PERFORMANCE INFORMATION



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA as 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 45 - 46 of the Report of the Auditor's Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS



Freedom Day, 26 April 2015

2.1. Service delivery environment

The Castle Control Board is responsible for the overall management, maintenance and promotion of the Castle of Good Hope as a heritage site and tourism attraction.

In terms of this legislative mandate, the organization is expected to provide a range of public services and goods on behalf of the DOD and the DMV to local community members, military veterans, tourists, learners, students, conservation agencies, exhibitors, performers, cultural organizations, traditional authorities, filming companies, event-organizers, military institutions and the like.

The responsible commercialization of the Castle of Good Hope as a heritage site requires circumspection and proper environmental impact assessments. This will ensure the integrity and authenticity of South Africa's oldest functional architectural structure. A fully-fledged Integrated Conservation Management Plan is both a statutory requirement and an operational imperative. We are glad to report that the Logistics Division of the DoD has now availed the funding for the soon to commence study.

In the meantime the CCB used cultural environmental specialists and heritage architects (or solicited guidance and support from IZIKO and SAHRA) to assess the implications of all the tourism and heritage initiatives it hosted or planned to host over the MTEF.



King Sigcau readies himself to fire the Castle ceremonial cannon, 19 April 2015



Arts and craft at the Castle



Two young goats, the latest addition to the Castle, are a hit with young and old.

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 and/or support departments and institutions, as well as external experts. Therefore, the Board has strengthened its established relationships with key DOD units such as the 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 in order to support the Minister's initiatives.

The Castle of Good Hope played a major role in supporting efforts by the tourism, conservation and education industries to deliver to the public. As a bastion of heritage, the Castle also played an important role in major military as well as cultural events, in close collaboration with stakeholders, including but not limited to, the Parliament of South Africa, the Portfolio Committee on Defence and Military Veterans, the NDPW, SAHRA, IZIKO Museums of South Africa, WESGRO, the VOC Foundation, the City of Cape Town's Heritage Department, the Cape Town Heritage Trust and the Department of Sports, Arts and Culture in the Western Cape Province.

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.

It is heartening to report that the CCB/DMV partnership is starting to take shape. No less than three significant memorialization and training projects aimed to benefit military veterans and other community members, will see the light early in the new financial year.

Given the international significance of the Castle of Good Hope, the organization actively reached out and involved the Dutch, British and French Consulates in some of its major activities related to the 350 year commemoration programme. These relationships are starting to prove tangible results with the French Embassy inviting the CEO to visit the Nantes castle in 2016.

The increased awareness of the Castle and the positioning of 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 in a responsible and sensitive way. Because the CCB does not control the entire precinct, all Castle stakeholders, staff as well as the other on-site organizations involved, need to buy into this environmental change because we (the CCB) will have to deal with any potential fall-out or public outcry.

2.2. Organisational environment

Although the organization has a well-structured, fully functional Board, the organization had a very peculiar management structure. As stated earlier in this report, this has been both a blessing and blight in the past. In 2014, the Board took a decision to invite the Department of Integrated Management Services (DIMS) to review its staff structure. The outcomes of this process has resulted in a recruitment process that would see all but one of the entry-level management position in the CCB filled. This is a significant move that will pay immediate dividends.

After appointing its CEO in April 2013 and the CFO shortly thereafter, 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 as well as a Performance Management System. The internalization of these policies and procedures are now underway.

The organization has shown significant progress and as a result of the drive to ensure good corporate governance, it is now better positioned than ever to discharge its full mandate.

It undertook to seriously look at all the remaining adverse audit findings and ensure that the necessary actions were taken to significantly reduce and eliminate these findings in the subsequent financial years. In the previous reporting year, the AGSA chastised the Board for the way in which the KPIs have been formulated and captured in the APP. Our attempts to correct these have now succeeded.

The management of the organization is performed on an "enterprise risk management" basis i.e. the most important 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 communal concern are discussed. We also circulate a weekly activity schedule to ensure that all Castle inhabitants know what is happening on the site. Given the size of the organisation, continued support from the DoD, DMV, DPW and other sister organisations is vital for delivery.

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 completely in line with the Constitution, the PFMA as well as other key pieces of legislation. Towards the end of the financial year, the Department's legal team prepared a draft document. Through the Legal Advisor in the Minister Office, Ms 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.

2.4. Strategic outcome oriented goals

The strategic outcome goals of the CCB articulated in the APP for the 2015/16 financial year were:

- To ensure effective administrative management in terms of corporate governance and professional competent corporate image, towards optimal resource support and public relations;
- To develop the museum and interpretive components of the Castle and its related themes through continuous research and development;
- To ensure 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.



Members of the SANDF in action at the 2015 Military Tattoo



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 sustained legislative mandate of the CCB. During the 2015/16 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 the effective administrative management in terms of corporate governance and a professional competent corporate image, towards optimal resource support and public relations. It covers the areas of administration, corporate governance, financial management, human resource management and stakeholder communication.



School children from Porterville engaging the media, 25 September 2015

Table 3.1: Administration and corporate governance

Strategic Objective 1: <i>“To ensure clean, sound administration and good corporate governance”</i>						
OUTCOMES/ OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE 14/15	PLANNED TARGET 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATIONS	COMMENT ON DEVIATIONS (>5%)
Delivery of excellent corporate governance through tight internal controls and world-class administration	Number of corporate governance measures in place i.e. policies, internal controls and other key interventions	3	5	7	+2	The increase is due to the tightening of the control environment as per last year's audit dashboard report
Delivery of sound financial management and control measures	Number of adverse AG findings successfully resolved	100%	100%	100%	0	Culminated in Clean Audit opinion for FY2015/16
Delivery of excellent corporate governance through tight internal controls and world-class administration	CCB APP submitted to the Executive Authority with an annual target of 100%	100%	100%	100%	0	N/A
Delivery of excellent corporate governance through tight internal controls and world-class administration	CCB Annual Report submitted to the Executive Authority with an annual target of 100%	100%	100%	100%	0	N/A

3.2. Programme 2: Preservation, interpretation and showcasing of the history of the Castle

Strategic Objective 2: The objective of this programme was to develop the museum and interpretative components of the Castle and its related themes, through continuous research and development projects in order to establish effective exhibitions and strive towards maximum educational outreach and to ensure professional and effective immovable heritage asset management in line with SAHRA guidelines through the establishment of a proper networking platform with role players.

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

Strategic Objective 2: “To ensure the maintenance, preservation, interpretation and showcasing of the history of the Castle”						
OUTCOMES/ OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE 14/15	PLANNED TARGET 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATIONS	COMMENT ON DEVIATIONS (>5%)
Delivery of a range of projects and services aimed at the enhancement, upkeep and maintenance of the Castle as heritage site	Percentage (%) completion of all approved, scheduled repair and maintenance work	100%	100%	100%	0	N/A
Delivery of a comprehensive offering of visitor services and experiences	Number of new, innovative heritage projects and programmes	8	6	17	+11	This exponential increase is due to the addition of the 350 Commemoration Programme that kicked off in quarter 3
Delivery of a range of projects and services aimed at the enhancement, upkeep and maintenance of the Castle as heritage site	Percentage (%) completion of all approved, scheduled logistics and movements during renovations	100%	100%	100%	100%	N/A

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

Strategic Objective 3: “To maximize the tourism potential of the Castle of Good Hope”						
OUTCOMES/ OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE 14/15	PLANNED TARGET 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATIONS	COMMENT ON DEVIATIONS (>5%)
Delivery of a comprehensive variety services and experiences aimed to attract more tourists and locals to the Castle	Total number of tourists per annum	168 514	152 000	154 067	+2076	We achieved this target despite us operating at half-capacity because of the major building works
Delivery of a comprehensive offering of visitor services and experiences aimed to attract more tourists and locals to the Castle	Total gross tourism revenue per annum	R3.47m	R3.9m	R4,259 871	+R301 798	This 9.23% increase was driven by a couple of high-yield filming and leisure events



The Castle makes a great outside cinema. (Picture courtesy of Short & Sweet)

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 conference and functions venue.

Table 3.4: Public Access and Communication

Strategic Objective 4: <i>“To increase public profile and positive perception across all sectors of the community”</i>						
OUTCOMES/ OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE 14/15	PLANNED TARGET 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATIONS	COMMENT ON DEVIATIONS (>5%)
Deliver a series of public innovative events aimed to promote understanding of the Castle as heritage icon	Year on year increase in the number of people reached through positive media coverage as measured by independent monitoring systems	5 million	10 million	107 million	+ 97 million	The significant, positive coverage was driven by the 17 cultural, military and educational events and functions
Delivery of a range of public programmes with SA schools, cultural groups and special community groups	Number of student interns successfully supported mentored at the CGH	20	25	26	+1	N/A

Strategic Objective 4: *“To increase public profile and positive perception across all sectors of the community”*

OUTCOMES/ OUTPUTS	PERFORMANCE INDICATOR	ACTUAL PERFORMANCE 14/15	PLANNED TARGET 2015/16	ACTUAL ACHIEVEMENT 2015/16	DEVIATIONS	COMMENT ON DEVIATIONS (>5%)
Delivery of a range of public programmes with SA schools, cultural groups and special community groups	Number of successful community, educational and heritage programmes	Baseline established	12	15	+3	The positive deviation was due to the combination of heritage and 350 Commemoration programmes

Strategy to overcome areas of under-performance

The CCB is continuously looking at ways to enhance performance. 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 internal control findings.

Changes to planned targets

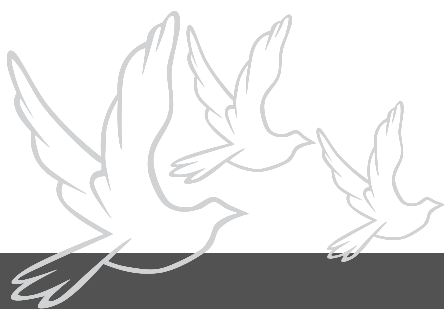
No targets were changed although we believe that the

targets for media coverage will be adjusted 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 agrees to the information in the annual financial statements.

PROGRAMME/ ACTIVITY/ OBJECTIVE	2014/2015			2015/2016		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration through corporate governance	4 182	5 172	(990)	5 091	5 658	(567)
Preservation and protection of military and cultural heritage	1 254	656	598	1 950	282	1668
Maximising the Castle's tourism potential	75	60	15	130	10	120
Increased public profile and positive perception of the Castle	260	350	(90)	330	1476	(1 146)
TOTAL	5 771	6 238	(467)	7 501	7 426	75



4. REVENUE COLLECTION

SOURCES OF REVENUE	2014/2015			2015/2016		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Sales	3 000	3 278	(278)	3 730	2 942	788
Rental Income	2 171	743	1 428	3 156	1 277	1879
Other Income	164	292	128	15	41	(26)
Interest Income	600	677	(77)	600	646	(46)
TOTAL	5 771	4 697	1 074	7 501	4 905	2595

From the above table, it is clear that 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. The inability of the new Restaurant manager to settle an amount of rent for the De Goewerneur Restaurant aggravated this situation. The Restaurant has subsequently been “insourced” to a black, female company and the income should henceforth increase.

4.1. Capital investment

The historically accumulated liquid assets were originally invested with two institutions, namely Rand Merchant Bank and ABSA Bank. During the past financial year it was 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 investment in fixed property, thus no infrastructure projects were embarked on by the Board for the period under review.



A youth group listening intently to a talk by the Khoi San Curator, March 2016

PART C:

GOVERNANCE



1. INTRODUCTION

The CCB is very serious about its corporate governance responsibility. In fact, one of the first assignments that the new chief executive received was to look at all the corporate governance infringements in the previous financial year and to develop and implement an action plan to deal with

them. The Executive Authority was also informed about the Board's intentions regarding this. This specific aspect was addressed at the quarterly so-called "dashboard" engagements with the AGSA, and significant improvement was made in this regard.

2. PORTFOLIO COMMITTEES

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

- 22 April 2015 when the Board Chairperson and CEO presented the full draft 2015/16 APP to the Portfolio Committee.
- 20 October 2015 when the Board Chairperson and CEO presented the Annual Report highlights. The Committee commended the significant progress made and raised no major issues.

The honourable members also visited the Castle of Good Hope to acquaint themselves with the renovations programme.

3. EXECUTIVE AUTHORITY

Besides the regular quarterly reports presented through the Defence Secretariat, it had communications with the EA on the following occasions:

- 30 September 2015 to celebrate the end of Heritage Day 2015 with the CCB.
- 27 October 2015 when the CEO presented the Castle 350 Commemorations Programme to both the Minister and the Deputy Minister, in the council of Defence.
- 2 January 2016 when the Deputy Minister officiated over the Castle's 350 anniversary programme at the Leerdam Bastion.

4. THE ACCOUNTING AUTHORITY: THE CASTLE CONTROL BOARD



**An enthusiastic fan enjoys Freedom Day
at the Castle, 26 April 2015**

As a Schedule 3A Public Entity of the Department of Defence and Military Veterans, the Board is constituted in a specific way so as to reflect its diverse stakeholder interest. In terms of the Castle Management Act, the Castle of Good Hope has been placed 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 specifically 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 who will remain appointed members to the Board as long as 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 in respect of 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. In order to separate the role of the Board and executive management, a Delegation of Authority has also been developed and adopted in the previous quarter.

Composition of the Board

STAKEHOLDERS	NAME
State Information Technology Authority	Lieutenant General (Ret.) J.T. Nkonyane (Chairman)
South African National Defence Force - Chief of Logistics	Lieutenant General MM Moadira (Incoming Chairman)
Cape Town Regional Chamber of Commerce and Industry	Ms C. de Vries
Iziko Museums of South Africa	Ms R. Omar
Department of Public Works	Mr F. Johnson
South African Heritage Resources Agency	Mr G. Ontong
Officer Commanding Army Support Base Western Cape	Colonel M.R. Mongo
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
Executive Director	Mr C.T. 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. Dave Mitchell (Chairman) Ms Carmen de Vries (Member) Mr Dirk Rossouw (Member) Mr Calvyn Gilfellan (CEO) Mr Mandla Ngewu (CFO)



Cultural performers at the Castle, March 2016

Remuneration of Board members

Board members represent a particular stakeholder organization and an agreement was made that 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.

NAME	REMUNERATION	OTHER ALLOWANCES	OTHER RE-IMBURSEMENTS	TOTAL
Lt Gen J.T. Nkonyane	Nil	Nil	Nil	Nil
Col R. Mongo	Nil	Nil	Nil	Nil
Ms R. Omar	Nil	Nil	Nil	Nil
Mr F. Johnson	Nil	Nil	Nil	Nil
Mr G. Ontong	Nil	Nil	Nil	Nil
Ms C de Vries**	Nil	R9 184	Nil	R9 184
Mr D. Hart	Nil	Nil	Nil	Nil
Ms J Lain	Nil	Nil	Nil	Nil
Adv. D. Mitchell*	Nil	R15 136	Nil	R15 136
Ms A. Aggenbach	Nil	Nil	Nil	Nil
Mr C.T. Gilfellan***	R825 868	R165 174	Nil	R991 042
Mr M Ngewu***	R644 636	R128 927	Nil	R773 563
Mr D Williams***	R209 402	Nil	Nil	R209 402

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



Athletes participating in the Slave Route Challenge, May 2015



5. RISK MANAGEMENT



Professor E van Harte and Calvyn Giffellan sharing professional views at the Castle.

Since the second quarter of the financial year, the Board 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 important 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.

This 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.

6. INTERNAL CONTROL UNIT



The Cape Minstrels performing at the opening of the SA-China Cultural Festival, 3 December 2015

The CCB has traditionally been a very small organization with limited staff, and hence limited segregation of duties and responsibilities and weak internal controls. The latter has been alleviated through a strong functioning Audit Committee and the efforts of individual Board members. Since the appointment of Executive Director, key appointments (with clear duties and responsibilities), regular meetings, clear delegation of authority and the appointment of internal SCM committees have radically strengthened the internal control environment.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The CCB had a fully-functional Internal Audit function for the year under review. Sizwe-Ntsaluba Gobodo was appointed 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 with which resources are employed.
- Review operations to ascertain whether established objectives and goals are being achieved as planned.

- 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 Committee and the AGSA, is excellent and some of the preliminary work around the review of key policies and the Internal Audit Charter was completed 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 major reason for the smooth, strategic operation of the Board as a whole.

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Mr 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
Mr D Rossouw	MBA	External	-	May 2012	N/A	4
Ms C de Vries	Post Grad Dip in Marketing/ Management, B. Soc. Sci.	Internal	Board Member	Feb. 2015	N/A	4
Mr C Gilfellan	BA, BA-Honours', MA Major in 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



8. COMPLIANCE WITH LAWS AND REGULATIONS

In previous audits, the findings in this area related to the fact that AFS were not prepared 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 the majority of these matters have been addressed to the satisfaction of the Board, the Executive Authority and the AGSA.

9. FRAUD AND CORRUPTION

Although the CCB does not have an anti-criminality plan, it has a fully-fledged Fraught Prevention Policy that also addresses criminality.

The aims and purpose of the plan is to introduce a common mechanism to guide all staff to reducing fraud to an absolute minimum; introduce ways to ensure that resources are used for providing 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 citizens are not deprived of resources intended for their benefit. It is determined and committed to see 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 awareness of and involvement to counter fraud is made 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 major crime deterrent. It is more likely that criminal activities would be internally induced, and for that matter the MOD&MV's functional guidelines as applied by the on-site military staff is more than sufficient to deal with the issue. In the case of big corporate functions at the Castle, additional private security is sourced and paid for by the client.

10. 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.

11. CODE OF CONDUCT

The Board has reviewed and re-adopted a Code of Conduct to provide direction to all civilian officials and employees with regard to their relationship with the legislature, political and executive office-bearers, other employees and the public, and to indicate the spirit in which employees should perform their duties, what should be done to avoid conflict of interests and what is expected of them in terms of their personal conduct in public and private life.

Although the Code of Conduct is drafted 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, by virtue of their responsibility for the efficient management and administration of the Castle Control Board and the maintenance of discipline, are, inter alia, duty-

bound to ensure that the conduct of their employees conform to the basic 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 be dealt with in accordance with the relevant collective agreement if he/she contravenes any provision of this Code or fails to comply with any provision thereof.

12. 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. Every precaution has been taken to provide a safe workplace. Regular inspections and safety meetings are done by the Support Services Manager. 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 greatest 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 considered to be a cause for dismissal. The Castle Control Board is sincerely concerned about the health and well-being of each member of the team.



13. BOARD SECRETARY

In terms of the Act, the accounting officer is responsible for the role and responsibilities of the company secretary, as well as the reports and returns.

However, the Board has appointed Mr Derek Williams as secretary and the position will be reviewed as the organization grows.

14. SOCIAL RESPONSIBILITY

In both the Chairperson and Accounting Officer's reports, it is evident that the entity takes its social responsibility very seriously. In fact, 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 R30 and R15 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 on Museum Day on 18 May 2015,

Heritage Day on 24 September 2015 and Freedom Day in March 2015.

In addition to this, we regularly receive requests from local scholars who cannot afford the R5 entry for the Castle. In such cases, we assess the situation and let the group in, either at a reduced cost or no cost at all. During the year we also hosted smaller groups of disabled and destitute youths at our various cultural functions and events. We also opened our venues to struggling NGOs, military veterans and organized Khoisan and Nguni cultural groups.

15. AUDIT COMMITTEE REPORT

We are pleased to present the Audit Committee Report for the Castle Control Board for the financial year ended 31 March 2016.

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. The Committee meets quarterly and has

met four times during the year to 31 March 2016 and twice subsequently, in accordance with its approved terms of reference. An additional meeting was held in July 2015.

See Table on the following page.

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

NAME	NUMBER OF MEETINGS ATTENDED	
	YEAR TO 31.3.2016	SINCE 31.3.2016
Adv. D Mitchell (Chairperson)*	5	2
Mr D Rossouw	4	1
Ms C de Vries (appointed 22 May 2015)*	4	2

*Board member

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.

Internal audit

Internal audit services were provided by an outsourced professional auditing firm in terms of a short-term contract, supplemented by the Board's own internal audit charter. Internal audit attention was focused on risk management during the course of the Castle's extensive building works restoration programme and has been especially effective in the areas of heritage assets and internal control support to management.

Internal control, financial management and administration

Management has taken effective steps during the year to expand and develop its human resources, to enhance financial management disciplines and controls, and to review documented policies and procedures.

Audit review of predetermined objectives

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

Quarterly reporting and the approval of budgets and plans

The entity has fulfilled all its responsibilities for submitting quarterly financial and performance reports to its Executive Authority and to National Treasury and has worked closely with its Executive Authority in compiling and presenting its strategic plan and annual performance plan.

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.

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

Auditor-General South Africa

The Audit Committee confirms that it has met with the Auditor-General and that there are no unresolved issues.



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

Chairperson of the Audit Committee

31 July 2016



Image from the filming of "History of US" - Picture courtesy of Film Afrika, 2015

PART D:

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The Human Resources component of the CCB has been both its Achilles heel and strength. On the one hand its reliance on DOD-remunerated staff assigned to the Castle has led to significant savings, but on the other hand it has delayed any decisiveness as to the ultimate management structure of the CCB. It was only in the current financial year that the Board fully addressed this matter.

In December 2014, the Board finalized its second iteration of a management structure which significantly whittled down the findings dealing with staff and the segregation of duties. However, a couple of the historic HR issues still remain, and given the fact that the organization does not have

a dedicated HR unit, a complete review of the HR policies and structure of the CCB is envisaged for the new financial year. As mentioned earlier, the CCB has approached the DIMS, which has worked hard at finalising the optimal CCB management and staff structure. The positions have subsequently been filled and appointments happened in the new financial year.

Key issues to be addressed include reviewing of all staff contracts, development of performance agreements to all staff, revising the remuneration scales, staff contentment, staff benefits and obligations and building a truly high performance Castle team.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The Castle Management comprises a total of 29 members, of which five (5) are remunerated and their performance managed by the Department of Defence and thus not included in the HR Tables below and on the following page.

During the financial year, the organization has appointed the Events and Heritage Coordinators as of 1 April 2016. Two short-term contract staff and additional casual staff were also employed to assist during the peak tourism season.

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	R7 425	R3 362	45.2%	24	R140

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	R1,765	52.5%	2	R882
Senior Management	R204	6.1%	1	R204*
Professional qualified	R520	15.6%	6	R87**
Skilled	R209	6.2%	1	R209
Semi-skilled	R255	7.6%	3	R85
Unskilled	R409	12.2%	11	R37***
TOTAL	R3 362	100%	24	R140

Notes: *Part-time staff member

**Two are part-time staff members

***Includes casuals, short-term employees and interns

Performance Rewards

The first CCB staff member to be appointed on a performance contract basis was the chief executive who in terms of his contract: “...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.”

As part of the organizational performance framework of the CCB, all future staff appointments will be dealt with in this manner.

PROGRAMME/ ACTIVITY/OBJECTIVE	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	R293*	R3 362	8.7%
Senior Management	-	-	-
Professional qualified	R16**	-	0.5%
Skilled	-	-	-
Semi-skilled	-	-	-
Unskilled	-	-	-
TOTAL	R309	3 362	9.2%

Notes: *This is a provisional amount

**Provisional amount for one other staff member with a performance contract

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 236	R8	0.25%	3	R2.6

Notes: *Two tourist guides received complementary training

Employment and vacancies

The CCB traditionally had a very peculiar human resources component. This 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

Heritage, Cultural and Education Coordinator, Events Coordinator, Tourism Marketing Coordinator, a Precinct Coordinator and permanent cleaning staff. Two of these vacancies has been filled with effect of April 2016, whilst the rest will be addressed in the new financial year.

PROGRAMME/ ACTIVITY/OBJECTIVE	2014/2015 NO. OF EMPLOYEES	2015/2016 APPROVED POSTS	2015/2016 NO. OF EMPLOYEES	2015/2016 VACANCIES	% OF VACANCIES
Administration	13	16	14*	2	13%

Notes: *Three (3) of the positions were filled by temporary employees and 2 permanent appointments were made in April 2016. The rest of the vacancies will be filled in the new financial year.

PROGRAMME/ ACTIVITY/ OBJECTIVE	2014/2015 NO. OF EMPLOYEES	2015/2016 APPROVED POSTS	2015/2016 NO. OF EMPLOYEES	2015/2016 VACANCIES	% OF VACANCIES
Top Management	2	2	2	0	0%
Senior Management	1*	3	1*	2	66%**
Professional qualified	5	5	5	0	0%
Skilled	1	1	1	0	0%
Semi-skilled	3	3	3	0	0%
Unskilled	1	2	2*	0	0%
TOTAL	13	16	14	2	13%

Notes: *Short-term contracted employees

**Two of these post have been filled in April 2016 and the last one in the new financial year.

Employment Changes				
SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	2	0	-	2
Senior Management	1	0	0	1
Professional qualified	5	-	-	5
Skilled	1	-	-	1
Semi-skilled	3	-	-	3
Unskilled	1	2	1	2
TOTAL	13	2	1	14

Reasons For Staff Leaving		
REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	-	-
Resignation	-	-
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	1	100%
Other	-	-
TOTAL	1	-

Labour Relations: Misconduct And Disciplinary Action	
NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	-
Written Warning	-
Final Written warning	-
Dismissal	-
TOTAL	-

Equity Target and Employment Equity Status

Male								
LEVELS	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	1		1		0		0	
Senior Management	0		0		0		0	
Professional qualified	1		1		0		0	
Skilled	0		0		0		1	
Semi-skilled	0		0		0		1	
Unskilled	0		0		0		0	
TOTAL	2		2		0		2	

Female								
LEVELS	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0		0		0		0	
Senior Management	0		1		0		0	
Professional qualified	1		1		0		1	
Skilled	0		0		0		0	
Semi-skilled	0		1		0		1	
Unskilled	0		2		0		0	
TOTAL	1		5		0		2	

Disabled Staff				
LEVELS	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	
TOTAL	0		1	

PART E:

FINANCIAL INFORMATION



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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Castle Control Board set out on pages 54 to 73 which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

2. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no.1 of 1999) (PFMA) and the Castle Management Act of South Africa, 1993 (Act 207 of 1993), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether

the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Castle Control Board as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA and the Castle Management Act.

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported

performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2016:

- Programme 2: Preservation, Interpretation and showcasing of the history of the Castle on page 21
- Programme 3: Maximising the tourism potential of the Castle of Good Hope on page 22
- Programme 4: Increased public profile and positive perception across all sectors of the community on page 23 and 24

9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

11. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Preservation, Interpretation and showcasing of the history of the Castle

- Programme 3: Maximising the tourism potential of the Castle of Good Hope
- Programme 4: Increased public profile and positive perception across all sectors of the community

Additional matter

12. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

13. Refer to the annual performance report on pages 21 to 24 for information on the achievement of the planned targets for the year.

Compliance with legislation

14. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

15. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Cape Town
29 July 2016

Auditor-General



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Image from the filming of "Roots" - Picture courtesy of Film Afrika, 2015

CASTLE CONTROL BOARD

FINANCIAL STATEMENTS

for the year ended 31 March 2016



Image from the filming of "History of US" - Picture courtesy of Film Afrika, 2015

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Contents

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

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CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Authority's Responsibilities and Approval

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 financial information included in this report. It is the responsibility of the CCB 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 South African Statements of Generally Accepted Accounting Practice (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 judgements and estimates.

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

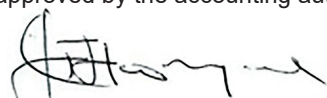
The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board has reviewed the CCB's cash flow forecast for the year ended 31 March 2016 and, in the light of this review and the current financial position, is satisfied that the CCB has 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 auditor and their report is presented on page 52 to 53.

The annual financial statements set out on page 54 to 73, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2016 and were signed on its behalf by:



Lt-Gen. (Ret.) J.T. Nkonyane
Chairman

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Authority's Report

The Board presents its report for the year ended 31 March 2016.

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-oriented 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 annual financial statements and do not in our opinion require any further comment.

3. Going concern

The Board believes that the CCB has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The Board is satisfied that the CCB is in a sound financial position and that it has access to sufficient resources to meet its foreseeable cash requirements. 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

The Board is not aware of any matter or circumstance arising since the end of the financial year.

5. Accounting Authority

In terms of the Castle Management Act, the Castle of Good Hope 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. (Ret.) J.T. Nkonyane	State Information Technology Agency	Resigned 30 April 2016
Lt-Gen. M.M Moadira	South African National Defence Force - Chief of Logistics	
Ms R. Omar	Iziko Museums of South Africa	
Mr F. Johnson	Department of Public Works	
Mr G. Ontong	South African Heritage Resources Agency	
Col M.R. Mongo	Officer Commanding Army Support Base Western Cape	
Mr D. Hart	City of Cape Town	
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 Chamber of Commerce and Industry	
Mr C.T. Gilfellan	Castle Control Board	
Ms J Lain	WESGRO	Appointed 01 March 2016

6. Secretary

The secretary of the entity is Mr. Derek Williams of:

Business address

Cnr Castle and Darling Street
Cape Town
8001

Postal address

P.O Box 1
Cape Town
8000

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Authority's Report

7. Bankers

ABSA

8. Auditors

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

9. Executive Authority

The Executive Authority responsible for the CCB is the Minister of Defence and Military Veterans. The Minister has delegated this responsibility to the Deputy Minister of Defence and Military Veterans.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Current assets			
Inventories	6	-	17 763
Receivables from exchange transactions	7	250 745	143 457
Cash and cash equivalents	8	9 759 872	11 326 839
		10 010 617	11 488 059
Non-Current assets			
Property, plant and equipment	3	204 647	221 810
Intangible assets	4	105 500	6 398
Heritage assets	5	1 381 960	1 381 810
		1 692 107	1 610 018
Total Assets		11 702 724	13 098 077
Liabilities			
Current liabilities			
Payables from exchange transactions	10	1 113 745	73 183
Provisions	9	468 638	371 568
		1 582 383	444 751
Total Liabilities		1 582 383	444 751
Net Assets		10 120 341	12 653 326
Accumulated surplus		10 120 340	12 653 325

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
Revenue			
Revenue from exchange transactions			
Ticket sales		2 581 029	2 957 308
Sale of Castle maps		7 345	76 827
Rental of facilities and equipment		1 113 265	737 598
Military Tattoo		353 552	238 385
Other income		204 680	10 005
Interest received - investment	12	645 512	676 556
Total revenue from exchange transactions		4 905 383	4 696 679
Expenditure			
Employee related costs	13	(3 361 566)	(3 092 162)
Administration	14	(183 367)	-
Depreciation and amortisation		(87 995)	(78 881)
Debt impairment	15	(100 000)	-
Repairs and maintenance		(51 785)	(118 250)
Sale of goods/Inventory		(17 763)	(45 837)
General expenses	16	(3 635 891)	(2 903 675)
Total expenditure		(7 438 367)	(6 238 805)
Deficit for the year		(2 532 984)	(1 542 126)

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2014	14 195 451	14 195 451
Changes in net assets		
Surplus for the year	(1 542 126)	(1 542 126)
Total changes	(1 542 126)	(1 542 126)
Balance at 01 April 2015	12 653 324	12 653 324
Changes in net assets		
Surplus for the year	(2 532 984)	(2 532 984)
Total changes	(2 532 984)	(2 532 984)
Balance at 31 March 2016	10 120 340	10 120 340

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Cash Flow Statement

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Receipts			
Sale of goods and services		3 992 583	3 094 861
Interest income		590 071	620 273
		<u>4 582 654</u>	<u>3 715 134</u>
Payments			
Employee costs		(3 038 594)	(2 766 149)
Suppliers		(2 930 283)	(2 178 436)
		<u>(5 968 877)</u>	<u>(4 944 585)</u>
Net cash flows from operating activities	19	(1 386 223)	(1 229 451)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(73 404)	(104 145)
Purchase of other intangible assets	4	(107 190)	(8 498)
Purchases of heritage assets	5	(150)	(28 499)
Net cash flows from investing activities		(180 744)	(141 142)
Net increase/(decrease) in cash and cash equivalents		(1 566 967)	(1 370 593)
Cash and cash equivalents at the beginning of the year		11 326 839	12 697 432
Cash and cash equivalents at the end of the year	8	9 759 872	11 326 839

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of Castle maps	-	-	-	7 345	7 345	
Ticket sales	3 730 000	-	3 730 000	2 581 029	(1 148 971)	27.1
Rental of facilities and equipment	3 156 000	-	3 156 000	1 113 265	(2 042 735)	27.1
Other income	15 000	-	15 000	204 680	189 680	27.1
Military Tattoo	-	-	-	353 552	353 552	27.2
Interest received - investment	600 000	-	600 000	645 512	45 512	
Total revenue from exchange transactions	7 501 000	-	7 501 000	4 905 383	(2 595 617)	
Expenditure						
Personnel	(3 400 000)	-	(3 400 000)	(3 361 566)	38 434	
Repairs and maintenance	(60 000)	-	(60 000)	(51 785)	8 215	27.3
General expenses	(3 441 000)	-	(3 441 000)	(3 427 799)	13 201	
350 commemoration	(600 000)	-	(600 000)	(597 217)	2 783	27.3
Total expenditure	(7 501 000)	-	(7 501 000)	(7 438 367)	62 633	
Deficit	-	-	-	(2 532 984)	(2 532 984)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(2 532 984)	(2 532 984)	

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

1. Presentation of Financial Statements

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

The annual financial statements were prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5. The CCB has not developed new accounting policies.

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

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

These accounting policies are consistent with the previous period.

All financial figures have been rounded to the nearest one Rand.

1.1 Going concern assumption

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

1.2 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values.

Impairment testing

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash generating assets). For non-cash generating assets estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 9 - Provisions.

1.3 Property, plant and equipment

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

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

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

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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	15%
IT equipment	Straight line	33,3%

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

1.4 Intangible assets

An asset is identifiable if it either:

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

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

1.4 Intangible assets (continued)

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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	Useful life
Computer software and licences	3 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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

1.5 Heritage assets

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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 measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. If the entity holds assets that might be heritage assets but which, on initial recognition, do not meet the recognition criteria of a heritage assets because they cannot be measured reliably such information is disclosed in the notes to the annual financial statements.

Subsequent measurement

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

Impairment

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

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

Derecognition

The entity 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.

1.6 Financial instruments

Classification

Financial instruments recognised on the Statement of Financial Position include receivables from exchange transactions, cash and cash equivalents and payables from exchange transactions.

Initial recognition

Financial instruments are initially recognised when the CCB becomes party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

The subsequent measurement of financial assets and liabilities depends on this categorisation.

Impairment and uncollectibility of financial assets

At each reporting date the company assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the CCB will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the statement of financial performance.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and short term deposits are subsequently measured at amortised cost.

1.7 Tax

The receipts and accruals of the CCB are exempt from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act. Consequently no tax has been provided in the accounts.

1.8 Inventories

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

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

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

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service and include all remuneration, short-term compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or a specific event occurs. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

1.11 Revenue from exchange transactions

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

An exchange transaction is one in which the revenue accrued to the CCB directly in return for services rendered / goods sold, the value which approximates the consideration received / receivable.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from the sale of maps and tickets 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.

Interest

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all deficits of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.13 Investment income

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

1.14 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.15 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Accounting Policies

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation including the entity's supply chain management policies. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance in the year that expenditure was incurred, and where recovered, it is subsequently accounted for as income in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.17 Budget information

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

The approved budget covers the fiscal period from 2015-04-01 to 2016-03-31.

The financial statements and the budget are not prepared on the same basis of accounting therefore comparison with the budgeted amounts for the reporting period has been included in the Statement of comparison of budget and actual amounts.

1.18 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

1.19 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

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

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

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

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">GRAP 18: Segment Reporting	01 April 2015	Not material

2.2 Standards and interpretations issued, but not yet effective

At the date of authorisation of these financial statements, the following standards were approved by the Minister of Finance but are not yet effective:

Standard/ Interpretation:	Expected impact:
<ul style="list-style-type: none">GRAP 20: Related parties	This standard will not have material impact on the financial position, performance and disclosure of the CCB as the Board currently subscribes to the requirements of the standard.
<ul style="list-style-type: none">GRAP 32: Service Concession Arrangements: Grantor	This standard will not have an effect on the financial position, performance and disclosure as it will not apply to the CCB.
<ul style="list-style-type: none">GRAP 108: Statutory Receivables	This standard will not have an effect on the financial position, performance and disclosure as it will not apply to the CCB.
<ul style="list-style-type: none">IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	This standard will not have an effect on the financial position, performance and disclosure as it will not apply to the CCB.
<ul style="list-style-type: none">GRAP 109: Accounting by Principals and Agents	This standard will not have an effect on the financial position, performance and disclosure as it will not apply to the CCB.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

3. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation and accumulated impairment	carrying value	Cost	Accumulated depreciation and accumulated impairment	carrying value
Office equipment	344 868	(204 089)	140 779	358 154	(189 062)	169 092
IT equipment	317 608	(253 740)	63 868	310 285	(257 567)	52 718
Total	662 476	(457 829)	204 647	668 439	(446 629)	221 810

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Office equipment	169 092	25 281	(938)	(10 686)	(41 970)	140 779
IT equipment	52 718	48 123	(9 721)	10 686	(37 938)	63 868
	221 810	73 404	(10 659)	-	(79 908)	204 647

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Office equipment	141 985	68 531	-	(41 424)	169 092
IT equipment	53 920	35 614	(3 794)	(33 022)	52 718
	195 905	104 145	(3 794)	(74 446)	221 810

Pledged as security

There were no assets pledged as security at year end.

4. Intangible assets

	2016			2015		
	Cost	Accumulated amortisation and accumulated impairment	carrying value	Cost	Accumulated amortisation and accumulated impairment	carrying value
Computer software and licences	126 099	(20 599)	105 500	18 909	(12 511)	6 398

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software and licences	6 398	107 190	(8 088)	105 500

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software and licences	2 335	8 498	(4 435)	6 398

Pledged as security

There were no intangible assets pledged as security.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand

5. Heritage assets

	2016			2015		
	Cost	Accumulated impairment losses	carrying value	Cost	Accumulated impairment losses	carrying value
Art Collections, antiquities and exhibits	1 381 960	-	1 381 960	1 381 810	-	1 381 810

Reconciliation of heritage assets 2016

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	1 381 810	150	1 381 960

Reconciliation of heritage assets 2015

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	1 353 311	28 499	1 381 810

Heritage assets which fair values cannot be reliably measured

Shackles

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

6. Inventories

Castle maps	-	17 763
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The Board resolved to discontinue recognition of maps as inventory as this was deemed to be administratively costly. In future, the Castle maps will be incorporated as part of the marketing strategy.

7. Receivables from exchange transactions

Trade debtors	122 177	139 254
Prepaid expenses	128 568	4 203
	250 745	143 457

Trade and other receivables pledged as security

There were no trade and other receivables pledged as security at year end.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired.

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

1 month past due	100 541	119 618
3 months past due	21 636	19 635

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	187 303	71 120
Bank balances	92 390	17 823
Short-term deposits	9 480 179	11 237 896
	9 759 872	11 326 839

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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9. Provisions

Reconciliation of provisions - 2016

	Opening balance	Additions	Total
Provision for leave pay	96 707	58 560	155 267
Provision for performance bonus	274 861	38 510	313 371
	371 568	97 070	468 638

Reconciliation of provisions - 2015

	Opening balance	Additions	Total
Provision for leave pay	45 555	51 152	96 707
Provision for performance bonus	-	274 861	274 861
	45 555	326 013	371 568

Provision

A performance bonus provision for senior managers has 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.

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

10. Payables from exchange transactions

Trade payables	718	14 428
Payments received in advanced	129 097	2 345
Other payables	704 804	14 381
Accrued expense	173 126	30 029
Deposits received	106 000	12 000
	1 113 745	73 183

Included in Other payables is an amount of R 704 185 due to Iziko Museums of South Africa.

11. Revenue

Map sales	7 345	76 827
Ticket sales	2 581 029	2 957 308
Rental of facilities and equipment	1 113 265	737 598
Other income	204 680	10 005
Military Tattoo	353 552	238 385
Interest received - investment	645 512	676 556
	4 905 383	4 696 679

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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12. Investment revenue

Interest revenue

Bank	645 512	676 556
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13. Employee related costs

Basic	2 993 595	2 711 149
Bonus	309 411	329 861
Leave pay provision	58 560	51 152
	3 361 566	3 092 162

Remuneration of Chief Financial Officer

Annual Remuneration	644 636	602 463
Performance Bonus	128 927	120 493
	773 563	722 956

Remuneration of Chief Executive Officer

Annual Remuneration	825 869	771 840
Performance Bonus	165 174	154 368
	991 043	926 208

14. Administrative expenditure

Administration and management fees	183 367	-
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After Sinovuyo Events management ended their contract to operate De Goewerneur restaurant, the CCB procured the services of Delicious Deloush to provide restaurant services. They are paid a monthly management fee.

15. Debt impairment

Bad debts written off	100 000	-
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Sinovuyo Events Management, operating De Goewerneur Restaurant at the Castle of Good Hope, were unable to pay rental amount for five months, R100 000. The amount has been written off as irrecoverable. All current debots are deemed to be recoverable.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
16. General expenses		
Advertising	128 714	147 366
Auditors remuneration	453 410	379 794
Bank charges	23 343	13 405
Cleaning	102 169	201 398
Computer expenses	17 218	52 598
Consulting and professional fees	273 094	325 880
Entertainment	75 667	59 519
Insurance	17 646	17 661
Military museum expenses	56 956	233 330
Postage and courier	171	2 244
Printing and stationery	114 050	122 663
Security	4 138	45 421
Subscriptions and membership fees	2 516	6 309
Telephone and fax	86 022	33 989
Training	8 455	11 366
Travel - local	111 914	42 181
Travel - overseas	-	10 142
Staffing costs	-	37 172
Uniforms	150	-
Iziko share of ticket sales	860 821	985 769
Castle events	71 961	50 337
Venue expenses	23 008	18 634
Other expenses	10 750	10 221
Military Tattoo	583 481	90 383
350 commemoration	597 217	-
Losses on disposal of assets	10 660	3 796
Office machine rentals	2 360	2 097
	3 635 891	2 903 675

Included in Castle events is expenditure for Heritage day, Freedom day, Mandela day, Woman's Month/day and Youth month.

This is a supplementary disclosure note and not a requirement of GRAP.

17. Cost of sales

Sale of goods

Cost of Castle maps sold	17 763	45 837
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18. Auditors' remuneration

Fees	453 410	379 794
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19. Cash used in operations

Deficit	(2 532 984)	(1 542 126)
Adjustments for:		
Depreciation and amortisation	87 995	78 881
Debt impairment	100 000	-
Movements in provisions	97 070	326 000
Disposal of assets	10 659	3 794
Changes in working capital:		
Inventories	17 763	46 000
Receivables from exchange transactions	(107 288)	(42 000)
Consumer debtors	(100 000)	-
Payables from exchange transactions	1 040 562	(100 000)
	(1 386 223)	(1 229 451)

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
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20. Related parties

Relationships

Members	Refer to members' report note
South African National Defence Force	SANDF
General Support Base Western Cape	GSB
South African Heritage Resource Agency	SAHRA
Iziko Museums of South Africa	Iziko

The executive authority responsible for the Castle Control Board is the Minister of Defence and Military Veterans. All public entities under the control of the Department of Defence are thus related to the Castle Control Board.

Related party balances

Iziko

Accrued revenue	704 185	1 000
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Related party transactions

Rent paid to (received from) related parties

SAHRA	(57 000)	(108 000)
GSB Western Cape	-	31 000
Iziko	156 635	986 000

South African National Defence Force

Payment for use of fixed telephone lines	19 483	1 000
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The South African National Defence Force has seconded military personnel to assist with the Castle Military Museum. The SANDF carries the costs for the seconded personnel. The value of these services for the year is about R1.6m.

SAHRA was renting office space from the CCB. The rental agreement terminated on 30 August 2015.

GSB Western Cape operates the Het Bakhuis at the Castle of Good Hope. The transactions represent rentals for the use of the Het Bakhuis by the CCB.

21. Members' emoluments

No emoluments were paid to Board members for their services during the year. Advocate Mitchell and Ms de Vries are remunerated for attending audit committee meetings as they are not employed by the state.

Non-executive

2016

	Committees fees	Total
Adv. D. Mitchell	15 136	15 136
Ms C. de Vries	9 184	9 184
	24 320	24 320

2015

	Committees fees	Other fees (Legal fees)	Total
Adv. D. Mitchell	8 920	9 000	17 920

22. Unauthorised expenditure

The Board is satisfied that no unauthorised expenditure was incurred during the current year nor in the previous year.

CASTLE CONTROL BOARD

Financial Statements for the year ended 31 March 2016

Notes to the Financial Statements

Figures in Rand

23. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	-	3 000
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The Board is satisfied that no fruitless expenditure was incurred during the current year.

24. Irregular expenditure

Opening balance	-	93 000
Add: Irregular Expenditure - current year	57 195	121 000
Less: Amounts condoned	-	(214 000)
	57 195	-

Details of irregular expenditure – current year

Irregular expenditure was due to non-compliance with Treasury Regulations as reasons for not obtaining three quotations were not stated.	57 195
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25. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

Operating activities

Actual amount as presented in the budget statement	(2 532 984)	(1 542 127)
Basis differences	1 146 761	312 677
Net cash flows from operating activities	(1 386 223)	(1 229 450)

Investing activities

Basis differences	(180 744)	(141 142)
Net cash generated from operating, investing and financing activities	(1 566 967)	(1 370 592)

26. Deviation from supply chain management regulations

All deviations from the normal CCB SCM policy have been duly condoned by the accounting officer and recorded in the CCB's deviations register for submission to the Accounting Authority. This includes those of the Cape Town Military Tattoo Committee.

27. Budget differences

Material differences between budget and actual amounts

27.1 Major renovations taking place at the Castle of Good hope negatively affected expected income from ticket sales and rental of facilities.

27.2 The Military Tattoo is an annual legacy project with the revenue generated kept by the CCB. Procurement of goods or services for the event is done by the Military Tattoo Executive Committee which is not under the control of the CCB. This expenditure is reflected under CCB's general expenditure when incurred and does not form part of the CCB's approved budget. The CCB plans to end this historical arrangement.

27.3 The Board, in November 2015, approved an amount of R 800 000 to be transferred from repairs and maintenance line item and used for 350 Commemoration events. The 350 programme stretches over two financial periods. At 31 March 2016 R 592 217 had been spent. The balance will be spent in the new financial year.

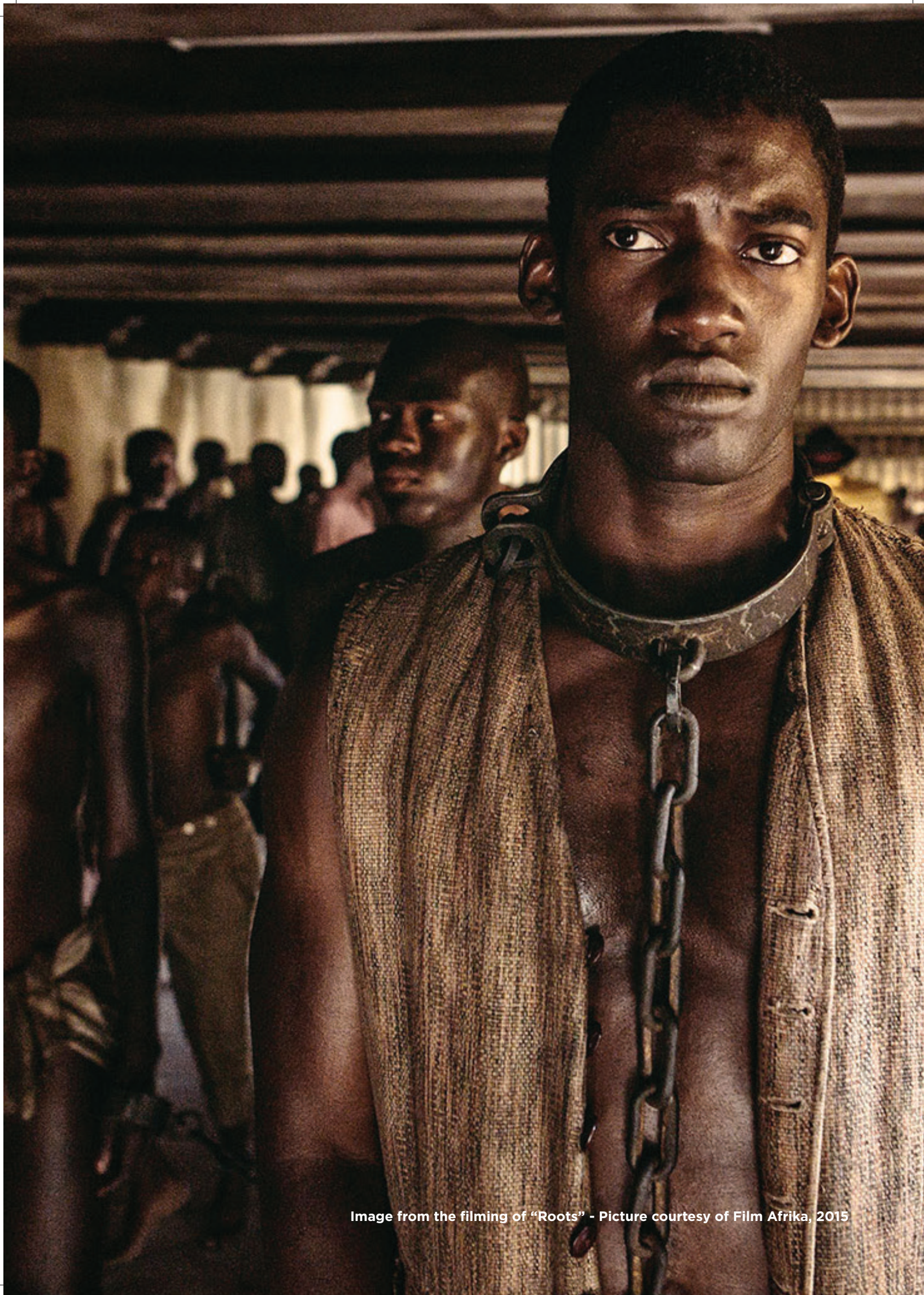


Image from the filming of "Roots" - Picture courtesy of Film Afrika, 2015



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