



ANNUAL REPORT 2019/2020



THE ROAD TO THE FREEDOM CHARTER

Since its formation the ANC had held a wide range of views about whether the national liberation movement should cooperate with other liberation organisations. With the formation of the Congress Alliance, the ANC committed itself to inclusivity and felt the time had come for people to actively imagine a new and democratic society. The Congress Alliance began a widespread campaign inviting people across the country to submit their ideas and demands for 'the good life that they seek for themselves and their children' and to participate in drawing up the Freedom Charter. Assisted by 50 000 volunteers, members of the Congress handed out pamphlets, went from door to door and organised meetings ensuring that they received thousands of submissions for the drafting of the Freedom Charter.

On 26 June 1955 people from all over the country arrived in Kliptown to attend the Congress of the People. The mood was festive with large pots of food on the boil, people waving flags and messages of international support being read. It was an epochal moment in the struggle for inclusivity and boldly stated that 'only a democratic state, based on the will of all the people, can secure to all their birthright without distinction of colour, race, sex or belief.' The Freedom Charter was unanimously passed and came to symbolise a new and inclusive nationalism and a South Africa in which the equal claim of each 'racial group' to national belonging was affirmed.

The Congress pledged:

'These freedoms we will fight for, side by side, throughout our lives until we have won our liberty.'

**Celebrating 20 Years of Honoring our
Struggle Heroes and Heroines**

Our mission is to provide a pioneering and empowering heritage destination in order to mobilise for reconciliation and nation building in our country; to reflect upon our past, improving our present and building our future as a united nation; and to contribute continentally and internationally to the formation of better human understanding among nations and peoples.

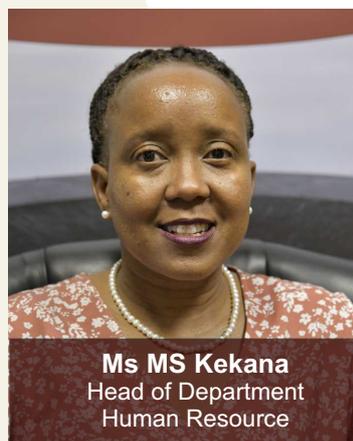
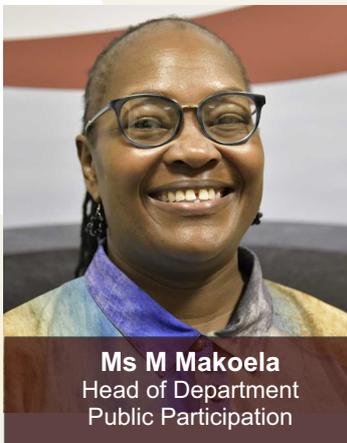


FREEDOM PARK COUNCIL AND EXECUTIVE MANAGEMENT



Back Row: Mr MS Mpanza, Ms W Jabosigo, Mr T Sithole, Dr P Dala

Front Row: Ms F Mohamed, Mr MCR Makopo, Ms Jane Mufamadi, Kgosi EM Mabalane, Dr MR Raphalalani, Mr R Nyandeni





Minister of Sport, Arts and Culture
Nathi Mthethwa

Table of Contents

PART A **General Information** **08**

Foreword by The Chairperson	10
Chief Executive Officer's Overview	13
Statement of Responsibility and Confirmation of Accuracy	16
Strategic Overview	18
Legislation and Other Mandates	19
Organisational Structure	20

PART B **Performance Information** **22**

Situational Analysis	24
2019-2020 Programme Performance Report	26

PART C **Governance** **48**

Executive Authority	50
The Accounting Authority/Council	51
Risk Management	55
Internal Control Unit	56
Internal Audit and Audit Committees	57
Compliance With Laws and Regulations	58
Fraud and Corruption	59
Minimising Conflict of Interest	60
Code of Conduct	61
Health, Safety and Environmental Issues	62
Company Secretary	63
Social Responsibility	64
Audit and Risk Committee Report	65

PART D **Human Resource Management** **68**

Introduction	69
Human Resource Oversight Statistics	69

PART E **Financial Information** **76**

Report of The Auditor-General	79
Accounting Authority's Responsibilities and Approval	85
Annual Financial Statements	86

List of Abbreviations/Acronyms

AGSA	Auditor General of South Africa
AVE	Advertising Value Equivalence
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CACPIR	Center for the Advancement of Citizenry Participation in International Relations
CBD	Central Business District
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRM	Customer Relations Manager
CTMM	City of Tshwane Metro Municipality
DAC	Department of Arts and Culture
DDMV	Department of Military Veterans
DH	Departmental Head
DSAC	Department of Sport, Arts and Culture
EXCO	Executive Committee
GCIS	Government Communication Information Systems
HK	Heritage & Knowledge
HR	Human Resource
HSRC	Human Science Research Council
ICT	Information Communication Technology
IKS	Indigenous Knowledge Systems
MTEF	Medium Terms Expenditure
NEHAWU	National Education Health and Allied Workers Union
PAA	Pan African Archives
PFMA	Public Finance Management Act
SALI	South African Landscapers Institute
SANRAL	South African National Roads Agency Ltd
SAPESI	South African Primary Education Support Initiatives
SCM	Supply Chain Management
SETA	Sector Education Training Authority
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations
TTA	Tshwane Tourism Association
UNESCO	United Nations Educational Cultural Organisation
VVR	Veterans Voice Radio



**GENERAL
INFORMATION**

PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name	Freedom Park
Registration Number	GG NO 31443 of 26 September 2008
Physical Address	Corner Koch Street and 7th Avenue Salvokop Pretoria 0001
Postal Address	PO Box 2710 Pretoria 0001
Telephone Number	+27 012 336 4000
Fax Number	+27 012 336 4021
Email Address	info@freedompark.co.za
Website Address	www.freedompark.co.za
External Auditors	Auditor-General of South Africa
Bankers	Nedbank
Company Secretary	Ms RM Koto





FOREWORD BY THE CHAIRPERSON

The year 2019/2020, was filled with many opportunities, such as the donation of the mobile exhibition truck for outreach purposes; the temporary storage of the Radio Freedom equipment; the hosting of the Newsmaker of the Year Award Ceremony; the hosting of the dialogue with the Argentinian Embassy on International Human Rights; Freedom Park's participation on the UNESCO led African Liberation Heritage Route. The organisation achieved an overall performance of 85% and as in the previous financial year, received an unqualified report in accordance with the Auditor General of South Africa's (AGSA) assessment. The nomination of our CEO in the 17TH Annual Standard Bank Top Women's Awards, also made us proud.

The installation and opening of the high profile Ahmed Timol Mobile Exhibition in //hapo was another opportunity seized. Ahmed Timol was a freedom fighter who contributed significantly to the building of the underground movement during the liberation struggle and was tortured and killed by the police during his detention at the John Vorster Square Police Station in Johannesburg on the 27th October 1971. However, amidst these opportunities, we also experienced sporadic labour unrest that were amicably resolved.

Strategic Overview

The Entity has consistently improved on its annual performance. The organisation achieved 85% targets on its annual performance plan. This was despite financial constraints the labour unrest and the Salvokop community strike experienced during the course of the year. Clear strategic direction and oversight were provided through the Shareholder, the Council and its Committees. The Council continued to determine policies that govern and guide the organisation.

In pursuing the mandate of Freedom Park, more than 139 895 names has been inscribed on the

Wall of Names to date. These include South African, Continental and International heroes and heroines who contributed to our struggles for freedom and humanity. Timelines for memorialization of the names of Patrice Lumumba (Congo) and Robert Mugabe (Zimbabwe) will be inscribed on the Wall of Names under the category of International Solidarity in 2020-2021. They will also be memorialized in the Gallery of Leaders (currently a total of 44 names of leaders). The Gallery of Leaders project is currently in progress and it is estimated to be completed during 2021-2022 financial year.

The image and positioning of Freedom Park were impacted by the labour unrest as well as the Salvokop community strike. Plans to intensify positioning and reputation management are also included in the new 5-year business Strategy as well as Annual Performance Plan (APP).

The Entity continued supporting the shareholder's imperatives on programmes relating to social cohesion, nation-building and reconciliation as outlined in government priority on social cohesion and safe communities. This includes our reconciliation initiatives with the Voortrekker Monument, which represent the past and contrasting history we have. One such initiative was the debate between youth from the afrikaans, blacks and disadvantaged communities during the commemoration of the youth month. Our drive was, however, not only limited to Voortrekker Monument, but to all our stakeholders who share the same vision of uniting the South African society.

Freedom Park has a zero-tolerance to fraud and corruption. Council has made provision, through policies, to prevent fraud and corruption within the organisation. The necessary awareness and training was conducted through management processes to continue combating fraudulent & corrupt activities.

The organisation had to let go of a staff member who committed fraud in the course of performing their job. We applaud our management and staff for the seamless implementation of these policies.

Strategic Relationships

Freedom Park signed several MoUs in 2019/2020, bringing the total number of strategic partners to 34. This number includes relationships entered with tourist agents. In the year under review, we welcomed a large number of learners brought by these tourist agents. We also hosted relationships with Heritage institutions pursuing the same vision as Freedom Park. A joint youth camp in collaboration with Robben Island Museum was held in December 2019. The youth camp is one of those annual activities done in an effort to educate youth about the fruits of democracy and civil rights. High profiled organisations and individuals also visited Freedom Park for various reasons and collaborations viz:

- **Deputy President, H.E Mr S Valdes Mesa from Cuba**, on wreath-laying ceremony hosted 23rd May 2019.
- **2nd President of the Democratic Republic of South Africa, H.E Mr T Mbeki**, hosted Youth Day Intergenerational dialogue through Thabo Mbeki Foundation on the 16th June 2019.
- **Bishop E.E. Lekganyane- Leader of the St Engenas ZCC church** on a guided tour from South Africa visited on the 18th June 2019.
- **Former MEC of Human Settlements - Mr K Moiloa**, from Gauteng province on guided tour visited on the 19th June 2019.
- **Mrs Z Mbeki** on Young Women development dialogue from South Africa hosted on the 13th July 2019.
- **Ambassador II Rogachev**, of the Russian Federation in South Africa, on wreath-laying ceremony hosted on the 21st August 2019
- **Ambassador Rodolfo Benitez Verson** on

the 5th Anniversary of the passing of Fidel Castro from Cuban embassy hosted 25th November 2019

- **Ambassador Alberto D'Alotto** of Argentina hosted a Public Lecture on Reconciliation and human rights commemorations on the 10th December 2019
- **Minister of Arts & Culture, Mr N Mthethwa**, on the Shareholder compact signing hosted on the 11th December 2019.
- **Mexican Ambassador, Ms A.L Fajer**, on discussions with CEO on possible collaborations and Venue recci held on the 13th March 2020.
- **Deputy Minister of Defence Cuba, General Joaquin Quinta Sola**, for a wreath-laying ceremony hosted on the 5th March 2020.
- **Honorable Ms Lalatiana Andriantongarivo Rakotondrazafy**, Minister of Communication and Culture, Handover Ceremony of Radio Freedom from Madagascar to South Africa on the 24th April 2019.

The Entity has since its inception maintained a cordial working relationship with most government departments from national, provincial, local and other entities/agencies, non-governmental organisations, academic institutions, chapter 9 institutions as per the constitution, embassies, inter-faith based organisations, business fraternities, political parties, tourism agencies, traditional leaders, communities, and so on.

Challenges Faced by the Council

In the previous year, we experienced challenges relating to the maintenance of Freedom Park assets due to consistent budgetary constraints. A process to conduct a condition assessment to determine the preventative maintenance plan in the medium to long term was concluded in June 2019. A ten year Preventative maintenance plan was developed following the assessment.

This was approved by Council and considered by the Department of Arts and Culture (DAC) in July 2019 and an approved infrastructure and maintenance budget was transferred in November 2019 and March 2020 respectively. A process for implementation is underway.

By the end of the financial year, Covid-19 presented new challenges and risks with regards to Occupational Health and Safety. The government had to declare a National State of Disaster, in which all citizens had to abide by. This will pose a challenge for the implementation of strategies and programmes for the next financial year and will demand a new way of doing things.

The Year Ahead

Council has approved a five-year strategy and Annual Performance Plan (APP) in responding to the sixth government administration and the National Development Plan (NDP). We will support the new government priorities. We will work with existing and envisaged strategic partners in achieving set goals and strategies. Key to our strategic partners are staff and management who always work tirelessly to ensure the achievement of these strategies.

Acknowledgement /Appreciation

The continued unequivocal support from the Minister of Arts and Culture, Council, CEO, management and staff has been remarkable. This support has made it possible for the Council to achieve its strategic objectives.

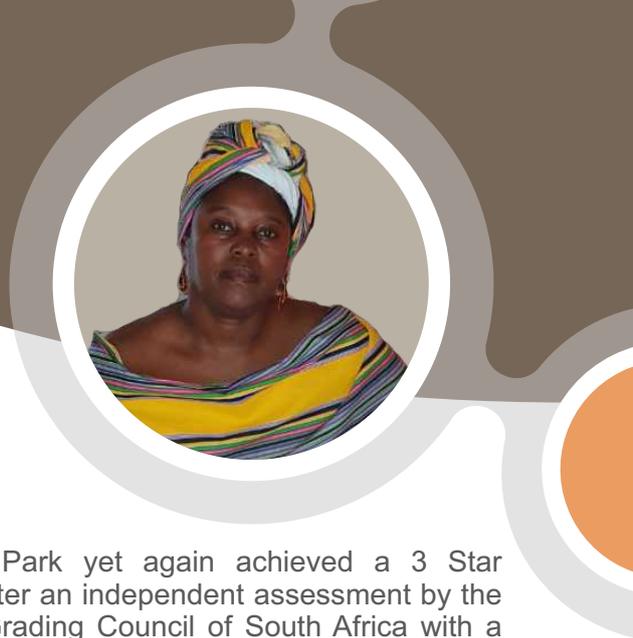
Conclusion

As we look into the next financial year, we will be celebrating the 20th anniversary of Freedom Park since its inception. In this auspicious 20th anniversary, Freedom Park will be celebrating the Legacy of our patron in chief, former President Nelson Mandela. After serving 27 years in prison, he became a proponent for reconciliation. We look into intensifying our efforts to contribute towards more years of enjoying our democracy and freedom.



Mr MCR Makopo
Chairperson Freedom Park

CHIEF EXECUTIVE OFFICER'S OVERVIEW



Strategic Overview

During the year under review, Freedom Park achieved 85% of its set targets, which is a milestone in that it is an improvement from the previous year. The shortfall, which is a small margin, was the result of amongst others, a week closure of Freedom Park in December 2019 due to the Salvokop community strike that posed a danger to both staff and visitors, therefore impacting on the achievement of feet through the gate target, which we missed by a small margin. Covid-19 also impacted the fourth quarter's activities as visitors were already cautious of the Pandemic.

Freedom Park continued in the celebration of heroes and heroines who fought for our hard-earned democracy and freedom. This was done through various projects as outlined in our Annual Performance report. To date, approximately 139 895 names have been inscribed on the Wall of Names in commemoration of these heroes and heroines. In addition, the installation of temporary exhibitions, acquisitions of books and archival materials, as well as their processing, digitization, storage and accessibility to the public were carried out successfully. An example of such success is the highly acclaimed exhibition, titled "Memory, Truth and Justice: Human Rights in Argentina" which was hosted in partnership with the Embassy of Argentina.

The exhibition showcased atrocities in Argentinian history and the role of the Human Rights Commission in sharp contrast with the crimes committed during Apartheid period and the role of the Truth and Reconciliation Commission (TRC) in uncovering such truth in South Africa. We also launched the Ahmed Timol Exhibition, a powerful celebration of the life and legacy of an anti-apartheid activist whose life was brutally cut short, allegedly at the hands of the repressive regime.

Freedom Park yet again achieved a 3 Star grading after an independent assessment by the Tourism Grading Council of South Africa with a satisfactory report on infrastructure, maintenance and operations.

Public awareness was boosted significantly through the media channels during the year under review. Freedom Park received several high-profile local and foreign visitors including trade delegations, politicians, ambassadors and activists. Schools and learners contributed to the large number of visitors than other sectors.

As part of its empowerment drive, Freedom Park spent 40,2% % of its budget on women projects and 0.2%% of its total procurement on youth in order to contribute to socio-economic imperatives.

Of the total workforce in Freedom Park, both female (53%) and males (47%) are well represented in the different occupational levels. The senior management occupation level has more females (83%), meeting and exceeding employment equity compliance. While the financial situation constrained the training and development function, the organisation provided in house training for staff and job training for at least 19 university students as part of their work-integrated learning programme, and two Skills SETA level work learners.

Risk Management

Most of the strategic risks were effectively mitigated in the year under review. Risk policies were also effectively implemented. Only 28% of the risks were outstanding at the close of the financial year, and a decision was taken to carry them over to the next financial year. There were, however, emerging risks on labour unrest, whereby several unauthorised UNION gatherings disrupted business.

The Enterprise Risk Management, in the year under review, included an internal audit on the adequacy of the control system. This necessitated a review of the Strategic Risk assessment, which also addressed Fraud and Operational risks. The process assisted in managing the adequacy and effectiveness in providing the assurance that the business objectives are aligned and achieved. An ICT strategy was also finalised in this year, and we are looking forward to capacitating ICT personnel in the next financial year to strengthen systems.

In an effort towards achieving clean audit results, 86% of internal audit findings were addressed during the year. Only a small number of outcomes are still in the process of finalization. This is tremendous progress compared to the previous financial year.

Freedom Park prioritizes employee and visitor safety at all times. The implementation of the Occupational Health and Safety (OHS) Policy is indicative of the organization's commitment to safety and security.

The heritage and tourism sector is one of the hardest hit by Covid-19 pandemic and faces severe socio-economic impact due to the closing of the cultural and heritage spaces and the cancellation of numerous socio-cultural events. The OHS plan was also developed to respond to the outbreak on Covid-19 pandemic, and it is in line with the Disaster Management Act and all regulations of the lockdown as declared by the government prior to the financial year-end. The plan will be implemented in the next financial year.

Financial Management

At the end of 2018/2019 year end, the Entity recovered from its three years' consistent deficit, this being the result of the implementation of the turn-around strategy. The reported deficit was mainly due to the fact that there has been a reduction in grant revenue in the past five years as well as an increase in expenditure due to depreciation, impairment losses on the disposal of assets as well as employee costs. Our cost

containment exercise continued in this financial year as a measure for financial prudence. Most programmes were implemented by leveraging on partnerships with government departments, as well as foundations and NGOs. Procurement systems and processes were strengthened to comply with treasury regulations and to derive benefits of services procured. Turnaround times were shortened on procurement for efficient administration, which resulted in a reduction in wasteful and fruitless expenditure. During 2019/20 the Entity incurred a deficit of R283 million as a result of the operating lease straight-lining over 99 years for the land. Due to the term of the operating lease, the operating lease liability of R4.6 billion (R4.4 billion in 2019) was recognized in the statement of financial position to ensure compliance with GRAP 13. The adjustments were implemented retrospectively affecting the opening balances, in prior years the Entity was deviating from the GRAP 13.

Governance

Council, as the Accounting Authority, provided leadership, oversight and accountability. This was done through its established governance structures. The review of policies and models to tighten the loopholes in the running of the organisation have been implemented. The organisation has a total of 71 policies that are approved by Council. These policies comply with the Compliance Checklist Model of the Compliance Policy.

Internal control systems were introduced to provide management and council with comfort regarding the financial position of Freedom Park, safeguarding the assets (including information) and compliance with related laws and regulations.

Freedom Park also has a zero-tolerance to fraud and corruption. To this end, the Council has a Fraud Prevention Policy and Plan, which has been implemented, and staff members were made aware of the policy.

We have revised our turn-around strategy to maximise revenue and cost containment. The next term, offers Freedom Park an opportunity to align with new developments in the country, especially the 4th industrial revolution on technological developments. These developments will see the entity introducing online bookings, improving virtual tours as well as Customer Relations Management systems aimed at enhancing Customer - oriented Experience. These developments will allow structural alignment.

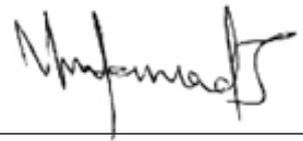
Outlook /plans for Future Financial Challenges

Despite budgetary constraints, the organisation has fulfilled its mandate of honoring our heroes and heroines. Next financial year, Freedom Park will celebrate the 20th anniversary of its existence and honoring our heroes and heroines. We will celebrate by looking back at both our achievements and challenges over the years. By so doing, we will be reflecting on the past in order to address the present challenges as well as imaging the future as a united nation. We will also put plans in place to continue our journey of preserving the resistance and liberation movements' legacy. As we celebrate these achievements, there is a line-up of events and programmes in 2020/2021 to mark the milestone. Amongst others, we will install a permanent exhibition in the Gallery of Leaders to honor outstanding national, continental and international leaders who made greater contributions in the areas of humanity and freedom.

We have also developed a five-year strategic plan to align with the new government administration as well as new government priorities as outlined by the National Development Plan .

Acknowledgement/appreciation

Efforts to direct Freedom Park to this level wouldn't have been possible had it not been for the outstanding leadership of my Council, led by its Chairperson, Mr Ronnie Makopo, support from our Minister of Arts and Culture - Mr Nathi Mthethwa, the Freedom Park staff, and numerous Freedom Park stakeholders, partners as well as including ordinary members of the public.



Ms J Mufamadi
Chief Executive Officer Freedom Park

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

The Accounting Authority is responsible for the preparation of the Public Entity's Annual Financial Statements (AFS) and the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

The Annual Report has been prepared in accordance with the guidelines issued by The National Treasury.

In our opinion, the Financial Statements fairly reflect the operations of the Public Entity for the financial year ended 31 March 2020.

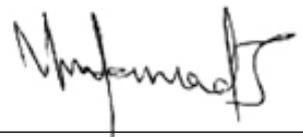
The External Auditors are engaged to express an independent opinion on the AFS of the Public Entity. The Annual Financial Statements for the year ended 31 March 2020 have been audited by the External Auditors and their report is presented on page 79.

The Annual Financial Statements of the Public Entity set out from pages 86 to page 125 have been approved on 30 September 2020.

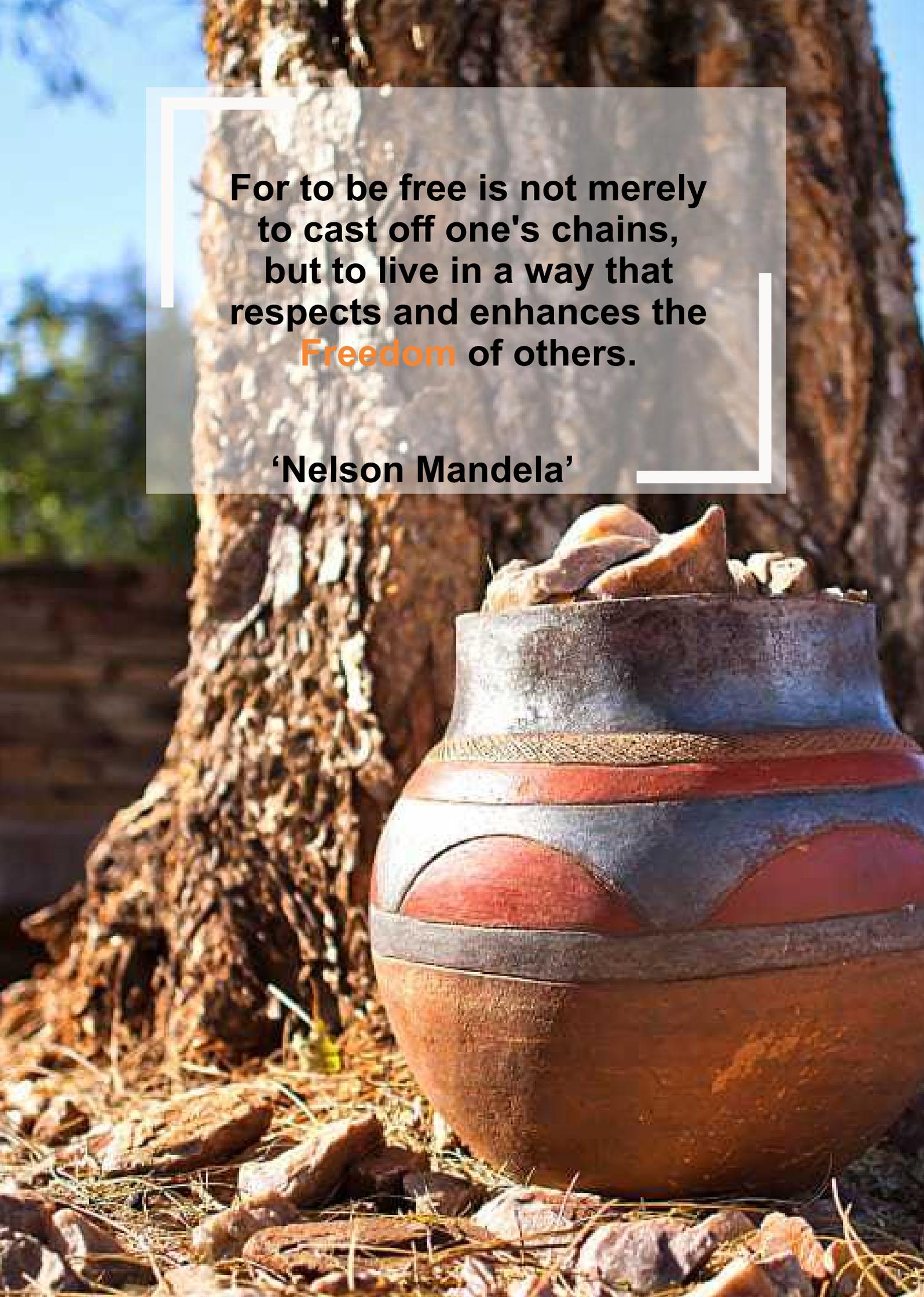
Yours faithfully



Mr MCR Makopo
Chairperson Freedom Park



Ms J Mufamadi
Chief Executive Officer Freedom Park



**For to be free is not merely
to cast off one's chains,
but to live in a way that
respects and enhances the
Freedom of others.**

‘Nelson Mandela’

STRATEGIC OVERVIEW



STRATEGIC GOALS

- To establish mechanisms to promote, protect and preserve Indigenous Knowledge Systems (IKS).
- To contribute to social cohesion by positioning Freedom Park as a symbol of national identity.
- To create a conducive environment to attract, engage and retain effective and knowledgeable talent, as measured by industry standards.
- To manage Freedom Park as a customer-focused, financially, sustainable cultural institution.
- To mobilise active partnerships with national, continental and international institutions to emancipate the African voice.

LEGISLATIONS AND OTHER MANDATES

FREEDOM PARK IS A SCHEDULE 3A PUBLIC ENTITY IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT (PFMA)

The mandate of Freedom Park is the creation of a memorial and monument that will narrate a story spanning a period of 3.6 billion years through the following seven epochs: Earth, Ancestors, Peopling, Resistance & Colonisation, Industrialisation & Urbanisation, Nationalism & Struggle, Nation Building & Continent Building; as well as the Garden of Remembrance to acknowledge those who contributed to the freedom of the country.

Freedom Park is governed by inter alia the following legal framework:

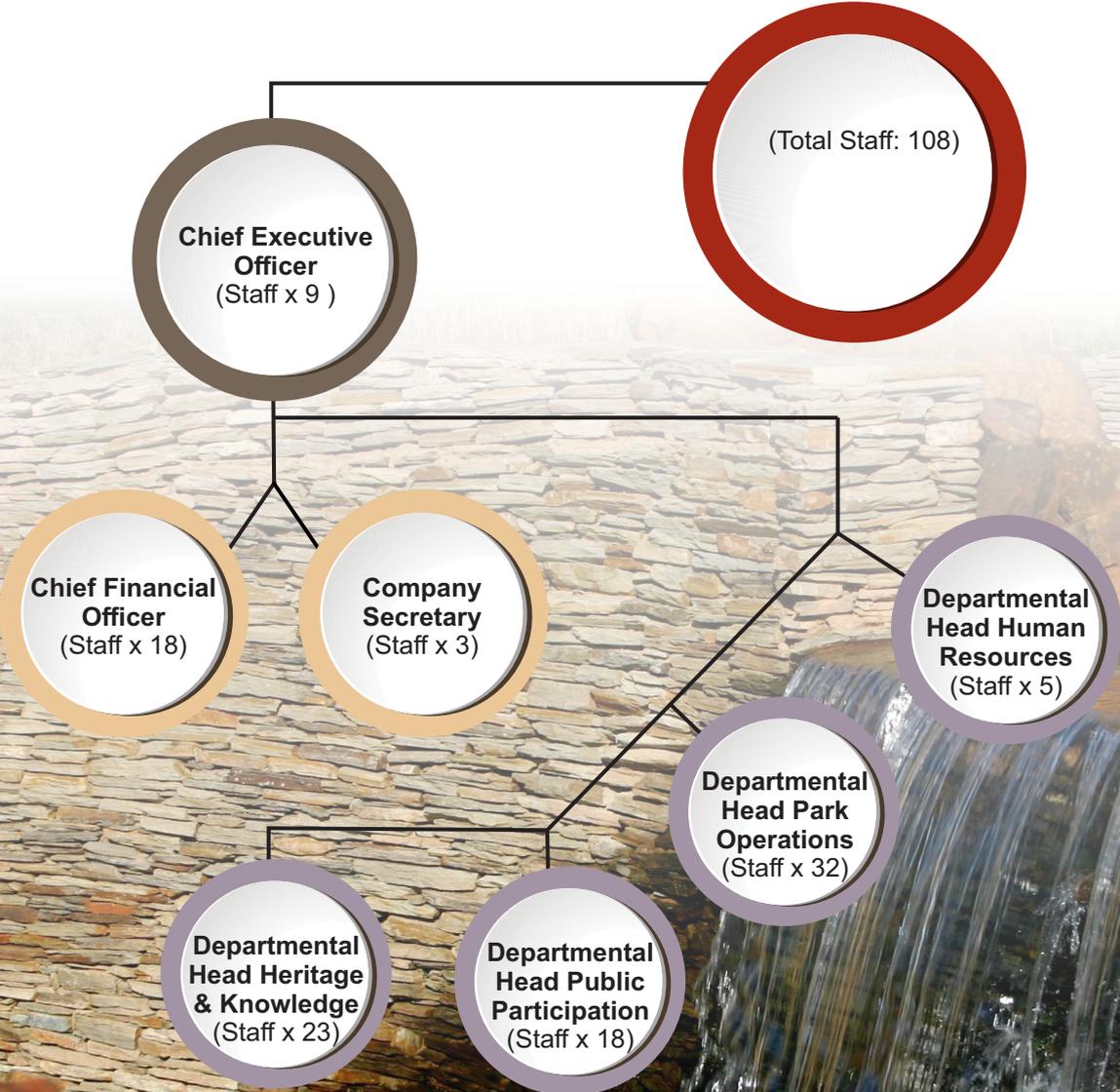
- The Constitution of the Republic of South Africa, 108 of 1996
- Public Finance Management Act, 1 of 1999
- National Treasury Regulations
- National Heritage Resources Act, 25 of 1999
- Public Audit Act, 25 of 2004
- Cultural Institutions Act, 119 of 1998 (effective from 01 April 2009)
- National Development Plan Vision 2030, Chapter 14 (Social Cohesion)

The constitutional mandate relevant to Freedom Park includes:

- Chapter 1:** Human dignity, citizenship, national anthem, ag and languages
- Chapter 2:** The Bill of Rights
- Chapter 4:** Compliance and adherence to Parliament as the supreme authority
- Chapter 9:** Schedule 3A Public Entity
- Chapter 10:** Adhere to fundamental values and principles governing public administration
- Chapter 12:** Alignment with the recognition and the role of traditional leaders
- Chapter 13:** Compliance with Treasury Regulations



ORGANISATIONAL STRUCTURE

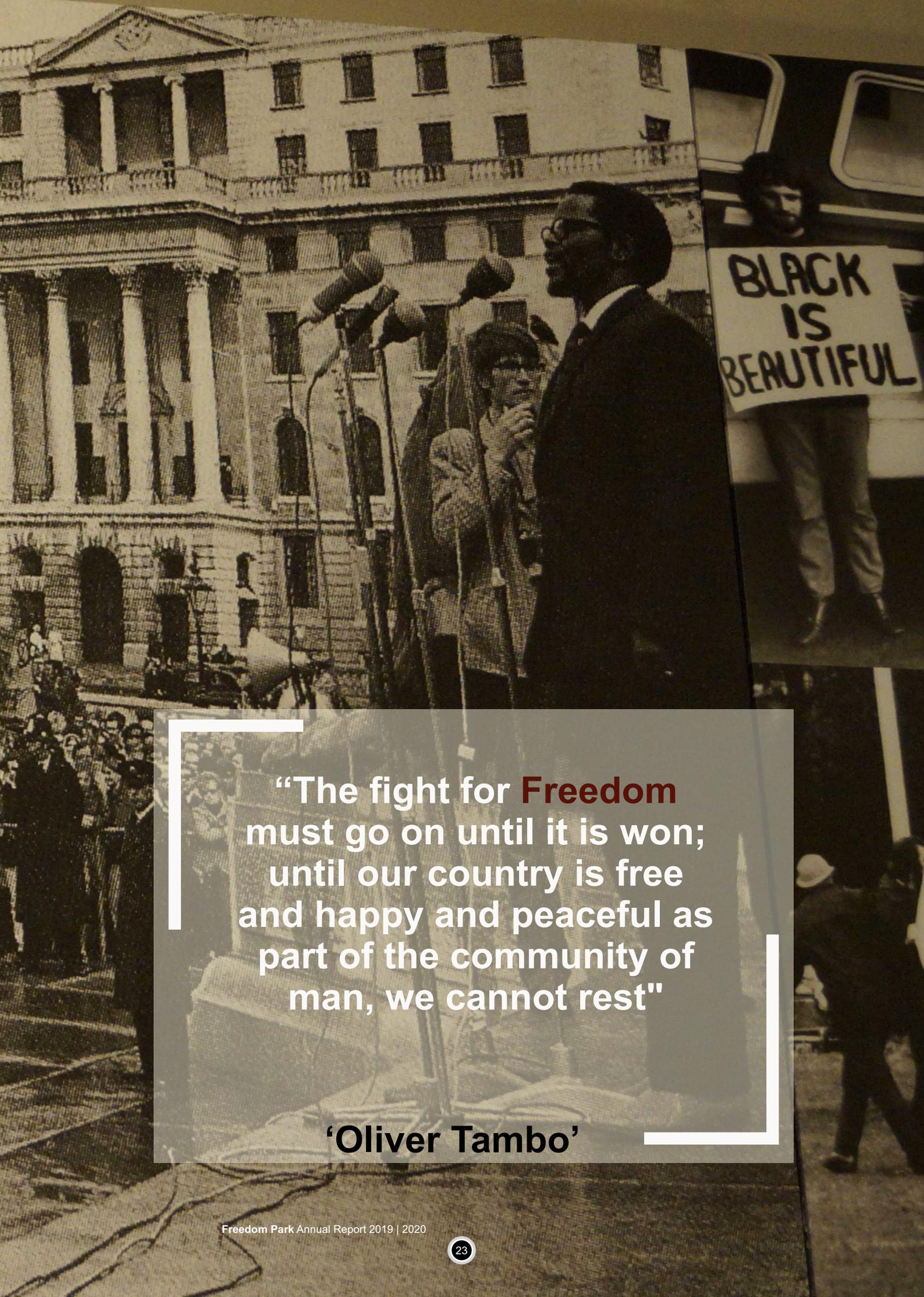




This collage of pictures highlights some of the activities held in the year under review, such as the collection of Radio Freedom Equipment in Madagascar; Dialogue with community members; The National Pres Club News Maker of the Year Award and formal meetings.



PERFORMANCE
INFORMATION



“The fight for **Freedom** must go on until it is won; until our country is free and happy and peaceful as part of the community of man, we cannot rest”

‘Oliver Tambo’

SITUATIONAL ANALYSIS

“A day should be not far off when we shall have a People's shrine, a Freedom Park, where we shall honor with all the dignity they deserve those who endured pain so we may experience the joy of freedom” (Nelson Mandela: 1999). A year after the pronouncement of that statement, Freedom Park was established. The compilation of the 2019/2020 Annual Report could not have come at a better time when the organisation commemorates its 20th anniversary.

Freedom Park, a National Heritage Destination, was established with a mandate to honor those who died in the struggle for freedom and humanity and to foster reconciliation, social cohesion and nation-building in the country. This is better reflected in its memorialisation of about 139 895 heroes and heroines who perished in the eight conflicts that shaped the South Africa we have today. Those conflicts include pre-colonial Wars, Wars of resistance, Genocides, Slavery, First and Second World Wars, South African War and the Liberation struggle. The Entity is established in terms of Heritage Resources Act No. 25 of 1999 and Cultural Institutions Act No. 119 of 1998 effective from 1st April 2009. It is an Agency of the National Department of Arts and Culture.

The year 2019/2020, the organisation had numerous milestones. The Department of Arts and Culture chose Freedom Park, as a temporal storage for the Radio Freedom equipment. The Holy visit by His Grace, Bishop Engenas Lekganyane of the St Engenas ZCC, was indicative, that the Entity was a spiritual home to all, irrespective of their religious background.

The hosting of the International Human Rights Day Commemoration with the Embassy of Argentina was a watershed moment for the Entity, in terms of international solidarity and collaborations. Conducting dialogues on International Solidarity matters with His Excellency Anthony Mongalo the South African Ambassador to Italy; the Presiding Bishop of the Methodist Church of Southern Africa on the struggle for equality in the ordination for women in

churches. The Emancipation of the African Voice was displayed in the successful hosting of the 7th Ungasali International Storytelling festival on the 7th March 2020.

An unprecedented increase in the number of learners, in the 20-year history of the Entity, was recorded. The revenue raised through admission through the gate was at R1 390 553; an increase from R1 349 507. Paying visitors increased consistently over the past three years. These achievements are attributable to the newly introduced paying visitor model and mainly due to stakeholder management relations. Council's commitment to the capacitation of vacant positions of crucial positions was demonstrated when Information Technology and Finance Manager Positions were filled. Council was proactive in advocating and reinvigorating collaborations, stakeholder relations and partnership activations hence, the Entity was able to reach achievements such as the groundbreaking number of learners and paying visitors, to Freedom Park.

A continuous decrease in the revenue due to the reduction of operating grants received from the Department of Arts and Culture (DAC) had a direct impact on the profitability of Freedom Park. The revenue raised from the venue hire declined in the current financial year as a result of Freedom Park's closure in December. However, even with the declining revenue, Freedom Park implemented the turnaround strategy that yielded positive results in improving the Park's profitability when compared to the previous financial years.

Labour Relations Environment was a challenge; however, mutual understanding between stakeholders prevailed. The annual salary review was finalised without any undue impact on the operations of the organisation.

The Heritage and Knowledge Department (H&K) lived to its historic mission, that of being the dependable backbone on which the trajectory of the entire Entity is dependent upon.

SITUATIONAL ANALYSIS

This was demonstrated through activities such as the installation of temporary exhibitions, acquisitions of books and archival material that are accessible to the public. The installation and opening of the internationally acclaimed Ahmed Timol Mobile Exhibition was a demonstration of the organisation's mandate, in terms of honoring those who sacrificed their lives for the liberation of our country.

H&K Department strives to make Freedom Park a knowledge hub, and this was evident in various ways, such as the dissemination of knowledge through writing, presentation of research papers in conferences, and publication of peer-reviewed opinion pieces, articles, chapters and books. The Entity is anticipating the production of scholarly chapters for compilation into a book entitled "Freedom Park: Memory as a Force for Radical Transformation", to be published in collaboration with UNISA Press.

Media stakeholder relations were immensely attracted from the community, regional and national media on both print and electronic. The National Press Club hosted the Newsmaker of the Year Annual Award at Freedom Park, in which the recipient was the current state President Cyril Ramaphosa. In terms of positioning Freedom Park to the nation, strategic channels of advertising were consistently used such as *Hola Magazine*; that has a print run of almost 90,000 (10,000 per province) and; *SANRAL's By The Way* magazine that is distributed at all national toll gates, across the country. An impressive increase in social media posting and followers as compared to the previous year was realised, and so was the case with website visits.



PROGRAMME PERFORMANCE REPORT

2019/2020

PROGRAMME 1 - Administration PURPOSE

The goal of growing the “Golden Mzansi” economy by the Department of Arts and Culture, amongst others is to quantify the contribution of the heritage sector towards the GDP of the country. It is the initiative of Freedom Park to promote and protect IKS knowledge and objects for posterity and through the rightful patent of such.

The Administration Programme provides leadership, strategic management and administrative support to the Freedom Park to ensure a sustainable and financially viable institution which can be utilised optimally to deliver on its mandate.

Sub-Programme 1.1: Entity Management

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 1.1.1 Efficient financial and non-financial reporting							
Increase income base per annum	Not achieved R366 800 in kind sponsorships were raised	Partially achieved An amount of R3 million was raised.	Not achieved No funds were raised.	An amount of R3.1 million raised annually	Not achieved No funds were raised.	Difference of R3.1 million from the planned target.	Non-performance by service provider. The appointment of a new panel of service providers for fundraising is on the procurement plan for 2020/21.

ADMINISTRATION PROGRAMME

ICT Strategy

The increasing complexity of ICT solutions, their rapid evolution, and the need to be agile in responding to organisational and customer needs and to partnership opportunities that reduce cost, increase resilience and improve quality requires a less traditional approach to ICT strategy moving forward. Reliance on ICT infrastructure and solutions to support an agile and flexible working culture is a significant part of the transformation brought forth by the Covid-19.

The nature of the Freedom Park business operations requires the effective management of information and technology to ensure ICT systems are controlled and maintained in line with corporate objectives and emerging trends.

The ICT Strategy is a tool designed to:

- Assist the Chief Executive Officer and the Executive Team to understand better the complexity of using and managing information and technology within the organisation.
- Encourage the organisation to improve its ICT capability.
- Enable the organisation to operate at or above the ICT Baseline Standard.
- Ensure ICT is adequately managed to support all aspects of Freedom Park, and
- Support all related elements of an integrated planning and reporting requirements.

In the year under review, the organisation embarked on a project to develop a new ICT strategy. The ICT strategy plan represents an important step towards the planning of ICT resources and the transformation of the vision and goals of Freedom Park to meet the core business objectives and directing the public services and to derive value on the supported ICT services and support.

Through effective business intelligence, Freedom Park will improve the information available to

employees and the public ensuring that it is of high quality, up-to-date, complete, presented in an appropriate format, and is available at any time and any place, creating transparency.

Asset Management

During the current financial year, Freedom Park conducted a Conditional assessment for the infrastructure and developed a ten-year preventative maintenance plan. The preventive maintenance plan is supported and funded by the Department of Arts and Culture. The maintenance of the assets will enhance the productive life and reduce critical equipment breakdown.

During the current financial year, the Entity also received approval to reprioritise the Deferred Income to implement the capital projects. The lockdown delayed the implementation of these projects. Freedom Park expects to see even more significant proportional investment in the future through the implementation of the ICT strategy, as we seek competitive advantage by keeping pace with technological evolution and continuing to deliver service quality.

Contract Management

Freedom Park has the added responsibility of addressing its socio-economic responsibility to empower and capacitate/provide opportunities to previously disadvantaged individuals and SMMEs. Freedom Park has a strategic outcome focused on targeted procurement initiatives addressing the empowerment of businesses owned by women, youth and people with disabilities. During the current year, the procurement imperatives were 40,2% toward women and 0.2% to youth. 46.1% of the procurement was allocated to level 1 and 2 BEE companies.

PROGRAMME PERFORMANCE REPORT

2019/2020

Fundraising initiatives

Freedom Park continues to harness the power of partnerships and collaborative efforts with the corporate sector and foundations, strengthening its engagement through 'priority integrated partnerships' – multifaceted relationships with companies that have been identified as instrumental for Freedom Park to implement the next Strategic Plan for 2020–2023.

Freedom Park has also begun a new cycle of fundraising strategy development. It will be an extended process that allows us to thoroughly evaluate our ideas and assumptions and make strategic choices within the context of the current technological and charitable landscapes. It will also be iterative and flexible, allowing us to respond to changes in the environment appropriately.

Sub-Programme 1.2: Building, Renovation and Urban Planning

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 1.2.1 Functionality of the elements at the Park							
Number of preventative and reactive maintenance reports per annum	Achieved Quarterly reports on internal repairs and recommendations on future maintenance projects were submitted to MANCO.	Achieved Quarterly reports on implementation of internal repairs and maintenance projects were submitted to MANCO..	Achieved Quarterly reports on implementation of internal repairs and maintenance projects were submitted to MANCO.	Quarterly reports on implementation of internal repairs and maintenance projects submitted.	Achieved Quarterly reports on implementation of internal repairs and maintenance projects were submitted.	-	-

PARK OPERATIONS

Park Operations is responsible for one target in the 2019/20 financial year viz implementation of internal repairs and maintenance. This target looks at the number of preventative and reactive maintenance issues per annum.

The purpose of the Park Operations department is mainly two-fold, namely to ensure that Freedom Park's facilities are always in a functional state and this is done by embarking on a proactive, reactive and statutory maintenance. Secondly, Park operations seek to bring about a safe and secure environment for both employees and visitors through the deployment of physical Security Guards in the Park and through the implementation of the Occupational Health and Safety legislative principles which sets out a process for the identification and addressing of unsafe acts and unsafe conditions.

Freedom Park manages and secures property and equipment with a cost of approximately R700 million. In addition, Park Operations manages the commercial services such as the restaurant and gift shop contracts.

Freedom Park continues to participate in the Salvokop master re-development committee which is spearheaded by the National Department of Public Works for the new development master plan around Salvokop and Pretoria CBD. The Park Operations department also played a significant role in the Salvokop community development forum where issues that affect the community are discussed and escalated to relevant government and municipal authorities. In 2019, Freedom Park experienced strikes from the Salvokop community, who demanded jobs, through a recently appointed security service provider. The strikes forced Freedom Park to close for a week in December 2019, therefore resulting in loss of admission revenue. An interdict was subsequently sought and approved by the court, permanently in March 2020.

PREVENTATIVE AND REACTIVE MAINTENANCE

A process to conduct a condition assessment to determine the preventative maintenance plan in the medium to long term was concluded in June 2019. A 10-year Preventative maintenance plan was developed following the assessment. This was approved by Council and considered by the Department of Arts and Culture (DAC) in July 2019.

Freedom Park further received approval from DAC in November 2019, to utilise its deferred infrastructure funds for immediate infrastructure replacements as per the condition assessment. All project business plans were completed, and the process for implementation is underway.

Freedom Park has awarded a new landscape contract for a period of three years. This serves as part of preventative maintenance and upkeep of the Park to an acceptable standard.

COMMERCIAL SERVICES

Freedom Park appointed Dandozest in May 2018 to operate its restaurant services. Ditebogo Gifts was also appointed in November 2018 to operate the gift shop. These services add to the visitor's flow and overall experience at Freedom Park. Financial year under review, approximately R108 398 has been acquired as part of revenue generation from the two retail services.

SECURITY MANAGEMENT

Freedom Park has awarded a new physical security contract for three years. Through this contract, Freedom Park made a saving of R11 044 352 as compared to the previous service provider. The service standards of performance will be assessed quarterly to ensure that the service provider is performing in terms of the SLA. The CCTV cameras were also upgraded and are now in a working condition.

PROGRAMME PERFORMANCE REPORT

2019/2020

A maintenance contract and plan are in place for a two-year period to provide maintenance for the cameras.

The security unit ensured that security awareness was presented to staff to remind them about security and health and safety issues to promote a collective responsibility to safeguarding and protecting the Freedom Park assets.

OCCUPATIONAL HEALTH AND SAFETY

The Health and Safety policy was reviewed and approved by the Council in 2019. Freedom Park ensured that the Health and Safety Policy is complied with. All findings that were identified by the internal audit in the 2017/18 financial year were resolved.

By the end of the financial year, Covid-19 has presented a new challenge and risk with regards to Occupational Health and Safety. In response, sanitizers, gloves and masks were procured and distributed to Security Officers at the entrances and also in the bathroom facilities and offices. Security and OHS awareness was done.



PROGRAMME PERFORMANCE REPORT

PROGRAMME 2 - Business Development PURPOSE

2019/2020

Freedom Park is an icon of humanity and freedom which seeks to position itself as a symbol of national identity. In pursuance of its vision, the architecture reflects the African identity. The exhibitions in //hapo further reflect what binds humanity. It also educates the visitor as it narrates the story from creation to achievement of democracy and how we contribute to nation and continent building.

Freedom Park sees its role to establish mechanisms to preserve and promote IKS as an initiative that gives it its uniqueness. Therefore, our different programmes and activities are aimed at achieving this mandate.

Sub-Programme 2.1: Documentation and Digitization

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 2.1.1 Effective public interface							
Number of materials digitised per annum.	Achieved The digitisation system was installed in October 2016; training was completed and the system was operational by 31 March 2017.	Achieved 838 materials were digitised.	Achieved 776 materials were digitised.	Achieved 100 materials digitised per annum	Achieved 480 materials were digitised.	Target exceeded by 380 materials.	There were more events and activities related to the mission and vision of FP than expected, and the number of unexpected events added to the planned events such as dialogues, exhibitions, etc.

PROGRAMME PERFORMANCE REPORT

2019/2020

Sub-Programme 2.2: Collection and Accessioning

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 2.2.1							
Create user friendly access to the archiving and collection knowledgebase							
Number of archival collections related to the 7 epochs of the exhibition acquired per annum.	Achieved 7 collections were acquired.	Achieved 11 collections were acquired.	Achieved 11 collections were acquired.	5 archival collections acquired per annum.	Achieved 5 collections were acquired.	-	-
Number of archival documents and materials related to the 7 epochs of the exhibition processed according to archival standards per annum.	Achieved 1 212 materials were processed.	Achieved 2 147 materials were processed.	Achieved 1 123 materials were processed.	1 000 archival documents and materials related to the 7 epochs of the exhibition processed according to archival standards per annum.	Partially achieved 938 materials were processed.	Difference of 62 materials from the planned target.	Entries in the Vernon database were duplicated which resulted in miscalculation. The database has been upgraded in the meantime.
Number of library books relevant to the storyline acquired per annum.	Achieved 64 books were acquired.	Achieved 89 books were acquired.	Not achieved Books were not acquired during the financial year.	30 books relevant to the storyline acquired per annum	Achieved 60 books were acquired.	Target exceeded by 30 books.	More books were identified by end-users. The additional books were also bought to cover the identified gap (lack of reliable and valid information sources) in the museum storyline.

PROGRAMME PERFORMANCE REPORT

2019/2020

Sub-Programme 2.3: Research and Knowledge Production

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 2.3.1							
Integrate the natural and cultural landscape for contemplation, reflection and reconciliation							
Number of names across the 8 conflict areas verified and validated for inscription per annum.	Achieved 228 names were verified and validated.	Achieved 228 names were verified and validated.	Achieved 135 names were verified and validated.	100 names across the 8 conflict areas verified and validated by the Names Verification Committee for inscription.	Achieved 125 names were verified and validated.	Target exceeded by 25 names verified and validated.	More names on the Liberation Struggle were verified and validated for inscription as a result of additional names received from the Department of Military Veterans (DMV).
Number of names inscribed on the Wall of Names across the 8 conflict areas.	N/A	N/A	Achieved 459 names were inscribed on the Wall of Names.	100 names across the 8 conflict areas inscribed on the Wall of Names.	Achieved 200 names were inscribed.	Target exceeded by 100 names inscribed.	Researchers collected more names than the inscription target. It would have been a wasteful expenditure for Freedom Park to appoint a service provider to inscribe only 100 names when there was a bigger batch of names, which could be inscribed at once.

PROGRAMME PERFORMANCE REPORT

2019/2020

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 2.3.2 Integrate history, culture and spirituality in a manner that will portray a national identity							
Number of completed research papers that integrate history, culture and spirituality per annum.	Achieved 11 research papers were completed.	Achieved 7 research papers were completed.	Achieved 7 research papers were completed.	4 research papers completed.	Achieved 5 research papers were completed.	Target exceeded by 1 research paper.	An additional paper was written as a response to a conference call for papers by one of FP's partners, namely University of Venda.
Number of research articles accepted for publication that integrate history, culture and spirituality per annum.	Achieved 3 research articles on GOR were published.	Achieved 3 research articles on GOR were published.	Achieved 2 research articles were accepted for publication.	2 research papers accepted for publication.	Achieved 2 research articles were accepted for publication.	-	-
Strategic Objective 2.3.3 Continuously educate visitors about cultural, historical and spiritual issues focusing on the national, continental and international world							
Number of temporary exhibitions per annum.	Achieved 2 temporary exhibitions were developed and displayed at Freedom Park.	Achieved 5 temporary exhibitions were displayed.	Achieved 3 temporary exhibitions were displayed (of which one was on Nelson Mandela in Q2).	2 temporary exhibitions developed and displayed.	Achieved 3 temporary exhibitions were displayed.	Target exceeded by 1 temporary exhibition.	An additional exhibition partnership proposal relevant to issues of redress and reparation for injustices of the past was received, which could not be declined.

PROGRAMME PERFORMANCE REPORT

2019/2020

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of opinion pieces published per annum.	Achieved 10 opinion pieces were published.	Achieved 9 opinion pieces were published.	Achieved 8 opinion pieces were published.	6 opinion pieces published.	Achieved 10 opinion pieces were published.	Target exceeded by 4 published opinion pieces.	Extra opinion pieces were published as a measure to close the identified gap of articles on //hapo (museum) interactive terminals.
Strategic Objective 2.3.4 Portray the history of Southern Africa and Africa going back 3.6 billion years							
Annual storytelling festival.	Achieved 1 Storytelling Festival was conducted and in addition there was an outreach storytelling programme with Rivoningo Care Centre in Pretoria.	Achieved 1 storytelling festival was conducted.	Achieved 1 storytelling festival was conducted.	1 storytelling festival conducted.	Achieved 1 storytelling festival was conducted.	-	-
Number of seminars or conferences or public lectures or workshops conducted per annum.	Achieved 4 seminars were conducted.	Achieved 4 seminars were conducted.	Achieved 3 conferences were conducted (of which one was on Nelson Mandela in Q3).	2 seminars or conferences or public lectures or workshops conducted.	Achieved 1 seminar and 1 public lecture were conducted.	-	-

PROGRAMME PERFORMANCE REPORT

2019/2020

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of dialogues (oral interviews) conducted per annum.	14 dialogues were conducted.	Partially achieved 7 dialogues were conducted, of which one was with Ms Luli Callinicos who is the author of a series of books on OR Tambo.	Achieved 8 dialogues were conducted (of which one was on Nelson Mandela in Q3).	6 dialogues (oral interviews) conducted.	Achieved 6 dialogues were conducted.	-	-
Number of dialogues quality assured per annum.	N/A.	Achieved 6 dialogues were assessed.	Achieved 6 dialogues were assessed.	Quality assurance of 5 dialogues completed.	Achieved 6 dialogues were quality assured.	Target exceeded by 1 dialogue.	A dialogue conducted in the past was assessed in the period under review.
Strategic Objective 2.3.5							
Ensure that FP remains relevant to its role within the national priorities by using IKS platforms							
Number of Interfaith Committee programmes executed per annum.	Achieved 4 Interfaith Committee programmes were executed.	Achieved 3 Interfaith Committee programmes were executed.	Achieved 2 Interfaith Committee programmes were executed.	2 Interfaith Committee programmes executed.	Achieved 2 Interfaith Committee programmes were executed.	-	-

PROGRAMME PERFORMANCE REPORT

2019/2020

Sub-Programme 2.4: Educational Programmes and Activities

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 2.4.1							
Mobilise educational institutions to educate learners to engender social cohesion							
Number of participants (women and youth) engaged in presentations of education programmes conducted per annum.	Achieved 16 369 participants were engaged in educational activities.	Achieved 7 973 participants were engaged in educational activities.	Achieved 21 470 participants were engaged in educational activities.	4 000 participants (women and youth) engaged in presentations of education programmes conducted.	Achieved 9 683 participants (women and youth) were engaged in education programmes conducted.	Target exceeded by 5 683 participants.	Intensified educational outreach programme and partnership programmes
Number of learners engaged in presentations of education programmes conducted per annum.	Achieved 6 618 learners were involved in educational interactions with schools.	Achieved 7 493 learners were involved in educational interactions with schools.	Achieved 20 015 learners were involved in educational interactions with schools.	2 250 learners engaged in presentations of education programmes conducted.	Achieved 9 455 learners were engaged in presentations of education programmes.	Target exceeded by 7 205 learners.	Intensified educational outreach programme and partnership programmes .
Number of Time Travel events conducted per annum.	Achieved 7 Time Travel events were conducted.	Achieved 5 Time Travel events were conducted.	Achieved 14 education programmes with other organisations were conducted.	2 Time Travel events conducted.	Partially achieved 1 Time Travel event was conducted.	Difference of 1 Time Travel event from the planned target.	90% of the process to prepare for another event was conducted in Q4; however the school was closed before the event due to the Covid-19 lockdown.

PROGRAMME PERFORMANCE REPORT

2019/2020

For the period under review, the Heritage & Knowledge (HK) department had a successful story of performance to tell. This excellent story of exceptional achievement was equally shared across the three Units that make up the department, namely Curatorship, Education and Research. Not only did the Units achieve their annual targets, but also exceeded them, some by comfortable margins.

This exceptional performance of the department is also concretely distinguished by two overlapping components of achievement, namely the quality and quantity of the work done. It is, however, not necessary to give finer and more details of such exceptional achievement in terms of figures in this section as such detailed statistics appear elsewhere in the Annual Report.

Curatorial Unit

The Curatorial Unit, which includes the interactive museum called //hapo, the living Pan African Archives (PAA) and the Library, excelled in terms of its installation of temporary exhibitions, acquisitions of books and archival materials, as well as their processing, digitization, storage and accessibility to the public. The installation and opening of the high profile Ahmed Timol Mobile Exhibition in //hapo, for example, gave the most finished expression to the quality of work delivered. Ahmed Timol was a freedom fighter who contributed significantly to the building of the underground movement during the liberation struggle.

Contrary to the Apartheid police version that he committed suicide, he was tortured and killed by the police during his detention at the John Vorster Square Police Station in Johannesburg on 27 October 1971. Another highly acclaimed exhibition, titled "Memory, Truth and Justice: Human Rights in Argentina" was launched in partnership with the Embassy of Argentina. The exhibition showcases atrocities in Argentinian history and the role of the Human Rights

BUSINESS DEVELOPMENT PROGRAMME

Commission in sharp contrast with the crimes committed during apartheid period and the role of the Truth and Reconciliation Commission (TRC) in uncovering such truth in South Africa. The third exhibition was on the role of the Soviet Union during World War II. Key among the acquisition of materials and objects for the Library, PAA and hapo was the equipment of Radio Freedom that was handed over to Freedom Park by the Republic of Madagascar. The equipment was a crucial means of underground communication used by the African National Congress (ANC) during the liberation struggle.

Research Unit

Both Curatorial and Research Units collaborate in conducting dialogues with liberation struggle stalwarts, the records of which add materially to the audio-visual and living nature of the PAA. Thus our dialogues contribute in no small measure to the burgeoning body of oral history and documentation of Resistance and Liberation Heritage Route (RLHR) project. Such dialogues included the ones conducted with the Pan Africanist Congress (PAC) and Africanist Peoples Liberation Army (APLA) cadres like Mr P. Mpush Makambi and Major-General Thembelani Xundu, as well as Amtiaz Ahmed Cajee, a niece to Ahmed Timol.

The international benchmark of any groundbreaking research is the production and dissemination of new knowledge. Various ways of dissemination of knowledge include writing, presentation of research papers in conferences, and publication of peer-reviewed opinion pieces, articles, chapters and books for public consumption. This splendid research output exceeded expectations in terms of both quantity and quality. An excellent case in point is the production of scholarly chapters for compilation into a book entitled "Freedom Park: Memory as a Force for radical Transformation", to be published

in collaboration with UNISA Press. Generally, this scholarly work deals mainly with political and socio-economic triumphs and challenges confronting democratic South Africa. Specifically, the thesis of the book is based on the fact that the realization of freedom is not an event achieved 1994, but a process or an onward march to a better tomorrow.

Equally worth mentioning, is a plethora of research papers and opinion pieces completed and published. The research papers include “The Decolonization of the Museums”, “The Subjugation of the African Agenda”, and “Opportunities and Challenges: Press Freedom 25 Years in Post-Apartheid South Africa”. The “Opportunities and Challenges” paper was later published by the Mapungubwe Institute. A host of published opinion pieces were on 'Samora Machel', 'Robert Sobukwe', 'Ahmed Timol', 'Dr Neil Aggett', 'Dr Yusuf Dadoo', 'Medicinal Uses of Impepho in South Africa', 'The Sacredness of Sudwala Caves', 'The Instability in our Townships is a Travesty of our Democracy', and 'South African Liberation Struggle in Relation to USSR’, to mention a few.

Organised seminars, conferences and public lectures included those on “Land Dispossession and Expropriation without Compensation” and “Langa Heritage Legends”.

Another key feature of achievement by the Research Unit is in terms of research undertakings on names of South African, continental and international heroes and heroines who contributed to our struggles for freedom and humanity. The unit reached and exceeded targets for collected, verified and inscribed names, thereby contributing exceptionally to Freedom Park's primary mandate of 'honoring heroes and heroines of the Resistance and Liberation Heritage Route. While most of these additional names will be honored by way of an inscription on the Wall of Names, two names of Patrice

Lumumba (Congo) and Robert Mugabe (Zimbabwe) will be displayed in the Gallery of Leaders. To date, a total of 139 895 heroes and heroines have been honored at Freedom Park. Most of whom are engraved on the Wall of Names, while 44 are in the Gallery of Leaders. The rolled-out faith-based programmes of the unit ensured the Entity's fulfilment of the government imperatives on 'reconciliation, social cohesion and nation-building'. One such programme was conducted on Reconciliation Day on the 16th of December 2019.

Education Unit

Last but not least is the sterling achievement of the Education Unit. Such an achievement can be summarized merely enough. The unit's on-site and off-site presentations of quality-assured education programmes to school learners and other participants were achieved beyond expectations. The annual storytelling festival and performances constitute a flagship programme of the entire institution. The festival and related performances are Pan-African and Indigenous Knowledge System (IKS)-related in character. They also provide edutainment to a variety of audiences, with school learners as the chief beneficiaries. The point here is that the education programmes, storytelling festival and performances not only complement basic education and higher education history and heritage curricula but also contribute to the process of decolonization of the South African history and heritage.

In conclusion, the HK department experienced its historic mission, that of being the dependable backbone on which the core business and exceptional achievement trajectory of the entire entity rests.

PROGRAMME PERFORMANCE REPORT

2019/2020

PROGRAMME 3 - Public Engagement PURPOSE

As a contribution to the National Development Plan, Freedom Park positions itself as a symbol of national unity, by developing programmes and activities that increase the consciousness of South Africans on their commonalities rather than differences. In this regard, the Park contributes towards building a citizenry that is more accepting of people's multiple identities where there is:

- Broad-based knowledge about and support for a set of values shared by all South Africans,

including the values contained in the Constitution.

- An inclusive society that sustain inequality of opportunity and outcomes in the economy by building capabilities and redressing the wrongs of the past.
- Increased interaction between South Africans from different social and racial groups.
- Strong leadership across society and a mobilised, active and responsible citizenry.

Sub-Programme 3.1: National, Continental and Local Partnerships and Outreach

Performance Indicator	Actual Achievement	Actual Achievement	Actual Achievement	Target 2019/2020	Actual Achievement	Deviation from planned	Comment on deviations
Strategic Objective 3.1.1 Mobilise institutions through active partnerships with national, continental and local institutions to emancipate the African voice							
Number of outreach programmes conducted per annum.	N/A	Achieved 3 provincial outreach programmes were conducted.	Achieved 8 outreach programmes were conducted.	5 outreach programmes conducted.	Achieved 5 outreach programmes were conducted.	-	-

Sub-Programme 3.2: Social cohesion, Nation Building and Reconciliation

Strategic Objective 3.2.1 Advocate for nation-building and social cohesion by servicing major stakeholders							
Number of programmes to support Social Cohesion, Nation Building and Reconciliation	Achieved 6 events for national holidays were held.	Achieved 5 events for national holidays were held.	Achieved 8 programmes were conducted.	7 programmes to support social cohesion, Nation building and Reconciliation per annum.	Achieved 8 programmes were conducted.	Target exceeded by 1 outreach programme.	Two programmes were collaborations in celebration of Reconciliation month.

PROGRAMME PERFORMANCE REPORT

Sub-Programme 3.3: Conventional/digital Marketing, Communication and Public Relations

2019/2020

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Strategic Objective 3.3.1 Increase visitor numbers							
Number of visitors registered per annum.	Partially achieved 63 195 visitors registered.	Partially achieved 56 697 visitors registered.	Achieved 90 844 visitors registered.	Register 50 000 guests and visitors.	Partially Achieved 47 312 guests and visitors registered.	Difference of 2 688 guests and visitors from the planned target.	Tours and events were cancelled in Q4 due to Coronavirus pandemic.
Number of paying visitors per annum.	Achieved 25 703 paying visitors.	Partially achieved 23 309 paying visitors.	Achieved 26 488 paying visitors.	27 000 paying visitors.	Achieved 30 702 paying visitors.	Target exceeded by 3 702 paying visitors.	Effective implementation of the paying visitor model in Q1 and Q2.
Number of school learners visiting Freedom Park per annum.	Achieved 14 014 school learners visited Freedom Park.	Achieved 13 568 school learners visited Freedom Park.	Achieved 15 505 school learners visited Freedom Park.	13 000 school learners visiting Freedom Park.	Achieved 21 738 school learners visited Freedom Park.	Target exceeded by 8 738 school learners.	Effective school mobilisation programme in Q1 and Q2.
Number of programmes to position Freedom Park as a heritage and historical institution conducted per annum.	N/A	N/A	Achieved 8 public relations and marketing programmes were held.	7 public relations and marketing programmes implemented.	Achieved 9 public relations and marketing programmes were implemented.	Target exceeded by 2 programmes.	Public Relations and Marketing programmes also support the commemoration of National Days. Therefore there were more programmes.

PROGRAMME PERFORMANCE REPORT

2019/2020

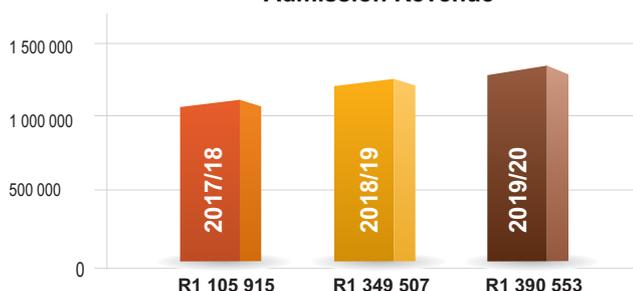
PUBLIC ENGAGEMENT PROGRAMME

Public Participation is a department within Freedom Park entrusted with Communication, Marketing, Public Relations, Outreach, Guest Relations and Events Management functions. In supporting the business of Freedom Park, Public Participation department was allocated six targets on the Annual Performance Plan. Five of the six allocated targets were achieved due to robust mobilization and marketing.

Public Participation also contributes towards revenue generation through admission and venue

hire fees. During the year events, Management and Paying Visitor Models were reviewed in order to address the increase in visitors' numbers as well as revenue. In 2019/20 financial year, revenue raised through admission through the gate was R1 320 746, an decrease from R1 349 508 in 2018/19 whilst revenue raised through venue hire was R 439 490 a decrease from R1 556 394 from the previous year. Paying visitors have increased steadily over the past three years. The achievement in this regard is attributed to the paying visitors' model.

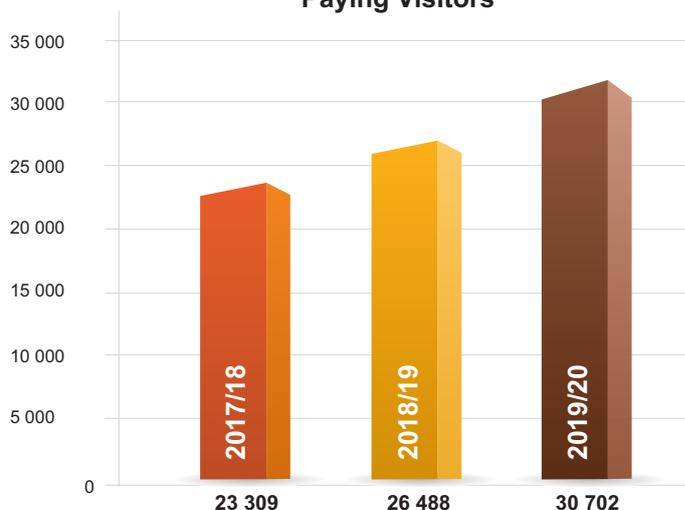
Admission Revenue



Event Revenue



Paying Visitors



PROGRAMME PERFORMANCE REPORT

2019/2020

The financial year 2019/20 was characterised by exciting programmes in Public Relations, Outreach, Marketing and Events. The following programmes were achieved:

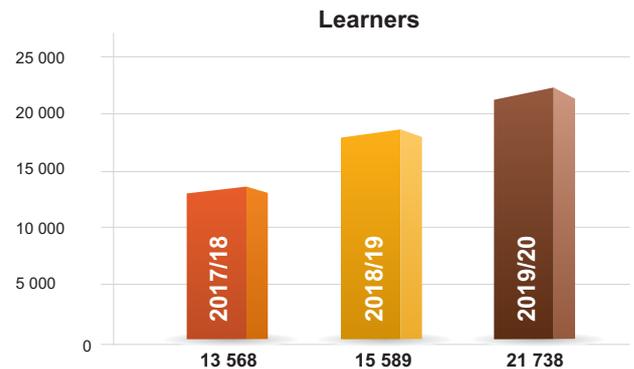
1. 5 Outreach programmes viz:

- School outreach**, whereby 192 schools and 21 738 learners visited Freedom Park;
- Institutions of Higher Learning**, whereby 57 Institutions and 1 035 students visited Freedom Pak;
- Youth outreach**, Youth Camp in collaboration with Robben Island Museum was conducted;

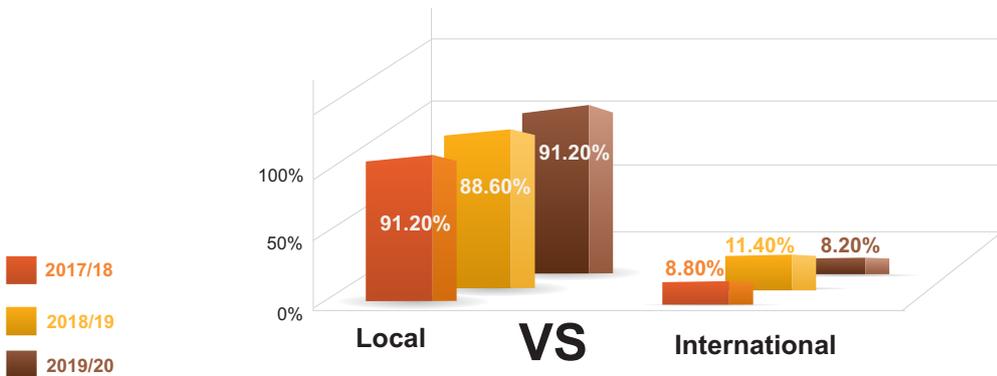
-**Persons with Disabilities outreach**, an event in commemorating International Disability Day was conducted and

-**Community outreach**, outreach conducted at Langa community honoring legends in sports, music and education. The following graphs reflect the visitors' numbers and school outreach programmes.

There has been a steady increase of learners visiting Freedom Park in the past three years; however, the overall visitors' numbers have been fluctuating.



Local visitors VS International visitors



PROGRAMME PERFORMANCE REPORT

2019/2020

2. 9 Public Relation and Marketing programmes viz:

-Freedom month media and marketing campaign, whereby GCIS – community channels broadcasting CEO's message on Freedom Day, print media with SANRAL;

-Africa Day media and marketing partnership with HSRC;

-Honoring our Heroes and Heroines in the form of Mahatma Gandhi Peace Walk in collaboration with Centurion Hindu Society, Maha Sabha, and Freedom Park;

-Veterans Voice Radio broadcasts;

-Media and Marketing campaigns honoring heroes and heroines; Public Relation collaborations with Press Club hosting Newsmaker of the year;

-Media and Marketing campaign to celebrate Reconciliation month; public lecture in collaboration with the Embassy of Argentina;

-Media and Marketing campaign in profiling the organisation. Mall exhibition with TTA Exhibitions at CSIR-TTA showcase. Mayoral Tourism Business Summit. Posting at What's on Pretoria platform. ENCA interview on Langa Heroes & Heroines project. Heritage Literacy on Phalaphala FM. VVR interviews, an opinion piece on Human Rights Day. Radio interview with Pheli FM.

3. Social media posting and followers also increased to 9 967 Facebook from 9 271 in the previous year. A remarkable achievement of 82 836 visits on the website was recorded, an increase from 74 036. All these activities have seen a positive coverage on value-added with all media.

4. Six programmes supporting Social Cohesion, Nation Building and Reconciliation viz: Freedom Day: Radio Freedom Handover; Africa Day in partnership with HRSC; Youth Day in partnership with Thabo Mbeki Foundation; Women's Day in partnership with Dandozest; Heritage Day, Family day at Freedom Park; Reconciliation Day, Mandela Walk, Pan African Cultural Experience and Interfaith prayer and Dialogue on 16 December.

Print Media 39%



Broadcast Media 36%



Online Media 25%

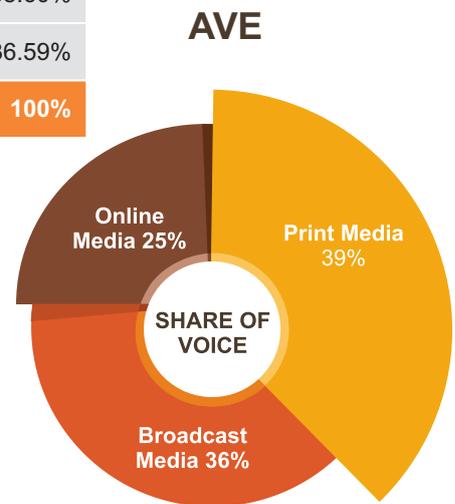


PROGRAMME PERFORMANCE REPORT

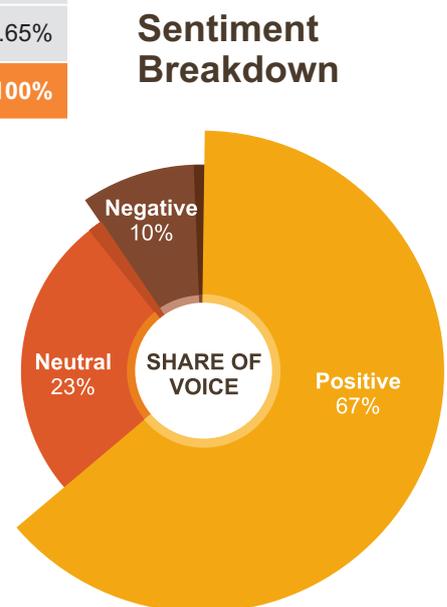
2019/2020

The following graph reflects media coverage resulting from media and marketing campaigns.

Media Coverage	Count	Ave	PR Value	Percentage
Online Media	83	R 4 917 031.00	R 14 751 093.00	24.81%
Print Media	115	R 7 648 993.00	R 22 946 979.00	38.60%
Broadcast Media	61	R 7 252 546.00	R 21 757 638.00	36.59%
Total	259	R 19 818 570.00	R 59 455 710.00	100%



Media Coverage	Count	Ave	PR Value	Percentage
Positive	174	R 13 401 749.00	R 40 205 247.00	67.18%
Neutral	60	R 4 853 411.00	R 14 560 233.00	23.17%
Negative	25	R 1 563 410.00	R 4 690 230.00	9.65%
Total	259	R 19 818 570.00	R 59 455 710.00	100%



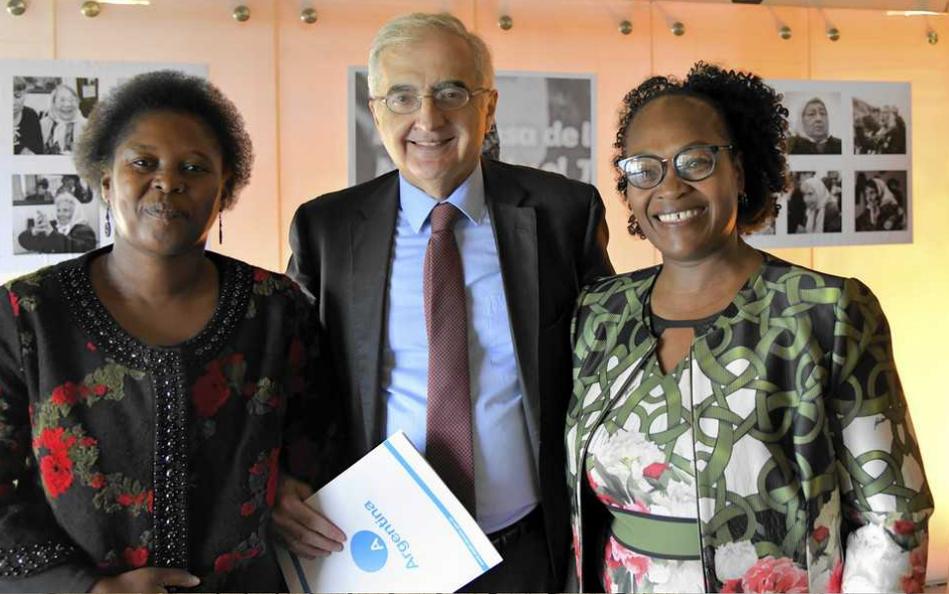
PROGRAMME PERFORMANCE REPORT

2019/2020

Freedom Park, received several high profile guests in 2019/2020



- **Deputy President H.E Mr S Valdes Mesa from Cuba** for wreath-laying ceremony hosted 23rd May 2019
- **2nd President of the Democratic Republic of South Africa Mr T Mbeki** hosted Youth Day Intergenerational dialogue through TMF on the 16th June 2019
- **St Engenas ZCC leader –Bishop Engenas Lekganyane** on a guided tour from South Africa visited on 18th June 2019
- **Former MEC of Human Settlements - Mr K Moiloa** from Gauteng province on a guided tour visited 19th June 2019
- **Mrs Z Mbeki** on Young Women development dialogue from South Africa hosted on the 13th July 2019
- **Ambassador Il Rogachev** of the Russian Federation in South Africa for wreath laying- 21st August 2019
- **Ambassador Rodolfo Benitez Verson** on the 5th Anniversary of the passing of Fidel Castro from Cuban embassy hosted 25th November 2019
- **Ambassador Alberto D'Alotto** of Argentina hosted a Public Lecture Reconciliation and human rights commemorations on the 10th December 2019
- **Minister of Arts & Culture Mr N Mthethwa** on the Shareholder compact signing hosted on the 11th December 2019
- **Mexican Ambassador Ms A L Fajer** for discussions with CEO on possible collaborations and Venue recci.





GOVERNANCE

Corporate governance is an essential element of Freedom Park, like in all other organisations. It ensures that assurance is provided to stakeholders, and also, that the organisation is well managed and functioning with integrity and accountability.

Council, as the Accounting Authority, provides leadership, oversight and accountability. In this regard, the Council established governance structures at supporting levels with clearly approved mandates. Delegated powers are

assigned to the Committees of Council, the Chief Executive Officer and management.

Council ensures that it complies with good corporate governance through prescripts of the enabling and facilitating legislation, the main drivers being the Cultural Institutions Act, the Public Finance Management Act and the principles contained in the King's Report IV on Corporate Governance.



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

REPORTS	DATE OF SUBMISSION
Submitted final Quarterly Report to the Department for 2019/20 financial year	30 April 2019
Submitted signed AFS for 2019/20 and management reports to Treasury and Auditor-General/External auditor for 2019/20 and Submitted list of all banking accounts to Treasury & Submit Annual Report performance measurement details to Auditor-General	30 May 2019
Submitted signed Treasury AFS Template to Treasury (unaudited)	30 June 2019
First Quarterly Report to the Department for 2019/20 financial year:	30 July 2019
Audit Report issued for 2019/20 & Audited financial statements to Treasury for 2019/20 and Final AFS consolidation template (Reviewed by AG/Auditors)	30 July 2019
Submitted 1st draft Annual Performance Plan for 2020/21 to the Department	30 August 2019
Second Quarterly Report to the Department for 2019/20 & Audit Outcomes Improvement Plans	30 October 2019
Submitted 2nd draft Annual Performance Plan for 2020/21 to the Department	30 November 2019
Submitted final Annual Performance Plan for 2020/21 to the Department & Submitted third quarterly Report to the Department for 2019/20 financial year & Audit Outcomes Plans	30 January 2020
1st Draft Shareholder's Compact Submitted to the Department	17 February 2020

Introduction

Council, as the Accounting Authority, ensures that it complies with its fiduciary duties as required by the Public Finance Management Act. As required, it acts with fidelity, honesty, integrity and in the best interests and in managing the financial affairs of Freedom Park. Council also discloses, on request from the Department of Arts and Culture, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the department.

The Role of Council

During the financial year, Council consists of eight members who are all part-time, one of the Council Members, Mr Sithole resigned on 10 December 2019. The Council Members are appointed for a period of three years and a Council Member whose period of office has expired may be reappointed. There is no limit to the number of terms a Council Member may serve. Council Members must be impartial and perform its function without fear, favour or prejudice.

The Council is the highest decision-making body and is accountable and responsible for the performance and affairs of Freedom Park. The functions of Council, in terms of the Cultural Institutions Act, are:-

- to formulate policy;
- to hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the declared institution concerned;
- to receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management;
- to raise funds for the institution;
- to manage and control the moneys received by the declared institution and to utilise those moneys for defraying expenses in connection

with the performance of its functions;

- to keep a proper record of the property of the declared institution;
- to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of account to be kept;
- to determine, subject to this Act and with the approval of the Minister, the objects of the declared institution; and
- to, generally, carry out the objects of the declared institution.

Council may determine the hours during which and the conditions and restrictions subject to which the public may visit the declared institution concerned or portion thereof, and the admission charges to be paid. In addition, the Council may appoint such persons as it considers necessary to perform the functions of the declared institution concerned.

The determination of the remuneration and other conditions of service of persons appointed must be in accordance with a scheme approved by the Minister in consultation with the Minister of Finance.

As the Accounting Authority, the Council has responsibility in the following areas:

- Strategic role.
- Determination of policy and procedures and Levels of Materiality to ensure the Integrity of Freedom Park.
- The Park's risk management and internal controls.
- Monitoring of Operational Performance and management.
- Chairperson/Council Member Orientation/Induction and Succession Planning
- Conflict of interest and independence.

THE ACCOUNTING AUTHORITY/COUNCIL

Council Charter

Council is committed to upholding good corporate governance in all of its business dealings with the shareholder, regulatory authorities and other stakeholders. To this end, the Council adopted the Council Charter and Code of Conduct to regulate how business is conducted in accordance with the principles of good corporate governance. The Council Charter sets out the specific responsibilities of Council Members collectively

and in their individual roles. The Council Charter and Code of Conduct is guided by the King IV Report and establishes standards of best governance practice and addresses the role of Council, meetings, Committees, Terms of Reference of the Committees and regulations of the Code of Conduct.

Composition of Council and Council meetings attended

Member	29/4/19	29/5/19	27/6/19	27/7/19	07/8/19	30/8/19	29/10/19	05/12/19	29/1/20	22/2/20
Mr MCR Makopo Chairperson	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓
Dr MR Raphalalani	✓	✗	✗	✓	✓	✓	✓	✗	✓	✓
Kgosi EM Mabalane	✓	✓	✓	✗	✗	✓	✓	✓	✓	✓
Ms F Mohammed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Ms W Jabosigo	✗	✓	✓	✓	✗	✓	✓	✗	✗	✗
Dr P Dala	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Mpanza	✓	✓	✓	✓	✓	✗	✓	✗	✗	✗
Mr T Sithole*	✓	✓	✓	✓	✓	✓	✓	✓	*	*
Mr Reginald Nyandeni	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* Resigned on 10 December 2019.

Committee	No of Meetings held	No of Members	Name of Members
Audit and Risk Committee	8	3 Council Members	Ms F Mohamed Dr P Dala Mr M Mpanza
Core Business Committee	3	3 Council Members	Dr MR Raphalalani Mr R Nyandeni Mr T Sithole
Chairpersons Committee	3	6 Council Members	Mr R Makopo Dr MR Raphalalani Mr M Mpanza Kgosi EM Mabalane Ms W Jabosigo Ms F Mohamed
Ethics and Legal Committee	3	3 Council Members	Ms W Jabosigo Kgosi EM Mabalane Ms F Mohamed
Finance and Fundraising Committee	4	3 Council Members	Mr M Mpanza Mr R Nyandeni Mr T Sithole*
HR & Remuneration Committee	3	3 Council Members	Kgosi EM Mabalane Dr MR Raphalalani Ms W Jabosigo

* Resigned on 10 December 2019.

Remuneration of Council Members

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

Remuneration Paid to Council from 1 April 2019 to 31 March 2020

Member	Total remuneration for Member	Total Travel	TOTAL
Mr MCR Makopo Chairperson	95 391	0	95 391
Dr MR Raphalalani*	62 272	81 681.60	143 953,60
Kgosi EM Mabalane*	97 295	75 330.30	172 625,30
Ms F Mohamed	78 390	0	78 390
Ms W Jabosigo	50 518	9 363.96	59 881.96
Mr M Mpanza	74 906	20 370.00	95 276
Mr T Sithole	48 336	0	48 336
Mr R Nyandeni	65 756	12 538.82	78 294.82
Dr P Dala*	99 294	3 212.90	102 506.90

* Dr Raphalalani travels by road to attend committee and Council meetings, as air travel will be more costly. She stays in Venda and travelling by road is more cost-effective than air travel which if used will result in air and road travel from Venda to connect a flight in Polokwane as well as shuttle services from and to the airport. The travel costs also include HR cCommittee related matters (shortlisting and interviews for the appointment of Heads of Departments as well as Grievances escalated to the HR and Remuneration Committee).

* Kgosi Mabalane travels by road to attend Committee and Council meetings, as air travel will be more costly. He stays in Mabalastad and travelling by road is more cost-effective than air travel which if used will result in air and road travel from Mabalastad to connect a flight in Rustenburg as well as shuttle services from and to the airport. The travel costs also include HR Committee related matters (shortlisting and interviews for the appointment of Heads of Departments as well as Grievances escalated to the HR and Remuneration Committee).

* Dr Dala is the Chairperson of the Risk Management Committee and the ICT Governance Committee.

RISK MANAGEMENT

Enterprise Risk Management is the application of risk management throughout Freedom Park rather than only in selected business areas or disciplines. Accordingly, risk management at Freedom Park is centralised, with every Department responsible for risk management. Freedom Park instituted a robust enterprise risk management process, founded on a framework that is organisationally embedded, supported and assured, and continuously reviewed.

In compliance with good corporate governance, Council approved the Enterprise Risk Management Policy and Enterprise Risk Management Framework as systems of internal control. Freedom Park's Risk Management Framework, which lays out guiding principles for the management of risk, comprises the totality of all the structures, policies, strategies and procedures within that deal with risk management at a strategic and operational level.

Risk is considered as one of the primary management responsibilities, and to this end, management holds Risk Management meetings to assess risk and review implementation of mitigating controls. In addition, the Risk Management Committee, chaired by a Council Member, was established in compliance with National Treasury Regulations.

The Risk Management Committee reports to the Audit and Risk Committee, which in turn reports to the Council as the highest decision-making body. In addition, a formal risk assessment exercise is undertaken annually to identify risks that may prevent Freedom Park from achieving its goals and objectives. The exercise enables Freedom Park to have a risk register, formulate appropriate risk strategies and action plans to mitigate and address risks. Quarterly risk assessments are also performed as part of the quarterly performance monitoring process.

4.1 Nature of Risk Management:

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



5

INTERNAL CONTROL UNIT

The Internal Audit function is outsourced. Internal control systems were introduced to provide Management and Council with comfort regarding the financial position of Freedom Park, safeguarding of assets (including information) and compliance with related laws and regulations. Internal Auditors monitor the functioning of internal control systems and make recommendations to Management, the Audit and Risk Committee and Council.

Freedom Park's internal control systems were designed to provide assurance of the integrity and

reliability of the financial statements, to safeguard, verify and maintain accountability of its assets and to detect fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. Such controls were based on established policies and procedures and implemented with the appropriate segregation of duties. The Internal Audit function operated under the direction of the Audit and Risk Committee, which approves the scope of work to be performed.



INTERNAL AUDIT AND AUDIT COMMITTEES

6

In terms of the Public Finance Management Act, Council has to comply with the compulsory establishment of an effective Internal Audit function, and the Audit Committee to monitor the scope and effectiveness of the Internal Audit function in an Entity.

The purpose of the Audit Committee is to assist management in fulfilling its oversight responsibilities for the systems of internal control and risk management, the audit process, and Freedom Park's process for monitoring compliance with all applicable legal requirements and accounting standards. As indicated, the audit

function is performed by an external service provider in maintaining the independence of the audit function.

The functions of the Audit and Risk Committee are inter alia as follows:

- Systems of Internal Control.
- Compliance with Laws and Regulations.
- Oversight over the Internal Audit Function.
- Performance and Risk Management.
- Annual Financial Statements

Attendance of Audit and Risk Committee Meetings from 1 April 2019 to 31 March 2020

Member	23/5/2019	29/5/2019 Finance & Audit Meeting combined	17/7/2019	26/7/2019	29/10/2019	16/10/2019	05/12/2019	20/1/2020	06/3/2020
Ms F Mohamed	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Mpanza	✓	✓	✓	✓	✓	✗	✓	✗	✓
Dr P Dala	✓	✗	✓	✓	✓	✓	✓	✓	✓
Mr R Makopo	✓	—	—	—	—	—	—	—	—
Mr T Sithole	—	✓	—	—	—	—	—	—	—
Mr R Nyandeni	—	✓	—	—	—	—	—	—	—

COMPLIANCE WITH LAWS AND REGULATIONS

Freedom Park is declared a cultural institution in terms of the Cultural Institutions Act. It is important for Freedom Park to comply with enabling and facilitating legislations as failure can result in litigation and reputational damage. Council approved the Compliance policy in ensuring compliance with legislation. The policy provides guidance on legislative compliance responsibilities so that the Council is satisfied that all measures are being taken across the organisation to comply with all legislation that has an impact on its mandate.

The policy also provides a broad and overarching framework intended to be read subject to specific compliance and reporting requirements. It is one

of the elements of governance arrangements and is intended to complement other internal controls, processes and procedures. The policy identifies legislation for which Freedom Park has compliance responsibility, assigns primary responsibility for ensuring compliance and provides a process for quarterly reporting on legislative compliance to the Risk Management Committee, the Audit and Risk Committee and Council.



FRAUD AND CORRUPTION

8

Freedom Park has a zero-tolerance to fraud and corruption. To this end, the Council has a Fraud Prevention Policy and Plan. The Fraud Plan takes into account the risks of fraud and corruption as identified in risk assessments initiated by Freedom Park, a review of other pertinent documentation and interviews with selected Freedom Park officials.

The Plan addresses strategic fraud and corruption risks that must be addressed and which could jeopardise the successful implementation of each component of the Plan. The Plan is dynamic and continuously evolves as Freedom Park makes changes and improvements in its drive to promote ethics as well as to fight fraud and corruption.

In addition, Freedom Park also has the Whistle Blowing Policy. The anti-corruption hotline is also in place and is administered by the Office of Public

Service Commission. All reported cases are forwarded to the Internal Auditors. The telephone number of the Anti-Corruption Hotline is posted on the Freedom Park website, and the intranet for the employees and the public; fraud awareness sessions are also internally conducted with all staff. Fraud reporting includes internal cases that are reported by the employees of Freedom Park to internal audit.

It is the responsibility of all employees to report all allegations or incidents of fraud and corruption immediately. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption.



FRAUD

MINIMISING CONFLICT OF INTEREST

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

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

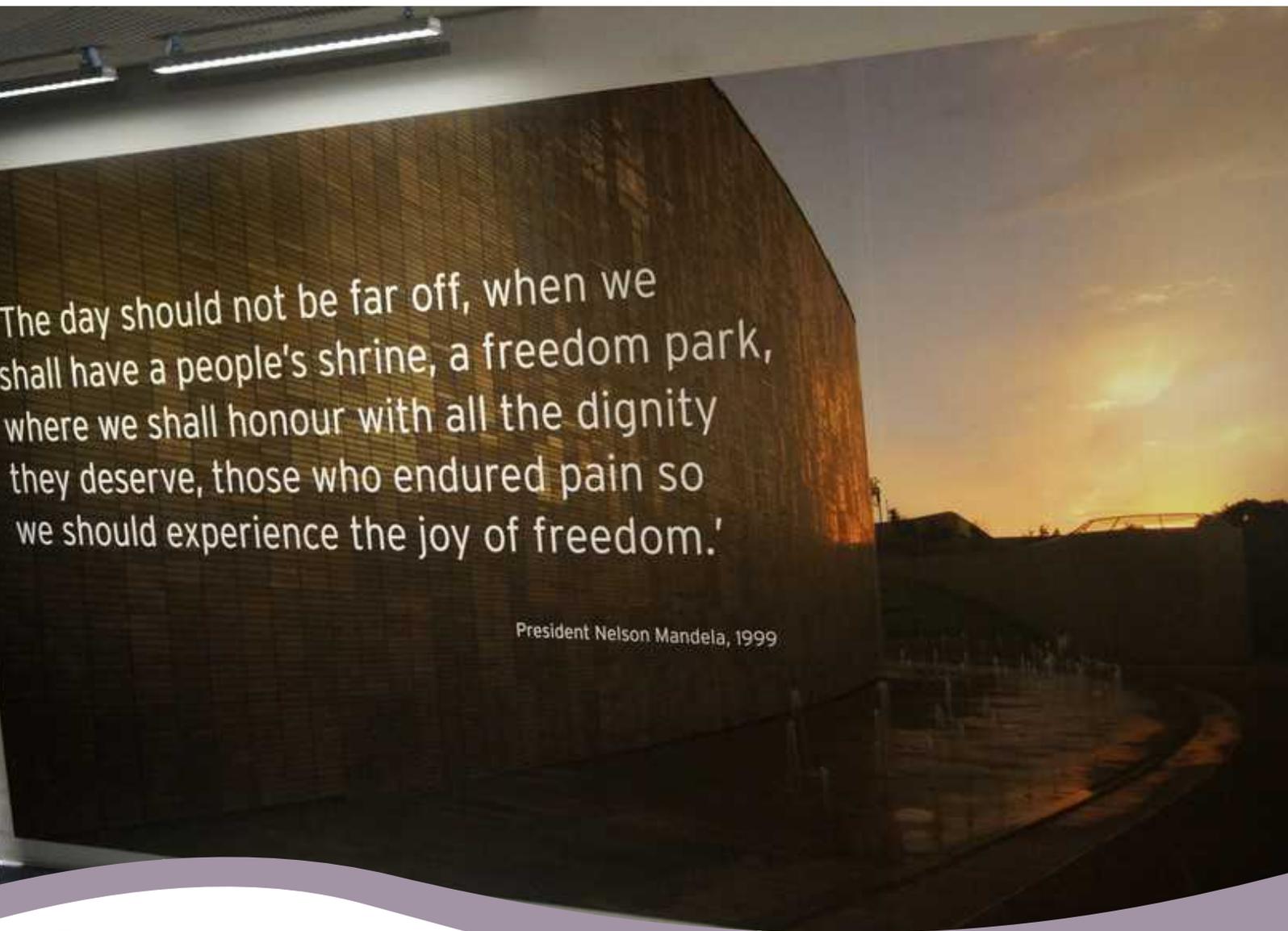


The Code of Conduct, which also includes the Code of Ethics, is included in the Council Charter. The Code of Conduct is based on principles of honesty and integrity. It guides Council Members and employees on aspects such as the protection of organisational assets and information, and conflicts of interest.

Freedom Park must ensure that official relationships reflect integrity, respect for human dignity, the rights of others, honesty and commitment to do what is right, fair, legal and just.

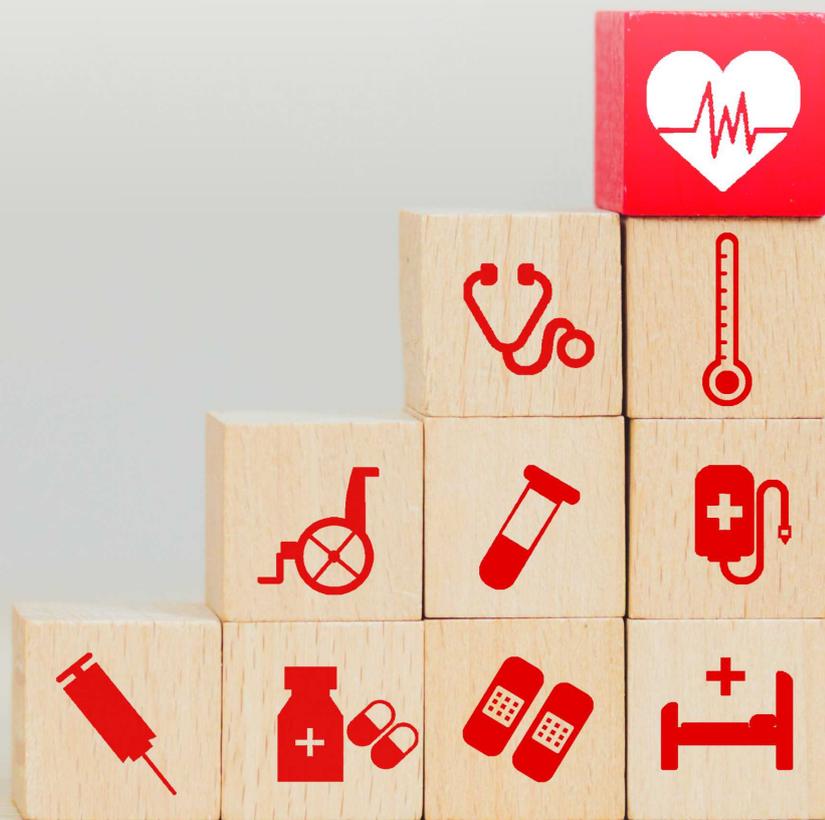
Keeping in mind that ethics refer to the institution's principles of conduct, employees of Freedom Park must at all times, comply with the following values in the execution of their tasks and official interactions:

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



HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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



The Company Secretary is appointed by the Council and is tasked with supporting Council and the organisation to maximise its efficiency and to ensure that it conducts its business according to good corporate governance and practices.

The Company Secretary is located within Corporate Governance and is responsible for the operations of Council, including legal, secretarial and administrative support. In compliance with good corporate governance, the Company Secretary also facilitates self-assessment of the Council and its Committees as well as financial disclosures by Council Members. The responsibilities are strategic and incorporate all matters pertaining to corporate governance and compliance with King IV Report.

The role and responsibilities of the Company Secretary are:

- To ensure compliance and good corporate governance throughout the Institution by providing legal guidance and support to the Council, management and employees to enable them to discharge their fiduciary and other responsibilities effectively.
- To provide guidance and advice within the Institution on matters of ethics, good governance, compliance and legal matters in order to ensure compliance and good governance.
- To ensure compliance with all relevant legislation, policies and procedures through monitoring the compliance within the Institution.
- To promote compliance and good corporate governance within the institution by amongst others training, advising and providing guidance.
- To provide effective and efficient support to Council, management and staff by, amongst other things, effective minute taking, co-ordination of statutory meetings and distribution of relevant information.
- To negotiate and draft agreements and provide opinions and interpretations of agreements to ensure the interest of the Institution is protected.
- To ensure the effective, efficient and economical implementation of institutional strategies and policies in accordance with relevant legislation and policies.
- To draft and advise on policies as well as compiling manuals and procedural guidelines to ensure good governance.

Freedom Park sees social responsibility as a form of self-regulation of their corporate conscience and citizenship. The goal of social Freedom Park's social responsibility is to encourage the institution's actions towards the positive impact of stakeholder, community and employee responsibility.

Freedom Park aligns itself with relevant institutions to create a better environment to live and work in. Community development takes place within the Salvokop Community, where the

institution is situated. Other outreach projects to communities were the Hermanstad, Calvinia and youth projects which helped develop social community awareness. This kind of collective activism is reached by social education and awareness goals.



Legislative requirements

The Audit and Risk Committee herewith presents its report for the financial year ended 31 March 2020, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with treasury regulation 27.1.10.

Audit and Risk Committee's responsibility

The Audit and Risk Committee has complied with its responsibilities arising from section 51(1)(a)(ii) of the PFMA read with treasury regulation 27.1.8, and reports that it operated in terms of the Audit and Risk Committee Charter read in conjunction with the Internal Audit Charter.

Effectiveness of internal control

The Audit and Risk Committee acknowledges management's efforts to strengthen internal controls in the Entity. The Audit and Risk Committee is concerned that in certain instances, the matters reported by the External Auditors and the internal audit function in prior years have not been fully and satisfactorily addressed. Management has assured that effective corrective action will be implemented in respect of all internal control weaknesses, and the Audit and Risk Committee will monitor these going forward.

The Entity has adopted aggressive anti-corruption measures to curb the frequency and magnitude of fraud and corruption.

The Audit and Risk Committee is not completely satisfied with the consequence management, and these concerns have been raised with management. The Audit and Risk Committee has requested that a detailed consequence management plan and progress reports on the action plans for addressing the irregular and fruitless expenditure be tabled at each quarterly meeting of the Audit and Risk Committee.

Due to the strategic importance of, and investment in, the information and communication technology (ICT) in Freedom Park, the Audit and Risk Committee has monitored the risk register and progress reports on the respective action plans during the year under review.

The Audit and Risk Committee remains concerned that not all ICT risks are being addressed or mitigated.

The quality of monthly and quarterly reports submitted in terms of the PFMA

The Audit and Risk Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. The Audit and Risk Committee has engaged with management to remedy shortcomings, especially relating to reports on performance against predetermined objectives.

The Audit and Risk Committee has reviewed and commented on the Freedom Park annual financial statements and report on performance information and their timely submission to the external auditors by 31 July 2020.

Internal audit function

The accounting officer is obliged, in terms of the PFMA, to ensure that the Entity has a system of internal audit under the control and direction of the Audit and Risk Committee. The Audit and Risk Committee is satisfied that the internal audit function has appropriately discharged its functions and responsibilities during the year under review.

The Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Entity.

The Audit and Risk Committee is satisfied that the internal audit function maintains an effective internal quality assurance and programme that covers all aspects of the internal audit activity.

Risk management function

The Audit and Risk Committee is responsible for the oversight of the risk management function. The Risk Management Committee reports to the Audit and Risk Committee on the Entity's management of risk. To ensure that the Risk Management Committee understands the requirements of the Audit and Risk Committee, a member of the Audit and Risk Committee currently serves as the chairperson of the Risk Management Committee.

The Audit and Risk Committee is concerned with the risk function being understaffed, which will result in non-delivery by the function if the situation is not addressed. The Committee has reviewed the risk register and the reports from the Risk Committee and is generally satisfied with the maturity of the Risk Management Process.

Evaluation of the finance function

The Chief Financial Officer was appointed on the 1st August 2019, the finance function could not perform at its optimal capacity with the vacuum that existed in the leadership. Prior to the appointment of the Chief Financial Officer, there was a significant strain on the finance function to deliver quality information on a timely basis.

On the whole, the Audit and Risk Committee is satisfied with the Entity's finance function during the year under review.

Performance management

Part of the responsibilities of the Audit and Risk Committee includes the review of performance management. The Audit and Risk Committee has in terms of the performance of the Entity performed the following functions:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan and performance agreements.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the Entity.
- Review of reported non-compliance with legislation.
- Review of compliance within-year reporting requirements.
- Review of the quarterly performance reports submitted by the internal audit function.
- Review and comment on the Entity's performance management system and making recommendations for its improvement.

The Audit and Risk Committee is satisfied that the performance report has been prepared in terms of the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting performance.

Evaluation of the annual financial statements

The Audit and Risk Committee has reviewed the annual financial statements prepared by Freedom Park before submission to Auditor General South Africa.

Except for the matters identified by the auditor general in the audit report, the Audit and Risk Committee is confident that the annual financial statements have been prepared in terms of GRAP and the PFMA.

External auditor's report

The Audit and Risk Committee concurs with and accepts the conclusion and audit opinion of the external auditors on the annual financial statements. The Committee is of the view that the audited financial statements be accepted and read together with the report of the external auditors. The Audit and Risk Committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor General South Africa, is independent of the Entity. The Audit and Risk Committee has met with the external auditors to ensure that there are no unresolved issues and acknowledges the diligence and cooperation of the external audit team.



Ms F Mohamed
Chairperson of the Audit and risk committee
Freedom Park
30 September 2020





THE GALLERY OF LEADERS...
scholarship some of the many
people whose leadership
qualities and achievements have
been passed on through their
honesty and freedom, honesty,
commitment and determination.
These leaders have been chosen
because of the ways in which they
have brought about change
development and the
course of history.

**HUMAN
RESOURCE
MANAGEMENT**

HUMAN RESOURCE MANAGEMENT

Human Resources department is both a strategic and operational partner achieving the organisation strategic objectives and that its support function ensures that the other line function partners achieve the organisational targets. Human Resources under the year in review had to align its operations to the financial constraints in the organisation.

Employee Relations and collective bargaining structures and processes.

Labour relations environment was not always smooth, but despite this, the collective bargaining and dispute resolution structures and process were maintained. The annual salary review was finalised without any undue impact on the operations of the organisation.

There was a change in the internal union leadership and a breakdown of continuity between them and their regional structures. A new union internal leadership was established, and subsequently, the annual salary review was finalised, and there was no change to any existing terms and conditions of employment. Moving forward, it became clear that these annual salary negotiations have to be started early in the preceding year and strive mostly for multi-year salary review agreement rather than annual bargaining.

The internal ongoing consultative forum between management and the union resumed, and much more frequent meetings were implemented.

Discipline

The function of discipline in the employment realm is to ensure that the individual employee contributes effectively and efficiently to the goals of the organisation. The institution runs two discipline systems; disciplinary and grievance.

There was one termination of employment discipline for the year; only verbal and lastly only one written warning. Discipline consequences were instituted.

Employee Wellness

Human Resources operations include an employee wellness programme; a programme that nurtures the physical and wellbeing of an employee. It further assists employees to keep up with the ever-changing work environment.

Human Resources instituted the following employee wellness programmes for the year under review;

- Discovery Wellness Day where an employee's health, vision and HIV annual checks are done.
- Musculoskeletal Assessments for staff wherein work ergonomics related factors are assessed.
- Financial Management workshops for staff to obtain information on their provident fund financial information and another workshop wherein prudent money banking skills are imparted to them.

Employment Equity

Of the total workforce, both female and males are well represented in the different occupational levels. The senior management occupation level has more females.

The disability employee employment target is still the elusive one, and the following measures were envisaged; to liaise with an institution that has disabled employees database and as well include a caption in our media job advertisement that the job is subject to the institution employment equity plan.

Skills Training and development

Training and development of staff in the organisation are delivered through in- house and public training courses, study assistance for distant academic learning and work learner on - the-job training.

The financial situation in the organisation constrained the training and development function.

Despite this, the organisation provided on the job training for at least nineteen university students and two Skills SETA level work learners.

Recruitment and retention of critical skills

As far as the building of human capital and retention of essential skills job levels, labour turnover occurred with the Chief Financial Officer post, and this post was filled with no delays and consequently ensured minimised operational occurrence.



Freedom Park provide the following key information on human resources. All the financial

amounts agrees to the amounts disclosed in the annual financial statements where it is relevant.

Personnel Cost by Programme

Programme	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	62 807	32 110	51%	51	630
Business Development	21 907	18 340	84%	23	767
Public Engagement	15 884	12 019	76%	18	668

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 043	3%	1	2 043
Senior Management	6 430	11%	5	1 286
Professionally qualified	28 356	45%	30	945
Skilled	15 683	25%	24	653
Semi-skilled	7 425	12%	21	354
Unskilled	2 332	4%	11	212
TOTAL	62 469	100%	92	

Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	2 043	0%
Senior Management	0	6 430	0%
Professional qualified	0	28 356	0%
Skilled	0	15 683	0%
Semi-skilled	0	7 425	0%
Unskilled	0	2 332	0%
TOTAL	0	62 469	

Training Costs

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avgas training cost per employee
Nil	Nil	Nil	Nil	Nil	Nil

Employment and vacancies

Programme	2019/2020 No. of Employees	2019/2020 Approved Posts	2019/2020 Vacancies	% of vacancies
Top Management	1	1	0	0%
Senior Management	5	6	1	16%
Professional qualified	30	32	2	6%
Skilled	24	27	3	11%
Semi-skilled	21	23	2	9%
Unskilled	11	19	8	42%
TOTAL	92	108	16	15%

Employment changes

Salary Band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top Management	1	0	0	1
Senior Management	4	1	0	5
Professional qualified	31	1	2	30
Skilled	22	2	0	24
Semi-skilled	20	1	0	21
Unskilled	11	0	0	11
TOTAL	89	5	2	92

Reasons for staff leaving (16)

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	4	0.16%
Dismissal	1	0.16%
Retirement	0	0.16%
Ill health	0	0%
Expiry of contract	0	0%
Other	1	0%
Total	6	

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	1
Written Warning	2
Final Written warning	64
Dismissal	1
Total	67

Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional qualified	14	0	1	0	0	0	0	0
Skilled	10	0	0	0	1	0	0	0
Semi-skilled	6	0	1	0	0	0	0	0
Unskilled	7	0	0	0	0	0	0	0
TOTAL	40	0	2	0	1	0	0	0

Equity Target and Employment Equity Status

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	3	0	0	0	0	0	0	0
Professional qualified	10	0	0	0	0	0	3	0
Skilled	14	0	2	0	1	0	0	0
Semi-skilled	9	0	0	0	0	0	2	0
Unskilled	4	0	0	0	0	0	0	0
TOTAL	41	0	2	0	1	0	5	0

Equity Target and Employment Equity Status

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





**FINANCIAL
INFORMATION**

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3A Public Entity in terms of the Public Finance Management Act (Act 1 of 1999)
Nature of business and principal activities	Heritage destination that reflects upon the past of South Africa
Council members	Mr MCR Makopo Chairperson Dr MR Raphalalani Kgosi EM Mabalane Ms F Mohamed Ms W Jabosigo Dr P Dala Mr M Mpanza Mr T Sithole Mr R Nyandeni
Registered office	Corner Koch and 7th Avenue Salvokop Pretoria 0001
Business address	Corner Koch and 7th Avenue Salvokop Pretoria 0001
Postal address	P.O. Box 2710 Pretoria Gauteng South Africa 0001
Bankers	Nedbank
Auditors	Auditor-General of South Africa
Secretary	Ms RM Koto
Preparer	The annual financial statements were internally compiled by: Ms H Ramugadi (Chief Financial Officer)

Index

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

Report of the Auditor General	79
Accounting Authority's Responsibilities and Approval	85
Statement of Financial Position	86
Statement of Financial Performance	87
Statement of Changes in Net Assets	88
Cash Flow Statement	89
Statement of Comparison of Budget and Actual Amounts	90
Accounting Policies	91
Notes to the Annual Financial Statements	106

ACRONYMS / ABBREVIATIONS

ASB	Accounting Standards Board
CFO	Chief Financial Officer
COID	Compensation for Occupational Injuries and Diseases (South Africa)
GRAP	Generally Recognised Accounting Practice
ICT	Information Communication Technology
IT	Information Technology
PFMA	Public Finance Management Act
UIF	Unemployment Insurance Fund

Report of the auditor-general to parliament on Freedom Park

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Freedom Park set out on pages, 86-125 which comprise the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amount for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, financial position of the Freedom Park as at 31 March 2020, and financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practices (SA standards on GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Context for the opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 35 to the financial statements, the corresponding figures for the 2018/19 period were restated as a result of an error in the financial statements of the entity at 31 March 2019, and for the year ended 31 March 2020.

Events after reporting date

8. We draw attention to note 33 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on public entity's

future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances.

Responsibilities of accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Generally Recognised Accounting Practice and the requirements of Public Finance Management Act (PFMA) 1999 (Act No. 1 of 1999) 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.
10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

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

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – Business Development	31-39

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

Programme 2 – Business Development

18. The supporting evidence for the following indicators did not agree to the reported achievements in the annual performance report. Consequently, I was unable to determine whether any adjustments were required to the reasons for the variances reported in the annual performance report.

Indicator description	Reported achievement
Number of learners engaged in presentations of education programmes conducted per annum	9 455
Number of participants (women and youth) engaged in presentations of education programmes conducted per annum	9 683

Other matters

19. We draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on page(s) 26-36 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph 18 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2: Business development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
25. Material misstatements of property, plant and equipment, lease liability, lease expenditure, lease commitments and related parties identified by the auditors in the submitted financial statements were corrected and the correct supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

26. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 419 291 as disclosed in note 29 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. Majority of the irregular expenditure was due to modification of contracts without the approval of a properly delegated official.

Procurement and Contract Management

27. Bid documentations for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.
28. Sufficient appropriate audit evidence could not be obtained that commodities designated for local content and production were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5).
29. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.

Consequence Management

30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Other information

31. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the directors' report, the audit committee's report minister's foreword, review by the chairperson of the board, chief executive officer's performance overview. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read the directors' report and the audit committee's report. If I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
36. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information, resulting in material misstatements to financial statements and performance report submitted for audit.

37. Management did not adequately monitor compliance with applicable legislation. This resulted in non-compliance with procurement and contract management legislation resulting in irregular expenditure.

Auditor-General

Pretoria

05 October 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

Accounting Authority's Responsibilities and Approval

The Council is required by the Public Finance Management Act (Act 1 of 1999), 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 Council 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 by management in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, 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 Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, it is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Arts and Culture for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Department of Arts and Culture has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The annual financial statements set out on pages 87 to 125 which have been prepared on the going concern basis, were approved by the accounting authority on 30 September 2020 and were signed on its behalf by:



Mr MCR Makopo
Chairperson Freedom Park

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Inventories	3	171 500	229 556
Receivables from exchange transactions	4	1 197 981	847 995
Cash and cash equivalents	5	68 296 315	60 478 711
		69 665 796	61 556 262
Non-Current Assets			
Property, plant and equipment	6	652 221 920	674 252 311
Intangible assets	7	4 684 136	7 410 784
Heritage assets	8	130 938	313 144
		657 036 994	681 976 239
Total Assets		726 702 790	743 532 501
Liabilities			
Current Liabilities			
Operating lease liability	9	314 327	280 649
Payables from exchange transactions	10	5 745 452	5 767 370
Unspent conditional grants and receipts	11	59 113 745	55 262 509
Provisions	12	2 329 220	2 350 421
		67 502 744	63 660 949
Non-Current Liabilities			
Operating lease liability	9	4 677 025 927	4 413 700 274
Total Liabilities		4 744 528 671	4 477 361 223
Net Assets		(4 017 825 881)	(3 733 828 722)
Accumulated deficit		(4 017 825 876)	(3 733 828 719)

* See Note 35

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Rendering of services	13	1 320 746	1 349 508
Hiring of facilities and equipment	14	439 490	1 556 394
Other income	15	160 793	792 856
Interest received	16	4 669 669	4 181 555
Gain on foreign exchange		1 071	505
Inventories reversal		11 319	-
Total revenue from exchange transactions		6 603 088	7 880 818
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	17	96 056 000	97 275 000
Total revenue		102 659 088	105 155 818
Expenditure			
Employee related costs	18	(62 468 724)	(61 105 031)
Depreciation and amortisation		(24 335 603)	(24 598 942)
Impairment losses on property, plant and equipment	19	(717 684)	(300 076)
Lease rentals on operating lease		(263 795 310)	(264 042 475)
Impairment loss/reversal of impairments		(273 313)	(312 810)
(Decrease) / increase of allowance for impairment		-	258 927
Loss on disposal of assets		(479 007)	(6 702)
Inventories losses/write-downs		-	(29 642)
General expenses	20	(34 586 603)	(35 251 992)
Total expenditure		(386 656 244)	(385 388 743)
Deficit for the year		(283 997 156)	(280 232 925)

* See Note 35

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	711 493 844	711 493 844
Adjustments		
Prior year adjustments	(4 165 089 638)	(4 165 089 638)
Balance at 01 April 2018 as restated*	(3 453 595 794)	(3 453 595 794)
Changes in net assets		
Deficit for the year	(280 232 925)	(280 232 925)
Total changes	(280 232 925)	(280 232 925)
Opening balance as previously reported	694 649 814	694 649 814
Adjustments		
Prior year adjustments	(4 428 478 534)	(4 428 478 534)
Restated* Balance at 01 April 2019 as restated*	(3 733 828 720)	(3 733 828 720)
Changes in net assets		
Deficit for the year	(283 997 156)	(283 997 156)
Total changes	(283 997 156)	(283 997 156)
Balance at 31 March 2020	(4 017 825 876)	(4 017 825 876)

* See Note 35

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 833 037	4 586 377
Grants		96 056 000	97 275 000
Interest received		4 669 669	4 181 555
Other receipts		3 851 236	-
		106 409 942	106 042 932
Payments			
Employee costs		(62 468 725)	(61 105 031)
Suppliers		(35 531 632)	(42 640 180)
		(98 000 357)	(103 745 211)
Net cash flows from operating activities	22	8 409 585	2 297 721
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(577 349)	(301 144)
Proceeds from sale of property, plant and equipment	6	-	12 567
Purchase of intangible assets	7	(15 697)	-
Net cash flows from investing activities		(593 046)	(288 577)
Net increase/(decrease) in cash and cash equivalents		7 816 539	2 009 144
Cash and cash equivalents at the beginning of the year		60 478 711	58 469 062
Effect of exchange rate movement on cash balances		1 065	505
Cash and cash equivalents at the end of the year	5	68 296 315	60 478 711

* See Note 35

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

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						
Rendering of services	1 392 000	-	1 392 000	1 320 746	(71 254)	30.1
Rental of facilities and equipment	869 000	-	869 000	439 490	(429 510)	30.2
Other income	159 000	-	159 000	160 793	1 793	30.3
Interest received	2 500 000	-	2 500 000	4 669 669	2 169 669	30.4
Total revenue from exchange transactions	4 920 000	-	4 920 000	6 590 698	1 670 698	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and subsidies	95 678 000	-	95 678 000	96 056 000	378 000	30.5
Total revenue	100 598 000	-	100 598 000	102 646 698	2 048 698	
Expenditure						
Personnel	(61 031 762)	-	(61 031 762)	(62 468 724)	(1 436 962)	30.6
Depreciation and amortisation	-	-	-	(24 335 603)	(24 335 603)	30.8
Impairment loss/ Reversal of impairments	-	-	-	(717 684)	(717 684)	30.8
Lease rentals on operating lease	-	-	-	(263 795 310)	(263 795 310)	30.9
Debt impairment	-	-	-	(273 313)	(273 313)	30.8
General expenses	(39 566 238)	-	(39 566 238)	(34 586 603)	4 979 635	30.7
Total expenditure	(100 598 000)	-	(100 598 000)	(386 177 237)	(285 579 237)	
Operating deficit	-	-	-	(283 530 539)	(283 530 539)	
Loss on disposal of assets and liabilities	-	-	-	(479 007)	(479 007)	30.8
Gain on foreign exchange	-	-	-	1 071	1 071	30.10
Inventories losses/write-downs	-	-	-	11 319	11 319	30.11
	-	-	-	(466 617)	(466 617)	
Deficit before taxation	-	-	-	(283 997 156)	(283 997 156)	
Actual amount on comparable basis as presented in the budget and actual comparative statement	-	-	-	(283 997 156)	(283 997 156)	

1. Presentation of Annual Financial Statements

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

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

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

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

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. The ability of the entity to continue as going concern is dependent on a number of factors. The most significant of these is the operating grant received from Department of Arts and Culture.

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 annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

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

The impairment for trade receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

ACCOUNTING POLICIES

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of potentially impaired cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of the assets.

Value in use of cash-generating assets

The entity reviews and tests the carrying value of cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of the assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest rates.

Value in use of non-cash-generating assets

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

Internally generated intangible assets and intangible assets with an indefinite useful life are tested on an annual basis for impairment.

Provisions

Provisions were raised for which management determined the best estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Useful lives of property, plant and equipment and other assets

The entity's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the entity with similar assets. The entity considers all facts and circumstances in estimating the useful lives of assets, which includes the consideration of financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

1.3 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.3 Property, plant and equipment (continued)

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.

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

Property, plant and equipment are depreciated over their expected useful lives to their estimated residual values. The depreciation charge for each period is recognised in surplus or deficit.

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

Item	Depreciation method	Average useful life
Artwork	Straight line	Indefinite
Buildings	Straight line	10-80 years
Furniture and fittings	Straight line	5-15 years
IT equipment	Straight line	4-10 years
Library material	Straight line	10-15 years
Motor vehicles	Straight line	5-7 years
Office equipment	Straight line	4-15 years

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 6).

1.4 Intangible assets

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

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

Intangible assets are initially measured at cost.

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 subsequently carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided on a straight line basis over the expected useful lives of the intangible assets

The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless:

- (a) there is a commitment by a third party to acquire the asset at the end of its useful life; or
- (b) there is an active market for the asset and:
 - (i) residual value can be determined by reference to that market; and
 - (ii) it is probable that such a market will exist at the end of the asset's useful life.

Amortisation is provided to write down the intangible assets to their residual values. The amortisation charge for each period is recognised in surplus or deficit.

The useful lives of intangible assets have been assessed as follows:

Item	Amortisation method	Average useful life
Computer software	Straight line	4-8 years
Film and other	Straight line	4-8years

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 asset is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback). The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset.

1.5 Heritage assets

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

1.5 Heritage assets (continued)

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.

When the entity holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information of such heritage asset is disclosed in note 8 - Heritage assets.

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.

Subsequent measurement

Subsequent to initial measurement, classes of heritage assets are carried at 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 or the recoverable service amount of the heritage asset.

Derecognition

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

The gain or loss arising from the derecognition of a heritage asset is the difference between the disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

The entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 8)

1.6 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

ACCOUNTING POLICIES

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

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

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

Present value of future cash flows exceeds carrying value of the assets

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

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

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

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

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

ACCOUNTING POLICIES

1.7 Financial instruments (continued)

Classification

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

Class

Cash and cash equivalents
Receivables from exchange transactions

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost

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

Class

Payables from exchange transactions
Unspent conditional grants and receipts

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

The Freedom Park entered into a 99 year non-renewable lease agreement for land in Salvokop, Pretoria commencing on 24 June 2002. Any contingent rents are expensed in the period in which they are incurred.

GRAP 13 requires operating lease payments to be recognised as an expense using the straight-line method .

1.9 Inventories

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

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

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

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

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

ACCOUNTING POLICIES

1.9 Inventories (continued)

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.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Accumulated surplus/(deficit)

The accumulated surplus/(deficit) represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited / debited against accumulated surplus/(deficit). Prior year adjustments, relating to income and expenditure, are credited / debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.11 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Provisions are recognised when:

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

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

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

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

Provisions are not recognised for future operating surplus.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

1.11 Provisions and contingencies (continued)

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

1.12 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are made in respect of unrecognised contractual commitments which include future capital commitments relating to property, plant and equipment, investment property, intangible assets and heritage assets, as applicable, operational commitments, as well as future commitments relating to operating leases. Refer to note 23 - Commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

ACCOUNTING POLICIES

1.13 Revenue from exchange transactions (continued)

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

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

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

The Government grants are monetary non-exchange transaction item. The fair value of the government grant is the consideration received

Gifts and donations, including goods in-kind

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

Services in-kind

The entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

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

1.15 Investment income

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

1.16 Employee benefits

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

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

Insured benefits

Where the entity pays insurance premiums to fund a post-employment benefit plan, the entity treats such a plan as a defined contribution plan unless the entity will have (either directly or indirectly through the plan) a legal or constructive obligation to either:

- pay the employee benefits directly when they fall due; or
- pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior reporting periods.

If the entity retains such a legal or constructive obligation, the entity treats the plan as a defined benefit plan.

ACCOUNTING POLICIES

1.16 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 34 - Comparative figures.

1.18 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

For details on fruitless and wasteful expenditure, refer to note 28 - Fruitless and wasteful expenditure.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year-end and/or before finalisation of the financial statements, is recorded in the register and disclosed in the notes to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end, is recorded in the register and disclosed in the notes to the financial statements.

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

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

For details on irregular expenditure, refer to note 29 - Irregular expenditure.

1.20 Budget information

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

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

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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

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

The entity is exempt from disclosure requirements in relation to related party transactions if the transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with an individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by the entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions. refer to note 25 - Related parties.

1.22 Events after reporting date

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

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

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

The entity discloses 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2020

2019

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact

GRAP 20: Related Parties

The objective of this Standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this Standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This Standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The Standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- a person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations (continued)

- an entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The Standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The Standard elaborates on the definitions and identification of:

- close member of the family of a person;
- management;
- related parties;
- remuneration; and
- significant influence.

The Standard sets out the requirements, inter alia, for the disclosure of:

- control;
- related party transactions; and
- remuneration of management.

The effective date of the standard is for years beginning on or after 01 April 2019.

The entity has adopted the standard for the first time in the 2019/2020 annual financial statements.

The impact of the standard is not material.

Figures in Rand	2020	2019
-----------------	------	------

3. Inventories

Merchandise	171 500	229 556
-------------	---------	---------

During the year an inventory gain of R11 319 was realised (2019: R 29 642 write down) and taken into account in the statement of financial performance. The write down or gain was as a result of differences found between the system and count sheets during the inventory count as well as the subsequent measurement of inventory.

Inventory pledged as security

During the year no inventory was pledged as security.

4. Receivables from exchange transactions

Trade debtors	196 969	489 496
Employee costs in advance	262	3 403
Prepayments	1 000 750	355 096
	1 197 981	847 995

Trade and other receivables pledged as security

During the year no trade and other receivables were pledged as security

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
4. Receivables from exchange transactions (continued)		
Trade and other receivables past due but not impaired		
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2020, R52 039 (2019: R 7 274) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	-	774
2 months past due	5 508	6 500
3 months past due	46 531	-
The carrying amount of trade debtors comprise of the following:		
Gross trade debtors	1 489 296	1 508 509
Impairment	(1 292 327)	(1 019 013)
Net trade debtors	196 969	489 496
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(1 019 013)	(1 277 940)
Provision for impairment	(273 314)	258 927
	(1 292 327)	(1 019 013)

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	17 418	19 885
Bank balances	4 849 162	1 781 956
Short-term deposits	63 429 735	58 676 870
	68 296 315	60 478 711

There were no restricted cash and cash equivalent balances.

6. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Artwork	8 428 407	(12 375)	8 416 032	8 246 199	-	8 246 199
Buildings	744 790 311	(121 939 225)	622 851 086	738 786 357	(104 909 128)	633 877 229
Furniture and fixtures	49 936 197	(33 231 727)	16 704 470	52 369 177	(29 387 318)	22 981 859
IT equipment	15 313 916	(12 917 106)	2 396 810	16 326 301	(11 234 453)	5 091 848
Library Material	236 115	(154 710)	81 405	239 383	(73 325)	166 058
Motor vehicles	1 586 673	(1 340 295)	246 378	1 929 284	(1 446 629)	482 655
Office equipment	12 836 598	(11 310 859)	1 525 739	17 997 989	(14 591 526)	3 406 463
Total	833 128 217	(180 906 297)	652 221 920	835 894 690	(161 642 379)	674 252 311

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Artwork	8 246 199	-	-	182 207	-	-	(12 374)	8 416 032
Buildings	633 877 229	-	(4 290)	1 083 511	-	(12 104 126)	(1 238)	622 851 086
Furniture and fixtures	22 981 859	-	(183 082)	-	(554 119)	(4 986 393)	(553 795)	16 704 470
IT equipment	5 091 848	501 791	(151 686)	-	-	(3 012 836)	(32 307)	2 396 810
Library material	166 058	-	(1 907)	-	-	(24 644)	(58 102)	81 405
Motor vehicles	482 655	-	(51 666)	-	-	(184 611)	-	246 378
Office equipment	3 406 463	75 558	(66 904)	-	(529 391)	(1 304 069)	(55 918)	1 525 739
	674 252 311	577 349	(459 535)	1 265 718	(1 083 510)	(21 616 679)	(713 734)	652 221 920

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfers received	Depreciation	Impairment loss	Total
Artwork	8 246 199	-	-	-	-	-	8 246 199
Buildings	644 544 752	-	-	951 027	(11 614 881)	(3 669)	633 877 229
Furniture and fixtures	28 184 871	119 857	-	-	(5 187 034)	(135 835)	22 981 859
IT equipment	8 038 588	175 487	(19 269)	-	(3 032 453)	(70 505)	5 091 848
Library material	190 703	-	-	-	(24 645)	-	166 058
Motor vehicles	740 836	-	-	-	(226 072)	(32 109)	482 655
Office equipment	5 253 547	5 800	-	-	(1 794 928)	(57 956)	3 406 463
	695 199 496	301 144	(19 269)	951 027	(21 880 013)	(300 074)	674 252 311

Pledged as security

No assets pledged as security.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	2 180 802	1 421 263
Motor vehicles	27 894	43 396
IT equipment	733 928	13 644
Office equipment	111 271	176 700
	3 053 895	1 655 003

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2020 2019

7. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	8 577 521	(5 735 816)	2 841 705	8 643 463	(4 759 924)	3 883 539
Films and other	13 478 511	(11 636 080)	1 842 431	13 478 511	(9 951 266)	3 527 245
Total	22 056 032	(17 371 896)	4 684 136	22 121 974	(14 711 190)	7 410 784

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software	3 883 539	15 697	(19 472)	(1 034 111)	(3 948)	2 841 705
Films and other	3 527 245	-	-	(1 684 814)	-	1 842 431
	7 410 784	15 697	(19 472)	(2 718 925)	(3 948)	4 684 136

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Computer software	4 917 654	(1 034 115)	3 883 539
Films and other	5 212 059	(1 684 814)	3 527 245
	10 129 713	(2 718 929)	7 410 784

Pledged as security

No intangible assets were pledged as security.

8. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	130 938	-	130 938	313 144	-	313 144

Reconciliation of heritage assets 2020

	Opening balance	Transfers	Total
Art Collections, antiquities and exhibits	313 144	(182 206)	130 938

Reconciliation of heritage assets 2019

	Opening balance	Transfers	Total
Art Collections, antiquities and exhibits	1 869 371	(1 556 227)	313 144

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
8. Heritage assets (continued)		
Pledged as security		
No heritage assets were pledged as security.		
During the annual assessment of heritage assets, no asset was deemed impaired.		
Expenditure incurred to repair and maintain heritage assets		
During the year no repairs and maintainance was incurred for heritage assets.		
9. Operating lease liabilities		
Non-current liabilities	(4 677 025 927)	(4 413 700 274)
Current liabilities	(314 327)	(280 649)
	(4 677 340 254)	(4 413 980 923)
10. Payables from exchange transactions		
Trade payables	2 797 912	3 819 762
Accrued 13th cheque	1 123 434	1 073 207
COVID	6 400	6 400
Other accrued expenses	1 817 706	868 001
	5 745 452	5 767 370
11. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Unspent grants	59 113 745	55 262 509
Movement during the year		
Balance at the beginning of the year	55 262 509	55 262 509
Additions during the year	3 851 236	-
	59 113 745	55 262 509

An amount of R 15 000 000 earmarked for GRAP 103 compliance has not been spent at the end of the financial year.

The remaining balance of R 44 113 745 relate to the grant received from Department of Arts and Culture for the infrastructure projects and maintainance of the Park.

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand		2020	2019	
12. Provisions				
Reconciliation of provisions - 2020				
	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	2 350 421	3 909 453	(3 930 654)	2 329 220
Reconciliation of provisions - 2019				
	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	3 024 853	3 734 725	(4 409 157)	2 350 421
<p>During the year leave was provided for based on the Basic Condition of Employee Act rate of the days due to employees. The provision was calculated based on the standard monthly package.</p>				
13. Rendering of services				
Admission fees			1 320 746	1 349 508
14. Hiring of facilities and equipment				
Premises				
Venue hire			439 490	1 556 394
15. Other Income				
Other income			160 793	792 856
<p>Other income earned through the sale of books, and rental for restaurant and giftshop.</p>				
16. Interest Received				
Interest revenue				
Bank			4 669 669	4 181 555

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
17. Government grants and subsidies		
Operating grants		
Equitable share	96 056 000	97 275 000
Conditional and Unconditional		
Included in above are the following grants and subsidies received:		
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the operational activities of the entity.		
Deferred income		
Balance unspent at beginning of year	55 262 509	55 262 509
Current-year receipts	3 851 236	-
	59 113 745	
Conditions still to be met - remain liabilities (see note 11).		
18. Employee related costs		
13th Cheques	4 525 839	3 918 928
Acting allowances	202 090	138 632
Basic	51 071 175	52 741 609
Bonus	-	135 220
Defined contribution plans	1 087 866	895 444
Leave pay provision	169 062	(658 811)
Medical aid	3 440 261	3 297 328
Overtime payments	249 097	311 865
Temporary wages	1 368 025	223 772
Travel allowances /expenditure	191 758	102 008
UIF	163 551	171 760
WCA	-	(172 724)
	62 468 724	61 105 031
19. Impairment of assets		
Impairments		
Property, plant and equipment	713 736	300 076
The negative change in physical condition of assets were identified during asset verification which led to the recognition of the impairment loss. The recoverable amount of the asset was based on its fair value less costs to sell.		
Intangible assets	3 948	-
The negative change in the condition of assets were identified during asset verification which led to the recognition of the impairment loss. The recoverable amount of the asset was based on its fair value less costs to sell.		
	717 684	300 076

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
20. General expenses		
Computer expenses	2 437 565	2 005 482
Consulting and professional fees	1 725 752	4 078 402
Council expenditure	1 606 918	1 879 696
Electricity	4 788 778	5 764 818
External auditors remuneration	2 320 758	2 450 006
Insurance	838 251	766 052
Internal audit fees	3 115 259	820 282
Landscaping expenses	3 365 056	3 966 753
Marketing	763 042	538 559
Other operating expenses	2 449 618	2 885 575
Repairs and maintainance	3 053 895	1 655 003
Security	6 326 232	6 908 275
Strategic projects	1 795 479	1 533 089
	34 586 603	35 251 992
21. Auditors' remuneration		
Fees	2 320 758	2 450 006
22. Cash generated from operations		
Deficit	(283 997 156)	(280 232 925)
Adjustments for:		
Depreciation and amortisation	24 335 603	24 598 942
Loss on sale of assets and liabilities	479 007	6 702
Gain on foreign exchange	(1 071)	(505)
Impairment on property, plant and equipment	717 684	300 076
Debt impairment	273 313	312 810
Impairment loss/reversal of impairments	-	(258 927)
Movements in operating lease assets and accruals	263 359 331	263 389 401
Movements in provisions	(21 201)	(674 432)
Inventory losses	-	29 642
Changes in working capital:		
Inventories	58 056	34 068
Receivables from exchange transactions	(349 986)	887 617
Consumer debtors	(273 313)	-
Payables from exchange transactions	(21 918)	(6 094 748)
Unspent conditional grants and receipts	3 851 236	-
	8 409 585	2 297 721

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
23. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for		
• Already contracted for	37 808 328	62 533 501
• Already paid	(13 515 043)	(40 143 246)
	24 293 285	22 390 255
Total operational commitments		
Already contracted for but not provided for	24 293 285	22 390 255
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	423 646	500 279
- in second to fifth year inclusive	1 682 546	1 502 279
- later than five years	26 095 982 452	26 096 586 371
	26 098 088 644	26 098 588 929

Freedom Park entered into a 36 months operating lease agreement for 6 photocopiers commencing on 1 March 2018 with Bytes Document Solution Division of Altron. The lease payment is R 9 938 per month with an annual escalation of 0%. There is a copy charge of R 0.2859 per colour copy and R 0.0295 per noncolour copy.

Freedom Park entered into a 99 year nonrenewable lease agreement for Land at Salvokop, Pretoria commencing on 24 June 2002. The initial monthly rental was R 3,500.00, which escalates at 12% per annum on each anniversary of the agreement. Freedom Park is currently in year 17 of the lease and has been paying the monthly rental dutifully without any defaults.

Statement of Financial Position

Lease liability	4 379 234 085	4 132 718 416
-----------------	---------------	---------------

Statement of Financial Performance

Lease expense	246 842 741	246 841 920
---------------	-------------	-------------

24. Contingencies

No outstanding litigation matters by/against Freedom Park exist as at the current financial year end.

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
25. Related parties		
Relationships		
Executive Authority	Department of Arts and Culture	
Government controlled through National Treasury	Department of Public Works and Infrastructure	
Accounting Authority	Council (Refer to key management remuneration)	
Senior Management	Refer to remuneration of key management	
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Department of Arts and Culture	4 040	4 040
Income from related parties		
Department of Arts and Culture (operating grant)	96 056 000	97 275 000
Department of Arts and Culture (Infrastructure grant)	3 851 236	-
Expenses		
Department of Public Works and Infrastructure- Municipal charges and rental	4 601 925	12 179 270

Remuneration of management

Council members

2020	Member's fees	Committees	Adhoc requests (interviews, special events, etc.)	Total
Name				
Mr MCR Makopo (Chairperson)	50 129	20 184	25 078	95 391
Dr P Dala	34 840	60 970	3 484	99 294
Ms W Jabosigo	26 130	22 206	2 182	50 518
Mr KEM Mabalane	42 796	23 626	30 873	97 295
Mr M Mpanza	40 066	30 054	4 786	74 906
Mr R Nyandeni	41 790	16 980	6 986	65 756
Dr M Raphalalani	33 996	19 813	8 463	62 272
Mr T Sithole	30 898	17 438	-	48 336
Ms F Mohamed	37 950	35 296	5 144	78 390
	338 595	246 567	86 996	672 158

2019

	Member's fees	Committees	Adhoc requests (interviews,sp ecial events,et c)	Total
Name				
Mr MRC Makopo (Chairperson)	62 554	23 074	100 499	186 127
Dr P Dala	12 239	89 026	17 452	118 717
Ms W Jabosigo	11 076	8 802	9 774	29 652

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

25. Related parties (continued)

Mr KEM Mabalane	33 186	50 088	9 774	93 048
Mr M Mpanza	8 142	11 406	11 076	30 624
Mr R Nyandeni	11 076	4 401	5 868	21 345
Mr T Sithole	11 076	-	5 868	16 944
Dr M Raphalalani	47 926	50 088	1 662	99 676
Ms F Mohamed	11 076	14 010	4 236	29 322
Mr S Goudan #	14 740	29 480	11 055	55 275
Dr P Guma #	29 480	36 850	-	66 330
Mr MG Kgarume #	29 480	29 480	-	58 960
Dr SP Malapane #	36 850	36 850	3 685	77 385
Ms T Mhlari @	-	-	2 297	2 297
Ms JA Seidman #	36 850	44 220	7 370	88 440
Prof M Nkondo #	33 626	29 480	3 685	66 791
	389 377	457 255	194 301	1 040 933

Mr Sithole resigned on 10th December 2019

Term of the member ended 31 August 2018

@ Member resigned on 31 January 2018

Executive management

2020	Basic salary	13th cheque	Other short-term employee benefits	Other long-term benefits	Total
Name					
Ms J Mufamadi	1 613 477	153 681	79 161	275 473	2 121 792
Ms HB Ramugadi	694 464	40 559	587	103 868	839 478
Mr TJ Makhura	884 338	87 800	36 098	195 515	1 203 751
Mr MA Makoela	1 029 865	97 342	33 217	167 277	1 327 701
Ms MS Kekana	887 171	87 800	1 021	192 688	1 168 680
Ms RM Koto	894 620	87 275	9 820	178 824	1 170 539
Mr M Jonker	642 000	-	-	-	642 000
	6 645 935	554 457	159 904	1 113 645	8 473 941

2019	Basic salary	13th cheque	Other short-term employee benefits	Provident fund short-term employee benefits and medical aid	Total
Name					
Ms J Mufamadi	1 596 867	153 681	11 854	225 353	1 987 755
Mr MC Llale	1 057 746	115 385	6 580	79 615	1 259 326
Mr TJ Makhura	880 524	87 800	4 338	160 534	1 133 196
Ms MS Kekana	879 943	87 800	-	161 115	1 128 858
Mr MA Makoela	1 021 604	97 342	12 419	132 598	1 263 963
Ms RM Koto	890 375	87 275	6 400	144 456	1 128 506
Mr TD Tshweu	741 739	87 281	-	118 600	947 620
	7 068 798	716 564	41 591	1 022 271	8 849 224

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

26. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Park has developed a comprehensive Risk management strategy in line with the Treasury Regulation 28.1 in order to monitor and control risks. Internal audit function reports quarterly to the Audit and Risk Committee, an independent body that monitors risks and policies implementation to mitigate risk exposure. It should be noted that financial instrument exposure to risk is minimal. The risk management process relating to each of these risks is discussed under the headings below:

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5 745 452	-	-	-
Unspent conditional grants and receipts	-	59 113 745	-	-

At 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5 767 370	-	-	-
Unspent conditional grants and receipts	-	-	55 262 509	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

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

Financial instrument	2020	2019
Cash and cash equivalents	68 296 315	60 479 782
Receivables from exchange transactions	197 231	492 899

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

Market risk

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
27. Financial instruments disclosure		
Categories of financial instruments		
2020		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	68 296 315	68 296 315
Receivables from exchange transactions	197 231	197 231
	68 493 546	68 493 546
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	5 745 452	5 745 452
Unspent conditional grants and receipts	59 113 745	59 113 745
	64 859 197	64 859 197
2019		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	60 479 782	60 479 782
Receivables from exchange transactions	492 899	492 899
	60 972 681	60 972 681
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	5 767 370	5 767 370
Unspent conditional grants and receipts	55 262 509	55 262 509
	61 029 879	61 029 879

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
28. Fruitless and wasteful expenditure		
Opening balance	1 683 350	1 677 965
Current year expenditure	13 012	5 385
Less: Amounts recovered	(5 385)	-
	1 690 977	1 683 350
<p>The fruitless and wasteful expenses were incurred by paying interest charged on late payment and costs incurred on penalties and no show.</p>		
Details of fruitless and wasteful expenditure		
Interest on overdue supplier accounts	219	-
Penalties	1 562	409 104
No show	9 341	5 385
Payment to sheriff- attached assets	1 890	-
Payment to wrong account	-	555 890
Overcharge on good and services	-	712 971
	13 012	1 683 350
29. Irregular expenditure		
Opening balance	13 150 320	12 014 439
Current year expenditure	1 419 291	1 135 881
	14 569 611	13 150 320
Details of irregular expenditure – current year		
Law firm for the labour representation	Disciplinary steps taken/criminal proceedings	69 072
CCMA representation	currently under investigation	110 987
Professional fees	currently under investigation	23 186
Non compliance SCM policy	currently under investigation	814 983
Non Compliance - Local content		388 164
Over payment on contracts		12 899
		1 419 291

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2020	2019
29. Irregular expenditure (continued)		
Details of irregular expenditure - Prior years		
Deviation from normal procurement without approval of National treasury		307 107
Inclusion of specific brands in the bid specification		4 144 014
Overspending of the approved budget for the year		7 291 737
Non-compliance SCM processess		1 407 462
		13 150 320
30. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance:		
Net deficit per the statement of financial performance	(283 997 156)	(280 232 925)
Adjusted for:		
Impairment loss/reversal of impairments	717 685	312 810
(Decrease) / increase of allowance for impairment	261 994	(258 927)
Loss on disposal of assets	479 007	6 702
Inventory losses/writedowns	-	29 642
Revenue (in excess of) / under budget	(2 048 698)	(13 951 312)
Over / (under) expenditure on the budget	(3 106 692)	5 806 096
Depreciation and amortisation	24 335 603	24 598 942
Impairment losses on property, plant and equipment		300 076
Net deficit per approved budget	(263 358 257)	(263 388 896)

31. Budget differences

Material differences between budget and actual amounts

Significant differences between the budget and actual amounts are explained below:

30.1 Unfavourable sales revenue due to strike which resulted in the park close-down .

30.2 Unfavourable rental of facilities and equipment is due to strike which resulted in the park close-down and the outbreak of COVID-19.

30.3 Over collection of Adhoc revenue as a results of storytelling event.

30.4 More than anticipated interest received realised as a result of effective working capital management.

30.5 Additional grant for council remuneration was received from the Department of Sport, Arts and Culture.

30.6 Overspent due to appointment of fixed term employees in the positions of the CFO and ICT Manager while finilising the recruitment process for permanent incurmbent.

30.7 Underspent due to negotiated contracts i.e Landscaping, security and the termination of the ICT contract. The spend was also impacted by the outbreak of COVID-19 and the Lockdown restriction which resulted in events and projects scheduled for March 2020 to be cancelled.

30.8 Non-cash items not budgeted for.

30.9 Non-cash entry resulting from the straight-lining of the operating lease over 99 years

30.10 Non-cash entry resulting from valuation of foreign currency

30.11 Non-cash entry to write down inventory losses

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2020

2019

32. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is the operating grant received from Department of Arts and Culture. However, as described in Note 22, lease agreement entered into with Department of Public Works and Infrastructure which raise a R4 billion liability poses risk on the going concern of the entity. Management's assessment also includes (but is not limited to):

- the improved financial performance of the entity against budget;
- the progress of compliance with regulatory requirements; and
- the improved performance in implementation of the strategy.

After engagement with Department of Public Works and Infrastructure, Management believes that the transfer of the land will be finalised in the next 12 months. As a result of the National Disaster, Freedom Park lost R18 million in budgeted income. Management had to diversify the source of additional funds to complement the grant received from Department of Sport, Arts and Culture. However, management has a reasonable expectation that the entity will raise additional resources from fundraising. Management also reviewed the annual Performance plan and Strategy plan in response to the impact of the Covid-19. Management has a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future.

33. Events after the reporting date

Below are non-adjusting material events taking place after the reporting date:

- On 15 March 2020, the President of South Africa, in a national address, announced the declaration of the Covid-19 pandemic as a "national disaster". Regulations were issued on 25 March 2020 to give effect to the "lockdown" which commenced on Friday 27 March 2020. Freedom Park closed the access to the Park in compliance with the regulations.
- The Department of Sport, Arts and Culture reduce the operating grant for 2020/21 financial year by R 5 million and Infrastructure grant by R 10,7 million. Freedom Park also lost admission fee due to park closure estimated to R 2 million.

Impact of Covid-19

Freedom Park is one of the hardest hit by Covid-19 pandemic and faces severe socio-economic impact due to the closing of the cultural and heritage spaces and the cancellation of numerous socio-cultural events. The OHS plan was also developed to respond to the outbreak on Covid-19 pandemic and it is in line with the Disaster Management Act and all regulations of the lockdown as declared by government prior to the financial year end.

34. Comparative figures

Certain comparative figures have been restated. Refer to note 35 for the details relating to reclassification of comparative figures.

35. Prior-year adjustments

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

Statement of financial position

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

35. Prior-year adjustments (continued)

2018

	Note	As previously reported	Corrections	Re-classification	Restated
Inventories		293 266	-	-	293 266
Receivables from exchange transactions		1 789 494	-	-	1 789 494
Cash and cash equivalents		58 450 682	-	-	58 450 682
Property, plant and equipment		709 111 216	(13 911 720)	951 028	696 150 524
Intangible assets		10 129 713	-	-	10 129 713
Heritage assets		1 869 368	-	(1 556 227)	313 141
Payables from exchange transactions		(11 862 538)	-	-	(11 862 538)
Unspent conditional grants and receipts		(55 262 509)	-	-	(55 262 509)
Provisions (short-term)		(3 024 853)	-	-	(3 024 853)
Operating lease obligation (long-term)		-	(4 150 572 714)	-	(4 150 572 714)
Accumulated surplus		(711 493 839)	4 164 484 434	605 199	3 453 595 794
		-	-	-	-

2019

	Note	As previously reported	Corrections	Re-classification	Restated
Inventories		229 556	-	-	229 556
Receivables from exchange transactions		847 995	-	-	847 995
Cash and cash equivalents		60 459 826	18 885	-	60 478 711
Property, plant and equipment		687 213 004	(13 911 720)	951 027	674 252 311
Intangible assets		7 410 784	-	-	7 410 784
Heritage assets		1 869 371	-	(1 556 227)	313 144
Payables from exchange transactions		(5 767 792)	425	-	(5 767 367)
Unspent conditional grants and receipts		(55 262 509)	-	-	(55 262 509)
Provisions (short-term)		(2 350 421)	-	-	(2 350 421)
Operating lease obligation (long-term)		-	(4 413 980 924)	-	(4 413 980 924)
Accumulated surplus as at 1 April 2019		(694 649 814)	4 427 873 334	605 200	3 733 828 720
		-	-	-	-

2020

Statement of financial performance

2019

	Note	As previously reported	Corrections	Restated
Lease expenses		(435 980)	(263 359 330)	(263 795 310)

2020

	Note	As previously reported	Corrections	Restated
General expenditure		(653 074)	(263 389 400)	(264 042 474)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

35. Prior-year adjustments (continued)

2019

	Note	Corrections	Restated
Cash flow from investing activities			
Restated cash on hand		18 885	18 885

Corrections

The following prior period errors adjustments occurred:

Correction 1

Reinstatement of the capitalisation date for Buildings to align with the practical completion date. Buildings were initially capitalised on payment day or final completion date. The restatement resulted in increase on opening accumulated depreciation on buildings with R 13 911 720

Correction 2

The cash in hand was written off as bad debts in the preious year yet cash was held in the safe. The cash include rands and foreign currencies valued at R19 956

Correction 3

Credit note for the amount of R425 posted in incorrect period.

Error 4

Recognising the lease expenses for its 99-year lease, with the 12% fixed annual escalation, on a straight-line basis, as required by GRAP 13.48. Freedom Park departed from GRAP 13.48 as we did not account for the lease payments of land on a straight-line basis.

Reclassifications

The reeds and rocks with the cost of R 1 556 227 and accumulated depreciation of R 605 199 were inappropriately classified as Heritage Assets in the prior year when they do not meet the criteria of the Heritage assets.





CONTACT DETAILS

PHYSICAL ADDRESS:

Corner Koch and 7th Avenue
Salvokop, Pretoria, 001

POSTAL ADDRESS:

PO BOX 2710
Pretoria, 0001

Tel: 012 336 4000
Fax: 012 336 4021

www.freedompark.co.za

CELEBRATING **20 YEARS** OF
HONORING OUR STRUGGLE
HEROES AND HEROINES

Freedom

PR186/2020
ISBN: 978-0-621-48549-3