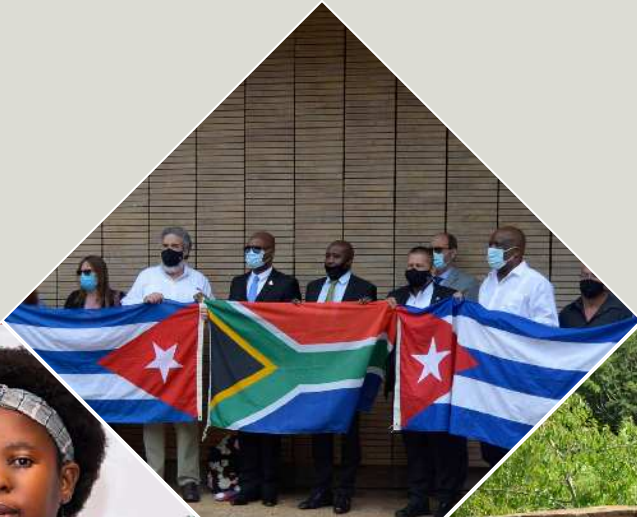


2021/22



# ANNUAL REPORT



*Freedom*  
**PARK**  
a heritage destination

an agency of the  
Department of Sport, Arts and Culture

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## 1. 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 Salvakop, Pretoria 0001
POSTAL ADDRESS:	PO Box 2710 Pretoria 0001
TELEPHONE NUMBER/S:	+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
ACTING COMPANY/BOARD SECRETARY	Mr Andrew Arries

## 2. ACRONYMS

AGSA:	Auditor-General of South Africa
APP:	Annual Performance Plan
BBBEE:	Broad Based Black Economic Empowerment
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
COE:	Compensation Of Employees
DPWI	Department of Public Work Infrastructure
DSAC:	Department of Sport, Arts and Culture
GOL:	Gallery of Leaders
ICAS	Independent Complaints Advocacy Service
ICT:	Information and Communications Technology
MTEF:	Medium Term Expenditure Framework
NEHAWU:	National Education Health and Allied Workers Union
PAA:	Pan African Archives
PPE:	Personal Protective Equipment
PFMA:	Public Finance Management Act
RLH:	Resistance and Liberation Heritage
NTR:	National Treasury Regulations
SCM:	Supply Chain Management
SLA:	Service Level Agreement

### 3. FOREWORD BY CHAIRPERSON



**Ms HC Mgabdeli**  
Chairperson of Council

It is my immense honour to present the annual report for the financial year ending 31st March 2022. The period under review provided an ideal platform for the Council to fully-immense itself in the affairs of Freedom Park's core business. This first seven (7) months at the helm of Freedom Park has provided valuable insights for the Council as a collective. These insights will form critical inputs in the inspired execution of the five-year strategy cycle. The 2021/22 reporting period was also crucial in exposing the Council to the organizational culture at Freedom Park while identifying opportunities to build a formidable socio-economic instrument for government. The Council has accepted the responsibilities of addressing the myriad challenges facing the entity which entailed having to "hit the ground running" while taking into consideration the significant impact of the COVID-19 pandemic on the pace at which work could be done.

As such, during the period under review, the Council was concerned with the improvement of the internal efficiencies to implement a maximum development impact organisation. The Council is careful to conduct its business and oversight obligations in a manner which promotes the financial health of the institution in its quest for energized and robust mandate delivery. In this regard, Council has identified the development of a capable and fit-for-purpose entity to lie at the epicenter of a responsive agency. The development of a world-class institution which requires a strict adherence to high levels of corporate governance.

#### ORGANISATIONAL DEVELOPMENT

The anticipated gradual improvement in the organizational ambiance facilitated by the realignment process will result into improved organizational stability as a result, Council encourages management towards the adoption of an organizational paradigm which prioritizes the development and retention of staff with the requisite technical acumen in order to effect the desired operational efficiencies. Freedom Park is thus engaged in a realignment process to help develop a responsive organizational design which supports the delivery of the core business.

#### MANDATE DELIVERY

The Council recognizes and welcomes the R117 million budget allocation made by the Department of Sport, Arts & Culture in the current financial year under review. This appropriation allowed the entity to bring its services to the communities of South Africa and the international sphere at large.

#### CORPORATE GOVERNANCE

Good corporate governance principles are important for the success of Freedom Park and Council commits itself to this task and it unashamedly applies the fundamental principles of good governance such as transparency, integrity, accountability and responsibility in all its dealings with and on behalf of the Park.

## PARTNERSHIPS, STAKEHOLDER RELATIONS AND STRATEGIC RELATIONSHIPS

Council is engaging with various partners and forums which will provide a crucial support structure for the expansion of Freedom Park's core business and mandate to attain a responsive and development of a world-class entity which should aid the park to better respond to the rapidly changing technological environment which has a direct impact on the ability to deliver services. An agile approach was critical to respond to the fiscal effects of the pandemic which largely had an impact on the utilisation of the Park to its maximum, and which led to significant financial deterioration however creative means and strategies through multi-media platforms were put in action to ensure the stability of the entity and being a centre of Heritage, culture and social cohesion. The Council encourages the Park to actively participate in actions which promote the interests of the business and those of the industry at large

## APPRECIATION AND ACKNOWLEDGMENT

The Council appreciates and is thankful for the support from the Department of Sport, Arts & Culture in the delivery of Freedom Park's mandate. The support of the Minister of Sport Arts and Culture has been vital in the execution of the entity's development agenda. My appreciation extends to the Portfolio Committee on Sport, Arts & Culture for their pivotal oversight role. Council further appreciates the executive, middle management, and all staff for their tireless work in ensuring that they promote good governance by strengthening their internal control systems and adhering to their adopted value of "teamwork" to ensure that the entity's strategic objectives are achieved.



Ms HC Mgbadeli  
Chairperson: Freedom Park  
31 August 2022

## 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



**Ms J Mufamadi**  
Chief Executive Officer

### General Financial Review of the Public Entity

We have delivered exceptional performance in both financial and non-financial areas of our operations, as demonstrated by the Annual Financial Statements for the year ending 31 March 2022 and the accompanying Annual Performance Report. The effects of the pandemic were felt mostly in the own revenue generation activities of the entity, as far as there was a prohibition of events and visits to museums in the country. However, we are grateful that through attrition, costs savings from unfilled funded vacancies were able to ensure that we operate a lean cost structure that was able to sustain us during the year under review.

### Spending trends of the entity

We entrenched improvements in our financial management systems to achieve our goal of an unqualified audit opinion. The audit action plan was implemented, monitored, and reviewed in certain areas, drawing our attention to the key aspects of asset and liability management, revenue management, expenditure management and maintenance of accurate and complete records, and performance of regular reconciliations, as part of management oversight activities.

During the year under review, we achieved significant improvement in managing payments of suppliers within 30 days. Payables that exceeded the payment term of 30 days dropped significantly, year-on-year. Management of the budget has been strengthened to ensure that Department Heads clearly understand their responsibilities to manage their approved budget allocations. The management of budgets requires that APP targets be aligned with the available budget.

As a PFMA Schedule 3A entity, the entity has been able to benefit from the flexibility of being to reprioritise its spending, particularly during the first of the period under review where spending on areas that require gatherings, traveling, and group participation was minimal due to the various levels of restrictions applicable under the State of Disaster.

One of the key expenditure challenges of the entity has been on Compensation of Employees. The DSAC and National Treasury issued clear instructions that the COE of entities should be capped in order to ensure that spending was aligned with the key priorities of national government. This has had the effect of not permitting any increments for the entity's employees for the past 3 years. As a result, Management has been inundated with strategies and interventions aimed at maintaining the staff morale of the entity, while at the same time researching creative ways in which the staff of the entity could be compensated for general cost-of-living increments.

This has been a very arduous balancing act, as the entity's own revenue generation activities were also subdued and could not contribute much to the once-off payment of employee ex-gratia. Through our Shareholder, National Treasury needs to be engaged robustly to try secure additional resources to fund some form of COE adjustments, even if it's to be minimal increments.

Asset and Liability Management for the Freedom Park has not really been a complex process, as the entity does not have long-term liabilities, other than the GRAP based Operating Lease Liability. The lease arrangement with the Department of Public Works and



Infrastructure is currently under review with significant strides having been achieved towards the Freedom Park obtaining approval for the request for the DPWI owned land to be donated to the entity. Transfer of the land to Freedom Park will constitute a very significant achievement for Council and Management. The DPWI will also be expected to assist with the transfer of the Municipal utilities account to Freedom Park.

The organizational realignment process approved by Council in the prior year has completed the process of consultations with the employees and their labor union. It is expected that through this process the organisational structure of the entity will be effectively aligned with the long standing strategic objectives of the entity in such a way that operational efficiencies will be achieved. Freedom Park has also been able to utilize its operational and administrative capacity to assist with the management of the operations of Matola Raid and Samora Machel Memorials. The work on effecting improvements and reburshments to these memorials is ongoing in the new 2022-23 financial period. It is anticipated that a formal request for additional capitalization will be submitted to the DSAC for consideration. The request will be based on the comprehensive Needs Assessments conducted by Freedom Park.

### Capacity constraints and challenges facing the public entity

There are no activities that were discontinued during the year under review and there are no plans to discontinue any of the current strategic activities of the entity. Institutional turnover was high at an Executive level due to end of contract.

### Requests for rollover of funds

National Treasury approved the rollover of funds from 2020-21. However, the funds mostly remained unutilised due to Covid 19 and the freezing of procurement process between the date of the rollover approval and the year-end of 31 March 2022. Consequently, a new request for rollover of 2021-22 funds will be submitted to the National Treasury.

### Supply chain management

The Freedom Park SCM process a regulated and governed through the PFMA, National Treasury’s SCM Regulations and Instruction Notes and the entity’s own SCM Policy that is consistently aligned to the National Treasury’s regular updates and Instruction Notes. The entity prepared and submitted the annual procurement plan aligned to its approved budget to National Treasury through DSAC. Quartely reporting on progress was also complied with during the year under review. There were no unsolicited bid proposals for the year under review.

The main challenges encountered during the year under review pertained specifically with the court judgement that resulted in the National Treasury issuing an instruction to halt procurement processes and the introduction of the requirement for procurement items above R30 000 to be specifically approved by the National Treasury. This resulted in serious delays in the implementation of key strategic projects of the entity and thus the entity has since the lifting of the freeze aggressively embarked on numerous procurements in the new 2022-23 financial year.

### Audit report matters and how will be addressed

Key Findings	Management Responses and Intervention
<p>The financial statements submitted for auditing not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.</p> <p>Material misstatements of heritage assets, commitment, related parties, irregular expenditure and statement of comparison of budget and actual amounts identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.</p>	<p>Management will improve the quality review of Annual Financial Statements by developing and implementing a risk-based quality review checklist of all the material and non-material findings on the AFS from the prior 2 years, to be implemented from preparation all the way to the final external review by the entity’s Internal Auditors in order to eliminate all the repeat findings and areas of complexity.</p>
<p>Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure as required by section 51(1)(e)(iii) of the PFMA.</p>	<p>The AGSA’s finding mainly relates to the fact that the record-keeping of the disciplinary processes was not at acceptable norms, and therefore management will maintain a proper record of all consequence management processes being implemented, ensuring that the minutes of the Loss Control Committee are fully detailed</p>

Key Findings	Management Responses and Intervention
Sufficient appropriate audit evidence was not obtained that at least three written price quotations were obtained in a number of material instances, as required by Treasury Regulation 16A6.1, Practice Note 8 of 2007/08, and SCM Instruction Note 2 of 2021-22. Sufficient appropriate audit evidence was not obtained that quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1)(f) of the PPPFA and Preferential Procurement Regulation 2017.	SCM Compliance checklist will be implemented to ensure that all the key requirements are complied with.  In addition, workshops on SCM Regulations and Policies will be conducted in the third quarter of the current financial year.
Prepayments were made before goods/services were received, in contravention of Treasury Regulation 31.1.2(c).	Proper motivations will be prepared and be kept on file to supplement the audit evidence relating to the fact that these prepayments are compliant with the requirements of the Treasury Regulation, as they are a result of the contractual agreement with the service provider and in line with best practice in the industry.

### Plans for the future to address financial challenges

The entity is looking at restrengthening its fundraising activities, with Council emphasizing the need to focus more on improvements in the number of visitors to the Park. In addition, a number of National Government initiatives, such as the proposed National Flag, would have been catalytic in enabling an improvement in the number of International visitors to the Park, thus improving the entity's own revenue generation capacity.

### Events after the reporting date

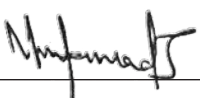
After the balance sheet date, the entity received additional funds to manage on behalf of the DSAC for the benefit of Liliesleaf Museum. The entity is expected to use its own financial systems and controls to ensure that the funds are utilized for the purposes of assisting Liliesleaf turn-around.

### Economic Viability

As a PFMA Schedule 3A Public Entity Freedom Park continues to enjoy the enormous financial support of its Executive Authority, National Department of Sport, Arts and Culture. Consequently, the entity's going concern status is centrally dependent on the continued support of the DSAC. However, the Management of the entity is engaged in building its, own revenue capabilities to ease the burden on the fiscus. Some of the own revenue generation plans of the entity are linked to initiatives of the National Government, while others will be dependent on the entity's ability to mobilize private sector investment, through Public Private Partnerships. These efforts constitute the cornerstone of Freedom Park's current resource-mobilization strategy.

### Acknowledgement/s or Appreciation

As alluded to above, the continued support of the DSAC, both financial and non-financial is acknowledged and appreciated. As Management of the entity, we are also very hugely grateful to the Portfolio Committee on Sport, Arts, and Culture for their continued oversight role and support. The new Council of the entity is also acknowledged and appreciated for the energy, foresight, and visionary inputs they have already provided in positioning the Freedom Park as the flagship entity in the Heritage and Cultural Sector.



Chief Executive Officer

Ms J Mufamadi

31 August 2022

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

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by Auditor General of South Africa (AGSA)

The annual report has been prepared in accordance with the guidelines on the annual report issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognized Accounting Practice Standards applicable to the public entity.

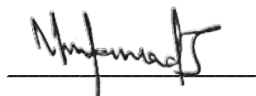
The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgments made in this information.

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

The AGSA are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully



Chief Executive Officer

Ms J Mufamadi

31 August 2022



Chairperson of the Council

Ms HC Mgabdeli

31 August 2022

## 6. STRATEGIC OVERVIEW

### 6.1. Vision

To be a leading national and international icon of humanity and freedom.

### 6.2. Mission

To be a pioneering and empowering heritage destination that challenges visitors to reflect upon our past, improve our present and build on our future as a united nation.

### 6.3. Values In carrying out our mandate, we are committed to the following values that support the principles of Ubuntu

- Respect of diversity
- Inclusivity
- Integrity
- Transparency and accountability
- Patriotism
- Human dignity

## 7. LEGISLATIVE AND OTHER MANDATES

Freedom Park is a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA) 1 of 1999.

- The Constitution of the Republic of South Africa, Act 108 of 1996
- National Treasury Regulations
- Public Finance management Act 1 of 1999
- National Heritage Resource Act 25 of 1999
- Public Audit Act 25 of 2004
- Cultural Institutions Act 119 of 2004
- Chapter 15 of the National Development Plan 2030

### THE CONSTITUTIONAL MANDATE GOVERNING FREEDOM PARK INCLUDES:

Chapter 1	Human dignity, citizenship, national anthem, flag and languages
Chapter 2	Bill of Rights
Chapter 4	Compliance and adherence to Parliament in terms of it be the supreme authority
Chapter 9	Schedule 3A public entity
Chapter 10	Adhere to basic values and principles governing public administration
Chapter 12	Align our selves with the recognition and role of traditional leaders.
Chapter 13	Compliance with Treasury Regulations

## 8. ORGANISATIONAL STRUCTURE

### Freedom Park Council



Ms HC Mgabadel  
*Chairperson of Council*



ADV NJ Bleki  
*Council member*



Dr BWJ Langa  
*Council member*



Mr E Daniels  
*Council member*



Mr M Musi  
*Council member*



Mr M Tsedu  
*Council member*



Mrs MG Rammbwa  
*Council member*



Ms MMS Mothopo  
*Council member*



Mrs PC Nxumalo  
*Council member*



Ms Z Hlatshwayo  
*Council member*



Prof S Cooper  
*Council member*

## Executive Management



**Ms J Mufamadi**  
*Chief Executive Officer*



**Mr M Moroko**  
*Acting Chief Financial Officer*



**Mr A Arries**  
*Assistant Company Secretary*



**Dr O Ntsoane**  
*Head of Department Heritage and Knowledge*

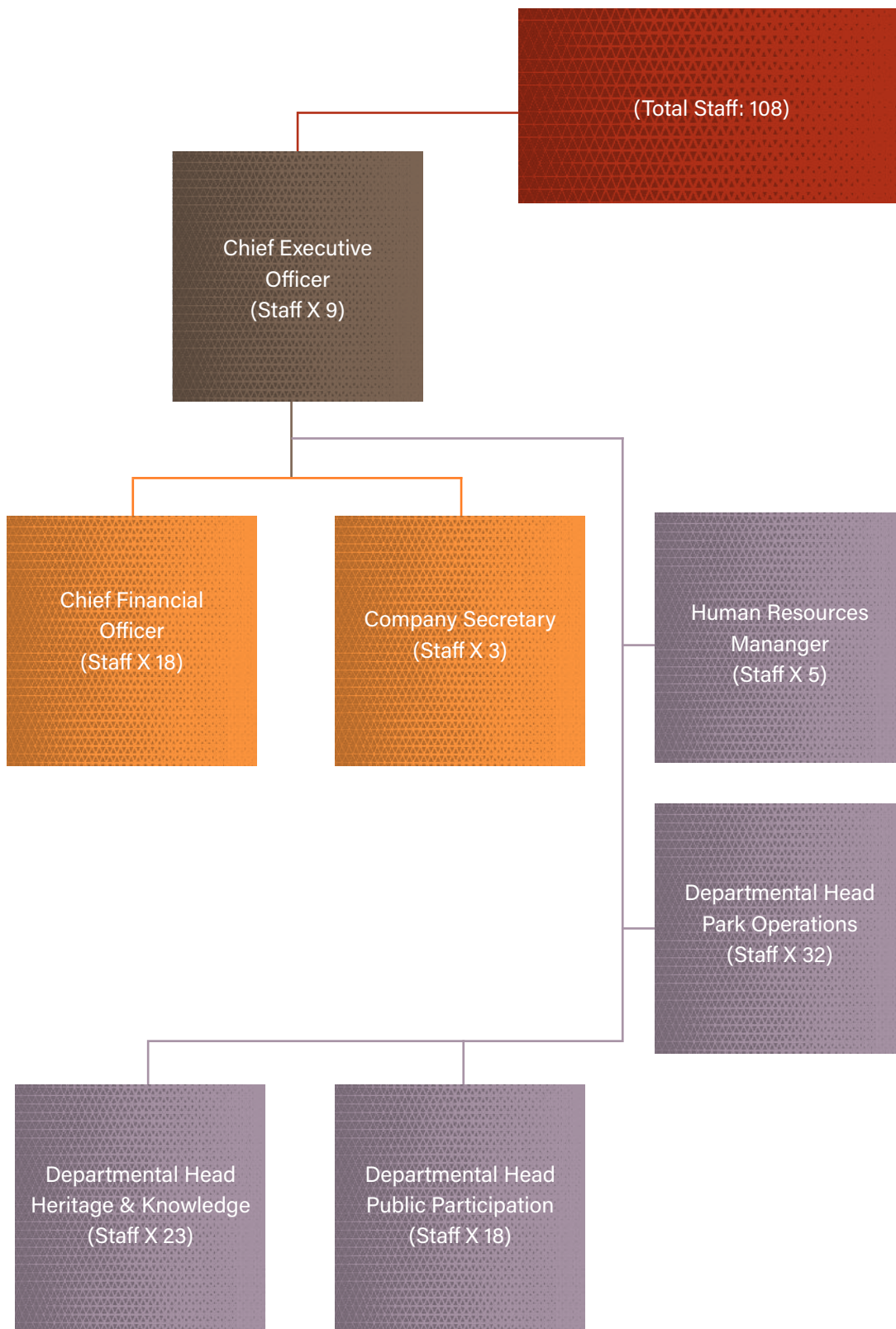


**Dr T Makobela**  
*Human Resource Manager*



**Ms M Makoela**  
*Head of Department : Public Participation*

Organisational Structure



## A DREAM FOR HUMANITY

Freedom Park was created in response to the Truth and Reconciliation Commission's (TRC) recommendation that further measures should be taken to address the deep pain of the nation. The vision was that the park would foremost be a place of hope where, as South Africans, we could symbolically cleanse the blood of our past and begin to heal the nation.

The tranquil space of the park invites people to meander along its paths in quiet contemplation and reflection. Freedom Park is also a vibrant centre for ongoing dialogue about our past, the contradictions which exist in our present, and how we can move forward to a shared future as Africans. The dream is that Freedom Park will become an international icon of freedom and humanity.



## PART B: PERFORMANCE INFORMATION





## 1. REPORT OF THE AGSA ON PREDETERMINED OBJECTIVES

The Auditor General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives.

Refer to page 62 of the Report of the Auditors published as Part E: Financial Information.

## 2. SITUATIONAL ANALYSIS

### 2.1. Service Delivery Environment

DSAC has completed a feasibility study on the amalgamation of its various entities, to identify options to strengthen service delivery capacity and to ensure efficiency and effective and prudent utilization of financial resources. The implementation of the revised White Paper includes establishing an integrated National Heritage Policy Framework. The Framework intends to address the fragmentation and duplications in the current heritage architecture. It further eliminates overlaps and for creates greater integration, consolidation, coherence, optimal functioning and effective delivery in ensuring a coherent arts, culture and heritage intergovernmental policy across the three (3) spheres of Government.

It is through this amalgamation process that the new entities Samora Machel Museum and Monument (Mpumalanga) and Matola Raid Monument & Interpretive Centre (Mozambique) are planned to be consolidated under Freedom Park. The National Treasury also approved the allocation increase for Freedom Park for additional resources required to fully support these entities. A task team has been established to develop an integration plan for the two (2) sites into Freedom Park.

The heritage and culture sector was one of the hardest hit by the pandemic due to the closure of facilities and faced severe socio-economic impact due to the closing of the cultural and heritage spaces and the cancellation of socio-cultural events. As a heritage site and tourism destination, the daily activities of the Park depend mainly on people-to-people contact such as visitors, dialogues, educational programmes and events, etc. The entity suffered high financial impact in terms of loss of revenue due to cancellation of signature events and strategic activities in the Heritage and Knowledge sector.

With the advent of the pandemic, the entity increasingly resorted to the use of alternative ways of executing its programmes and meeting its targets. Since then, many programmes were, executed virtually, for example, the use of webinars for public and memorial lectures and the employment of the entity's digital platforms for publication of education programmes, the holding of storytelling events, and the display of temporary exhibitions. Freedom Park has penetrated various media platforms. Broadcast media has a dominant share of voice, which was in line with the communications and marketing strategy projections of 40% broadcast, 40% online and 20% print. Positive sentiments are at 50%, which although average, was remarkable given the Covid-19 disruption. Most sentiments are neutral (40%), which potentially could move to positive with engagement in more activities.

Freedom Park in collaboration with the City of Tshwane and the Department of Public Works are in discussions on developments in the Salvokop area that will see access to the Park become more attractive. New ways are being explored in terms of signage and positioning the entity and these include utilisation of digital marketing platforms. A new approach with strategic partnerships is explored with an aim of establishing long-term relationships that can yield tangible impacts. Continuous developments and enhancement of product offerings will attract and retain visitors.

The entity can further position itself as the leading Indigenous Knowledge System (IKS) hub, especially with the state-of-the-art Pan African Archives (PAA) infrastructure which will in future be operational under the Vernon System and interactive digital platform. The volume and quality of collections of the liberation struggle material for the Pan African Archives (PAA) grew exponentially. The collections ranged from materials donated by individual freedom fighters of various liberation movements and their military wings (for example, African National Congress / Mkhoto we Sizwe; Pan Africanist Congress / Poqo / Azanian People's Liberation Army), organisations and governments which supported the South African liberation struggle.

The Preferential Procurement Policy Framework, Act 5 of 2000 (PPPFA) and its regulations prescribe requirements regarding black economic empowerment (BBBEE) for considerations for state tenders. To this end preferential procurement policy advances

historically disadvantaged. Furthermore, the draft Bill on Public Procurement is currently being consulted and will seek to rescind the Preferential Procurement Policy Framework Act currently in existence. The proposed Bill addresses the issue of Women, Persons with Disabilities and Youth as beneficiaries of public procurement processes.

## Internal Environment

Freedom Park's budget was approved on a cash basis despite the institution accounting for its total cost of conducting business, which include making provision for depreciation/non-cash items on an accrual basis. The effects of non-cash items on the financial performance of the institution would result in a net deficit for the near future.

The cost reduction strategies implemented by Freedom Park has resulted in the decrease on the deficit. The deficit reported by National Treasury was accumulated from the provision of the employees' leave pay raised at the 2018/19 financial year-end. The biggest liability that Freedom Park has been the differed income received from the Department of Sport, Arts and Culture earmarked for completion of the infrastructure projects.

Freedom Park requested reprioritisation of the deferred income to utilise the funds for urgent projects; DSAC conditionally approved the utilisation of the earmarked funds during the 2019/20 financial year. The Supply Chain Management department has started the process of appointing service providers to utilise the funds. This will reduce the liability on the finances of Freedom Park.

An aggressive cost benefit analysis on all expense line items has been undertaken. As part of the analysis, programmes that are not supported by the core business were reprioritised and this has drastically reduced all non-essential costs and will accelerate growth of high potential products. Freedom Park has implemented measures to reduce expenditure from the 2017/18 financial year to date, it is through contentious management of the expense that resulted in the improvement of the financial standing of Freedom Park. However, being mindful that reducing costs beyond a certain point might not be possible without adversely affecting service delivery imperatives. Freedom Park has the inelastic nature of staff costs in the short to medium term however it expects the outcome of the reorganisation process to result in an agile and cost effective organisational structure.

There must be a concerted effort of raising revenue generated from internal activities if the entity is to remain sustainable going forward. Focus will be on exploiting the commercial interest of the institution more, cutting costs and leveraging on partnerships.

The ICT infrastructure is being upgraded to the newest technology and this will be aligned to the ICT strategy. The revised ICT strategy aims at addressing potential risks and provide mitigation strategies. The implementation of the ICT policies, procedures and processes including the framework and standards will enhance the governance environment within ICT, which will align to the corporate governance.

Freedom Park through Corporate Governance has a system of tracking validity of policies and change in legislation environment to update its policies. The entity continues to implement youth employment interventions, including training opportunities that remove barriers to entering the labour market. The process of reviewing the employment equity plan is underway. Up to 30% of goods and services is set-aside to support the procurement from Women, Youth and People with Disabilities.

## External Environment

While businesses will be required to review and amend their record keeping, employment and information technology policies and procedures to ensure compliance with the POPI Act.

To comply with the POPI Act, Freedom Park developed guidelines to regulate the handling of personal information at various levels. Several trainings are underway to ensure that employees understand all aspects of the Act.

Freedom Park face additional challenges specific to the role in keeping historical records through information and knowledge management. These challenges include knowledge offices having to go through all records released to them to ensure that no unlawful personal information is exposed to third parties. This exercise will require more financial resources to be invested in the processing of historical records and archive collections.

The impact of COVID-19 on service delivery and revenue generation has yielded negative results. The tightening of the regulations has impacted on various aspects of the core business such as the feet through the gate, revenue and operations of the restaurant. The heritage landscape also became one of the casualties of the outbreak of the Covid-19 pandemic since 2020 to date.

The introduction of a new National Resistance and Liberation Museum threatens the sustainability of Freedom Park. This threat comes under the proposed amalgamation of heritage institutions. The tightening of Government fiscus has affected all government departments. The entity has over the years lost political support. During the pandemic Freedom Park experienced a decrease in visits by Head of States to honour heroes and heroines, especially those who supported South Africa during the Apartheid regime.

The preservation and conservation of objects in //hapo under internationally benchmarked conditions is on ideal course. Likewise, more books on diverse topics and themes of the struggles for freedom and humanity were acquired essentially through selective purchase. An impressive number of temporary exhibitions were installed in //hapo. Such exhibitions displayed the role played by a galaxy of liberation struggle stalwarts such as Oliver Tambo, Nelson Mandela, Robert Sobukwe, Ahmed Timol, Fidel Castro, Kenneth Kaunda and Charlotte Maxeke, to mention a few. The Wall of Names increased inscribed names and display in the Gallery of Leaders. The commemoratives programmes has included SADF Raid in Matola, Maseru and Gaborone.

The DSAC further bestowed on the entity the responsibility to host annual commemoration of the Battle of Cuito Cuanavale on the 23<sup>rd</sup> of March of every financial year.

Freedom Park, in partnership with the University of South Africa (UNISA) and UNISA Press, has now successfully completed and published a book called Social Memory as a Force for social and economic Transformation – a volume of essays that reflects on political, social and economic gains and challenges in democratic South Africa. The book writing project is intended to generate revenue from the proceeds of the sale of the book.

Research papers and conferences should be at a high level, preferably international (not international travel as such) with a strong focus on strengthening the profile of the researcher as well as offering tangible policy recommendations that can inform former mandates and policies. Perhaps annual leadership seminars, in conjunction with other departments and institutions could go a long way. Focus should be placed on the original mandate in which we strengthen cultural and heritage aspects. For example, Research and Development (R&D) can host an annual heritage and cultural event each September that showcases traditions and IKS practices in a fun and interactive manner.

Our medium- to long-term goal is to complete the Gallery of Leaders, an indoor space paying tribute to extraordinary leaders who achieved great leaps in the struggle for freedom and humanity nationally, continentally and internationally. In fact, the compilation of names of our struggle heroes and heroines and their inscription on the Wall of Names and display in the Gallery of Leaders will be our key programme in the coming years.

Over the medium term, the department will seek to explore partnerships with cluster departments, agencies and businesses in priority sectors to establish models and support systems to maximise the economic inclusion and empowerment of women, young people and people with disabilities.

Strengths	Weaknesses
Presidential Legacy Project with potential political influence, image and reputation-(Mandela as our patron in chief) The entity has deep and valuable institutional knowledge. The entity has a secure stream of revenue from DSAC and there is a strong relationship with DSAC in place. Unique architectural structure with infusion of African features - State of the Art technology. Freedom Park has diverse offering of collections and programmes.	Government fiscus is under strain. The current revenue stream is not guaranteed and may decline.

Opportunities	Threats
<p>The entity could successfully advocate for the centrality of the arts in the development of society and demonstrate the value it adds.</p> <p>The National Arts Council (NAC) is in a unique position to create lasting transformation in the sector.</p> <p>The NAC could lead the digital innovation of the cultural sector.</p> <p>Potential to create partnerships execute the mandate through collaborations.</p>	<p>The economic depression and government's competing priorities may result in the reduction of the entity's budget thus limiting opportunities.</p> <p>Weak knowledge and utilisation of digital systems.</p>

## 2.1. Organisational environment

During the reporting period, Freedom Park's organisational environment was in a state on stability. However, the entity experienced a high turnover in executive management.

Our people are key to successfully delivering on our mandate and executing our strategic objectives. To achieve this, we need to recruit and retain a skilled workforce and adequately reward our people for their contribution.

Regrettably, there has been a noticeable increase in loss of institutional knowledge due to staff turnover, including those who went to retirement especially at executive level.

We are further experiencing a low morale of staff due to several years of no or negligible cost-of-living salary adjustments. Lastly, we also did not succeed in achieving disability equity at all occupational levels.

From the challenges above, Freedom Park has put measures in place to mitigate the impact of these events on service delivery as well as our endeavour towards redress. Such as implementation of succession planning, introducing a service awards policy to improve retention of key employees and initiatives at hiring people living with disabilities.

## 2.2. Key policy developments and legislative changes

There were no legislative amendments on enabling pieces of legislations that had an impact on the mandate of Freedom Park and other sector legislations. It should be noted that the National Treasury Regulations on procurement was halted by the Court ruling for Minister of Finance v Afribusines NCP which set aside the Preferential Procurement policy framework which is the main legislative guideline for the public procurement system; this delayed the procurement processes and negatively impacted on the implementation of certain major projects.

## 2.3 Progress towards achievement of institutional Impacts and Outcomes

The entity's mandate is the honouring of heroes and heroines of resistance and liberation heritage (RLH) regardless of race, class, gender, and age differences. The Heritage and Knowledge departmental outcome of redress, inclusivity and access was achieved through all programmes executed by the Curatorial, Education and Research Units. The above contributed to DSAC's priorities of social cohesion and safe communities.

Furthermore, the entity through the following departments, namely Corporate Governance, Finance, ICT and Human Resources ensured the following: Compliance with all legislative requirements, effective and efficient governance, implementation of policies and sustainable diversified revenue streams. These outcomes were achieved through aligning organisational policies with the priority legislative prescripts which ensured increased job creation through procurement of goods and services. The above contributed to DSAC's priority of a capable, ethical, and developmental state.

## 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 3.1 Programme 1: Administration

#### Purpose

The purpose of the programme is to provide strategic leadership, management and support service to the Freedom Park. The programme contributes to National priority 1: "Capable, ethical and developmental state" by improving financial governance, reducing irregular expenditure and implement accountability and consequence management.

- Institutional Outcomes
- Improve governance on the implementation of policies.
- Sustainable diversified revenue streams.
- Improve effectiveness and efficiencies in governance.

#### Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

#### Supply Chain Management

BBBEE is intended to stimulate the process of participation of previously disadvantaged groups in the economy to lead to increased economic growth. Freedom Park has given priority through its procurement of goods and services to previously disadvantaged individuals consisting of women, youth and people with disability by providing opportunities for them to participate in the mainstream of economy. In this regard, the entity has awarded 44% of the procurement of goods, services and/or works, to youth, women and people with disability from its operational budget. This is a great achievement to empower previously disadvantaged individuals in these designated groups especially during the state of national disaster due to the Covid-19 pandemic. By complying with B-BBBEE, the entity promoted economic transformation in South Africa which in turn will promote economic growth within the country due to the increase in the extent to which communities own and manage enterprises.

#### ICT Infrastructure Development

The purpose of ICT infrastructure development is to support core business programmes for the achievement of the key outcome success factors and intervention mechanisms of the institution. Information is a strategic resource that underpins the key functions and decision-making processes of the organization. The way information is managed, including the technology used to support it, is therefore central to Freedom Park's business operations. ICT infrastructure includes hardware, communications devices applications, software, network infrastructure, video conferencing, telephone and mobile devices.

The following were achieved:

- Environment monitoring tool (monitors the IT infrastructure against heat).
- Integrated firewall solutions.
- Sourcing and implementation of the ICT support and maintenance contracts that includes Agreements.
- Adequate implementation of vulnerability management on workstations.
- Refreshed the end user infrastructure.
- Revamped the Intranet with interactive SharePoint platform.
- Repaired of Museum lighting and audio visuals.
- Users trained on various Cyber Security Awareness.

Table 2.4.4.2

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Achievement 2020/21	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improve governance on the implementation of policies	Compliance with organisation policies and procedures	Percentage of valid supplier invoices paid within 30 working days from the date of receipt	N/A	70% of payments were made within 30 days.	100% valid supplier invoices paid within 30 working days from the date of receipt	Not achieved 94% of payments were made within 30 days.	Difference of 6% from the planned target	Invoice queries. Invoicing before work is ready for sign off. Amounts exceeding approved value by more than 15% resulting in the requirement for a motivation to authorise payment.
	Promote ethical culture of accountability	Biennial ethics surveys conducted	N/A	N/A	1 ethics survey conducted	Achieved 1 ethics survey conducted	-	-
Sustainable diversified revenue streams	Fundraising revenue in cash and in-kind raised	Amount of fundraising revenue in cash and in-kind raised	N/A	R1 169 000.00 received from DSAC.	R4 Million fundraising revenue in cash and in-kind raised	Not achieved No fundraising revenue raised.	Difference of R4 million from the planned target	The economic environment was not conducive to fundraising at the time.
Improve effectiveness and efficiencies in governance	Creation of initiatives that enhance job creation through procurement of goods and services	Number of job opportunities created through procurement of goods and services	N/A	No job opportunities were created.	5 job opportunities created	Achieved Seven new jobs created: 5 jobs - Contractors painting the admin building. 2 jobs - Gift Shop (Ditebogo Gifts and Events).	Target exceeded by two job opportunities.	Intensive labour was required to complete the painting of the building therefore more people was appointed by the contractor. A new service provider was appointed to occupy retail space (gift shop) and two more jobs were created.
	Audit Outcomes	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit report received from Auditor-General.	Unqualified audit opinion	Achieved Unqualified audit opinion received from Auditor-General.	-	-

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Achievement 2020/21	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Projects implemented from the ICT Strategy	Percentage of projects implemented from the ICT Strategy	N/A	Implemented 40% of ICT projects from the ICT Strategy.	30% of ICT projects implemented from the ICT Strategy	Not achieved  Implemented 16% of ICT projects from the ICT Strategy.	Negative variance of 14% from the planned target.	Q1: The delivery of the laptops by the service provider was delayed due to unavailability of Stock in South Africa. Q2: Time taken for Cloud migration SLA to be completed. Q3: Difficulty tracing the service provider who implemented the database system. Q4: Unavailability of funds due to the suspension regulation issued by National Treasury.
	Procurement spend on youth, women and people with disability	Percentage of procurement spend on youth, women and people with disability	N/A	Awarded 41% of procurement transactions to youth, women and people with disability.	40% of all procurement transactions awarded to youth, women and people with disability	Achieved  Awarded 44% of procurement transactions to youth, women and people with disability.	Target exceeded by 4%.	More participants that relate to women and youth participated in the procurement of goods and services.
	Irregular expenditure reduced	Percentage reduction of irregular expenditure	R14 569 611	Fruitless and wasteful expenditure reduced by 56%. Irregular expenditure increased by 1%.	60% reduction of existing irregular expenditure (based on previous years' audited baseline)	Not Achieved  Irregular expenditure increased R2 890 000 in 2021/2022.	Target Not achieved	Strengthening implementation of SCM policies.

## Linking performance with budgets

Programme/ activity/objective	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	74 459	67 359	7 100	62 478	65 014	2 320
<b>Total</b>	<b>74 459</b>	<b>67 359</b>	<b>7 100</b>	<b>62 478</b>	<b>65 014</b>	<b>2 320</b>

## Strategy to overcome areas of under performance

### Percentage invoices paid

The organisation intends to implement an automated document flow solution to register invoices received and track the approval process to an approved status. The system must indicate delays in approval and escalate documents in progress when not approved within the set timeframe. The timing of the implementation of this system is dependent on budget availability and is not planned for 2023.

### ICT Infrastructure

The entity experienced financial constraints in relation to the rollout of ICT Infrastructure. This was addressed by including ICT Infrastructure in the request for roll-over of funds submitted by Freedom Park in September 2021, with the approval to use the funds being received in November 2021. The freezing of procurement during the months preceding, during, and after the 31 March 2022 year-end, resulted in the failure to implement the ICT infrastructure projects, as the entity awaited approval to proceed with procurement. The entity has proactively started with the processes to refresh infrastructure items that are critical to the operations as soon as the procurement freeze was lifted, and it is anticipated that the new 2022 rollover of funds request will include the remaining ICT infrastructure items that have not yet been implemented.

### Fundraising

The entity is looking at restrengthening its fundraising activities, with the new Council emphasising the need to focus more on improvements in the number of visitors to the Park. In addition, several National Government initiatives, such as the proposed National Flag, will be leveraged to enable improvements in the number of international visitors to the Park, thus improving the entity's own revenue generation capacity. Essentially, this means that the Freedom Park's fundraising strategy is undergoing an overhaul to align it with the core strategic thrust of the new Council, whose resource mobilisation perspective is premised on a catalytic thriving entity that attracts interest from various stakeholders of the global society, evidenced through substantial numbers of visitors visiting the Park, thus creating revenue streams for the entity enhancing financial sustainability.



## 3.2 Programme 2: Business Development

### Purpose

The programme contributes to National priority 6: by executing core business programmes for the achievement of the key outcome of "Redress, Inclusivity and Access" and the realisation of the impact of "Social Cohesion".

### Institutional Outcome

Redress, Inclusivity and Access.

### Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Based on the strategic overview and mission of Freedom Park, the Heritage and Knowledge (H&K) Department challenges visitors to reflect upon our past, improve our present and build on our future as a united nation. This is achieved through a single and key outcome of 'redress, inclusivity and access'. The mandate of the entity which is 'honouring heroes and heroines of resistance and liberation heritage, those who contributed to humanity and victims of abuse colonial powers and apartheid', and the priority of Department of Sport, Arts and Culture (DSAC) priority number 6 of fostering Social cohesion and safe communities. The achievements of the H&K departmental Units i.e., Curatorship, Education and Research, contributed to the realisation its outcomes, outputs, output indicators and targets and institutions mandate and the DSAC priorities.

The H&K is providing the core business of the entity and provide content and shapes the interpretation and business ventures potential of entities and its heritage landscape. It implements various heritage laws and regulation and ensure compliance to the Cultural Institution Act and related Heritage polices.

The Curatorial Unit has achieved the following in the year under review: Five (5) temporary exhibition which focused on issues that enhance the storyline of //hapo's permanent exhibition were developed and mounted to teach the public about the value of history and memorialisation. About 212 verified and approved of heroes and heroines' names were inscribed in the Wall of Names. As part of backing up the story lines of our exhibited epochs in //hapo interpretive museum forty one (41) books were purchased and placed in the library. A total of 1 539 archival collection material of cultural materials in the repository of Pan African Archives were digitized. This process of digitization preserves and increase accessibility of heritage resource to the public. Part of the entity is the commemorate international solidarity offered to South Africa during the liberation struggle and to this effect a 'Day of Reflection' and remembrance of the Battle of Cuito Cuanavale which marked the watershed of Southern African democratic dispensation and resulted in the independence of Namibia was held on 23 March 2022. This event is symbolic of the entities intended inclusivity to inscribe and honour on the Wall of Names persons regardless of race, class and gender or creed. Information and record management in the library was successfully managed and control of loss of books and related documentation reported only 2 books missing. The Pan African Archives continue to be a repository of important records of resistance and liberation heritage. Publicity of temporary exhibition on Women and Resistance based on the Pass Laws and their impact on women in Barberton town. was reported in Pretoria News, giving marketing and relevance of the entity's role in the promoting women in history. Through H&K visual and audio tasks photographs of entities event was posted in the website and shared among staff on occasional bases. The repository of electronic photographs and audio material contribute to the collections of Pan African Archive.

The Education Unit whose Education and Storytelling policies and main determinants of its outputs has conducted the Time Travel programme John William Colenso, the first Bishop of Natal during the colonial era who, became a notorious theological and colonial figure due to his evangelisation mission in the then colonial Natal. His interaction with the AmaZulu and his critical approach in interpreting Anglican Church documents led to his excommunication. He is memorialized by a township Sobantu which was named after his nickname and Colenso roads amongst others after him. Through the project learners were provided with historical, theological and heritage knowledge about the past and they henceforth engage with the present such a why the name Sobantu and Colenso. The Heritage Education Event (held in March 2022) whose purpose is to celebrate our diversity, culture and community had a list of activities in which the learners engaged in these included dance, African food experience, themed fashion parade, art and craft exhibitions and workshops. The annual Ungasali international Storytelling festival took place in March 2022 as online prerecorded performances under the theme Surviving Challenging Times. About 22 Storytellers, from USA, Jamaica, Spain, Uganda,

Kenya, India, UK, and Sierra Leone participated. Storyteller also participated poetry presentation at book launch of Charlotte Maxeke in March 2022 and supported the Heritage Education Event through performances. Education material which supports teaching were published on hardcopy and online as part of enhancing, protect, promote and preserve Indigenous Knowledge Systems and emancipate the African Voices in the decolonisation process. The Education programme target Youth, Women and people with disabilities and redress historical impasse in previously disadvantaged communities. Through Heritage education and Storytelling, target groups are targeting the designated groups including women and youth.

Research Unit whose policy and operational guidelines covers Criteria for Names Collection and Verification, knowledge production and content research and development for exhibitions has completed 7 research papers on Mosamo, Totems, Land restitution: a perennial enigma in South Africa, Land dispossession and its effects on African, Mokgapo Leopard Skin (published as an interactive terminal article). Through its dialogue which remain one of the strategic nodal for engaging with individuals whose stories are worth recording held (Six) 6 dialogues: three (3) with linkosi zamaMpondo, Nkosazana Nikiwe Bam, General Mokoape and South Africa and Nigeria. The latter was on social cohesion in the light of civil violence that took off root in townships around Gauteng where foreign national was target of violent attacks. A total number of four (4) Interfaith strategic programme were conducted to foster reconciliation, social cohesion, nation building and tolerance of belief systems. A total number of 210 names were collected and subjected to the verification process through the Names Verification and Validation Committee and later inscribed on the Wall of Names. The records of interviews conducted are deposited to the Pan African Archive for future reference and posterity.

The interdependent project of completing the Gallery of Leaders (GOL) has recorded progress in the areas of Artefacts of 45 names recommended to be displayed, the film and sound recording of the presentation of the biography of leaders. Editorial work and content verification was also completed making the art collection, script writing, editing, and uploading into storage a positive progress towards the completion of the GOL.

Over and above the actual achievement the H&K contribute to the content of public presented speeches and papers that represent the entities at various outreach and events hosted internally. The H&K participate in national days and contributes performances and content to all related entities engagements with external stakeholders. The collection of names of those who were lost their lives fighting for freedom is inclusive of women and youth. The Wall of Names designated name-blocks for women (1956-7) anti-pass laws and youth (1976) inscribed.

Table 2.4.4.2

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Redress, Inclusivity and Access	Cultural resources digitised for effective public interface	Number of cultural resources digitised	480 materials digitized	830 photographs of events and activities were digitised	1 500 cultural resources digitised	Achieved 1 539 cultural resources digitised	Target exceeded by 39 digitised cultural resources	A service provider for digitisation was appointed; thus, the backlog and some more was completed in the fourth quarter.

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Cultural resources related to the 7 epochs of the exhibition acquired to emancipate the African Voice for access and collection knowledgebase	Number of cultural resources acquired	5 archival collections acquired	6 cultural resources acquired	5 cultural resources acquired	Achieved 7 cultural resources acquired	Target exceeded by 2 cultural resources	Q2: More cultural resources relevant to Freedom Park have been obtained during the Samora Machel visit to the Barberton Museum. Q4: The availability of many tributes to freedom fighters in the print media.
	Cultural resources processed according to heritage standards for access and collection knowledgebase	Number of cultural resources processed	938 materials processed	1 000 cultural resources processed	1 500 cultural resources processed	Achieved 1 500 cultural resources processed	-	-
	Books relevant to the //hapo storyline acquired for access and collection knowledgebase	Number of books acquired	60 books acquired	58 books donated to FP	100 books acquired	Not achieved 41 books acquired.	Difference of 59 books from the planned target	The remaining books have been delivered after 31 March 2022 because several books have been ordered by the supplier from international publishers.
	Honour the heroes and heroines of the struggles for freedom and humanity by way of inscribing their names on the Wall of Names	Number of names of heroes and heroines inscribed on the Wall of Names	200 names inscribed on the Wall of Names	74 names inscribed on the Wall of Names	200 names inscribed on the Wall of Names	Achieved 212 names inscribed on the Wall of Names	Target exceeded by 12 names	The names researched in 2020/21 could not be inscribed in time and was deferred to 2021/22 for inscription resulting in an overachievement at the end of the year.
	Temporary exhibitions developed / displayed in //hapo to enhance the permanent exhibition	Number of temporary exhibitions developed / displayed in //hapo	3 temporary exhibitions developed / displayed	2 temporary exhibitions displayed	4 temporary exhibitions displayed	Achieved 5 temporary exhibitions displayed	Target exceeded by 1 temporary exhibition	The Peter Magubane exhibition in Q2 was a request from DSAC during one of their events.

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Commemorate and reflect on the Resistance and Liberation Heritage (RLH)	Annual Day of Reflection on the Resistance and Liberation Heritage (RLH) conducted	N/A	1 Day of Reflection on RLH conducted on 23 March 2021 (Commemoration of the Battle of Cuito Cuanavale)	1 Day of Reflection on the Resistance and Liberation Heritage (RLH) conducted	Achieved A wreath laying ceremony on the Commemoration of the Battle of Cuito Cuanavale was held at Freedom Park on 23 March 2022.	-	-
	Commemorate on Heroes and Heroines (RLH)	Number of commemoration of heroes and heroines (RLH) programmes	N/A	1 commemoration programme held at Queenstown, Eastern Cape on 31 March 2021.	1 Commemoration of heroes and heroines (RLH) programme (Botswana / Gaborone SADF Raid)	Achieved 1 commemoration of heroes and heroines (RLH) programme on SADF raid in Gaborone, Botswana, was held on 28 September 2021 at Freedom Park.	-	-
	Support materials for education programmes published that decolonize history, heritage and spirituality and complement RLH history curriculum	Number of education programmes' support materials published	N/A	Support materials for 4 education programmes published on FP website.	Support material for 1 education programme published	Achieved 6 education materials published	Target exceeded by 5 education materials published.	Due to the National Disaster Act, the rate of school visits was extremely low. As a result, Education Officers focused on the development and publishing of educational materials on the FP website.
	Heritage education event conducted	Annual heritage education event conducted	N/A	N/A	1 heritage education event conducted	Achieved 2 heritage education events conducted	Target exceeded by 1 education event	Due to the National Disaster Act, the rate of school visits was extremely low. As a result, one more education event was conducted.

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Storytelling event conducted to promote, protect and preserve IKS	Annual storytelling event conducted	1 storytelling festival conducted	1 storytelling event was conducted virtually during March 2021	1 storytelling event conducted	Achieved  The Annual Ungasali International Storytelling Festival was conducted live in collaboration with the City of Tshwane, Pansalb and Unisa on YouTube and FP website from 22 to 26 March 2022	-	-
	Names of heroes and heroines across race, class, gender and age divisions verified and validated to be honoured on the Wall of Names and in the Gallery of Leaders	Number of names of heroes and heroines verified and validated by the Names Verification Committee (NVC)	125 names verified and validated	245 names verified and validated.	200 names verified and validated	Achieved  210 names verified and validated	Target exceeded by 10 names	Names from the aircraft crash in Mbuzi in 1986 were added.
	Research papers / articles completed that decolonize history, heritage and spirituality (RLH), and promote, protect and preserve IKS	Number of completed research papers / articles	5 research papers completed	6 research papers completed	6 research papers / articles completed	Achieved  7 research papers / articles completed	Target exceeded by 1 research paper	Addition of an article that focused on the Matola Raid commemoration that was held in Maputo on 14 January 2022 (i.e., Cry not the beloved nation).
	Seminars / conferences / public lectures conducted to emancipate the African voice and to advance a body of knowledge on Resistance and Liberation Heritage (RLH)	Number of seminars / conferences / public lectures conducted	2 seminars / conferences / public lectures conducted	1 Commemoration of Heroes and Heroines Executions conference was held in Queenstown on 31 March 2021	2 seminars / conferences / public lectures conducted	Achieved  1 Webinar and 1 Seminar conducted	-	-
	Dialogues (oral histories) conducted to emancipate the African voice	Number of dialogues conducted	6 dialogues conducted	4 dialogues conducted	6 dialogues conducted	Achieved  6 dialogues conducted	-	-

Programme 2: Business Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Interfaith and strategic programmes conducted to foster reconciliation, social cohesion, nation building and peace	Number of Interfaith and strategic programmes conducted	2 Interfaith programmes conducted	1 Interfaith programme conducted on 16 December 2020	4 Interfaith and strategic programmes conducted	Achieved 4 Interfaith programmes conducted	-	-

### Linking performance with budgets

Programme/activity/objective	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Business Development	22 445	21 820	625	21 907	19 775	2 000
<b>Total</b>	<b>22 445</b>	<b>19 775</b>	<b>463</b>	<b>23 008</b>	<b>19 126</b>	<b>3 882</b>

### Strategy to overcome areas of under performance

#### Acquisition of books

Acquisition and purchase of books has been difficult to achieve using existing the SCM in the past. This resulted into under performance in purchasing books from various book dealers and bookshops.

Management developed a Standard Operation Procedure to facilitate increase in purchases. The SOP was developed and presented to management committee and plans were shared with Council and later approved. The reviewed SCM policy make provision for acquisition of books through an alternative method and have increase the acquisition of books for the library.

### 3.3 Programme 3: Public Engagement

#### Purpose

The programme contributes to National priority 6: "Social Cohesion" by communicating, marketing, reaching out and building relations to increase demand and consumption of Freedom Park products and services.

#### Institutional Outcome

Increased demand and consumption of product and services.

#### Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Public Participation and Engagement ensured the increase in the number of visitors and tourists to Freedom Park. Cumulative number of 15 680 was registered despite the restriction that was imposed during Covid-19. Public awareness conducted through signature event included Dulcie September Public Lecture and Ubuntu Festival. Positioning and Profiling Freedom Park as a Historical and Heritage destination broadcasted two (2) documentaries of 39 min produced and flight on Channel Africa. Civic education on TV and Radio also featured the CEO; whilst advertisement was posted on Newlocks for Heritage Day. Positioning activities were done for Matola Raid Commemoration on 14 February 2022 with both SABC news and Mozambican (Mos) TV, The Battle of Cuito Cuanavalle, SABC 404, Dulcie September Public Lecture – SABC news, Good Hope FM, Lotus FM. Freedom Park was further positioned as a leading architectural building in SA by BBC. Hola Magazine (90,000 print run, ShowMe Pretoria an inline portal to encourage tourist featured Freedom Park as an iconic heritage site.

Filming of DSTV Drama Republic used our facilities for shooting and Momentum Photography made photo-shoots on our landscape which resulted in revenue for Freedom Park. Veterans Voice Radio, an on-line broadcast continues to share our content and activities to an audience of over 12 000 daily. In the main, publicity was done through Sky News, BBC, Channel Africa, SABC TV stations, Radio 702 and Radio 2000 amongst many.

Partnership at all national levels was achieved through events taking place in National Days including Human Rights, Freedom, Heritage, Youth, Reconciliation and Women's Day. These events build nationhood and contribute towards the objectives of DSAC including Nation Building and Social Cohesion.

Public engagement secured sponsorship from Tefla and PEAR which was used to bring learners from Modiri, Albert Luthuli and Walter Sisulu schools to visit Freedom Park. Agreements with Nzalo Careers and National Tourism Career Expo has proven to increased appetite of visitors to our destination.

Visitor numbers in the first to third quarter was affected by restrictions attributed by covid19 regulations. The online visit provided the clients access to our facilities. The engagement with MDs Travel and Tourism Transfer saw an opportunity for Freedom Park as a destination of historical value. Our Brand Visibility has increased on social media and Billboards at Sandton and ACSA OR Tambo International Airport. Social Media including Facebook, twitter increased feeds in show of interest is also on Instagram. Media monitoring provide key and reliable barometer on how public perceive Freedom Park. Key coverage was driven by national thematic areas of Nation Building and Social Cohesion, Liberation Struggle History which interested our readers.

Collaborations and partnerships activities were done with the Gauteng Tourism Agency, Royal House of Haramanuba for the History month and Embassy of Iran, EMS productions, the Embassy of Nigeria, and Charlotte Mannya-Maxeke Institute. Three MoUs were signed with EMS productions for the collaboration on Dulcie September Lecture, Department of Tourism for heritage and tourism promotions, Ditsong Museum for collaborations on heritage matters. Heritage tourism suffered from lockdown the world over and its future will return once normality is restored in future.

Table 2.4.4.2

Programme 3: Public Engagement								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Increased demand and consumption of product and services	Public awareness conducted through signature events	Number of visitors visiting the Freedom Park	47 312 guests and visitors registered	Registered 4 513 visitors	Register 60 000 visitors	Not achieved 15 680 visitors registered	Difference of 44 320 visitors from the planned target	Covid-19 lockdowns and closure of the Park due to Level 1 lockdown. No school excursions since Covid-19 outbreak.
	Positioning and Profiling Freedom Park as a Historical and Heritage destination conducted.	Number of positioning and profiling activities conducted	9 public relations and marketing programmes	Conducted 4 positioning and profiling activities.	4 positioning and profiling activities conducted	Achieved 12 positioning and profiling activities conducted	Target exceeded by 8 positioning and profiling activities	Profiling activities outside the planned and budgeted programmes in Q3 and Q4. The cost for exceeded activities were covered by DSAC and the Heritage and Knowledge budget.
	Partnerships with local, continental and international stakeholders	Signed MOUs/ agreements and activated programmes	5 outreach programmes conducted	Signed and activated 5 MOUs.	4 MOUs signed and activated	Achieved 5 MOUs signed and activated	Target exceeded by 1 MOU signed and activated	Freedom Park cannot reject any request for collaborations outside those planned. In their nature, collaborations are mutually beneficial and therefore Freedom Park did not incur cost outside the budget.

### Linking performance with budgets

Programme/ activity/objective	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public Engagement	15 910	16 075	165	15 883	13 245	2 638
<b>Total</b>	<b>15 910</b>	<b>16 075</b>	<b>165</b>	<b>15 883</b>	<b>13 245</b>	<b>2 638</b>



## Strategy to overcome areas of under performance

### Visitor numbers

Increase activation through entertainment shows and partnerships. The feet traffic will increase also after the lifting of travel restriction that were imposed largely through 2021/22.

Marketing plans not limited to the use of social media, brand awareness through Billboards is used to attract visitors. Our on-line tours increase that sharing and distribution on social media to increase the reach. Activation with partners will bring more feet to our destination and increase revenue and product offering will be made available through special tours from tour operator targeting schools. Advertising in broad-based tourism market reach is encouraged wherein new visitors exposed to our heritage destination.

Outreach program working with partners will sell our products at various tourism expo. In preparation for the advent on relaxed Disaster Management and Regulation which restricts movement of persons, our partnership through Event Management will target groups and waive venue to leverage on revenue through other products offering such as catering and hired amenities. Public relation will invite broadcast media to on-site broadcast thereby providing opportunity for marketing our destination as heritage site of choice.

## Reporting on the Institutional Response to the COVID-19 Pandemic

### Response to Covid-19

- The process of screening the temperature and signing of the Covid-19 self-declaration form continued with no incidents of non-compliance reported.
- The sanitizers were distributed and placed in strategic areas around the park.
- The decontamination of the park was done monthly and as and when required in cases of positive cases reported. Daily cleaning and disinfecting were done around the park.
- Cloth masks were distributed to Freedom Park staff.
- Monthly meetings were held with OHS and Covid-19 steering committees for monitoring and enforcement of compliance with the Regulations.
- Social distance floor markings were placed guided by the visitors' flow for both the office reception and all other entrances.
- Screens to divide Frontline Officers, Library and Receptionist with visitors were also purchased and installed.
- Eight Covid-19 cases were reported during the 2021/22 financial year.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Programme/ Sub Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
	Monitoring and enforcement of compliance with the Regulations by the Covid-19 Compliance Officer and the Steering Committee	Gauteng	91	N/A	NIL	NIL	N/A	
	Implementation of the work employee schedule in line with the Work from Home Policy	Gauteng	91	N/A	NIL	NIL	N/A	
	Response to Covid- 19 (Procurement of PPE, sanitizers and Decontamination of the Park	Gauteng	91	N/A	800	751	N/A	

### Linking performance with budgets

Programme/activity/objective	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Covid costs	800	751	49	1 200	1 067	133
<b>Total</b>	<b>800</b>	<b>751</b>	<b>49</b>	<b>1 200</b>	<b>1 067</b>	<b>133</b>

The organisation has complied with the Disaster Management Act and all related regulations successfully. All protocols were implemented, and less infection was experienced. The organisation used the its conditional grant and ensured that overseas travels were assisted with PCR's in the case of not vaccinated

## 4. REVENUE COLLECTION

Sources of revenue	2021/2022			2020/2021		
	Estimate	Actual	(Over)/Under Collection	Estimate	Actual	(Over)/Under Collection
	R'000	Amount Collected R'000		R'000	Amount Collected R'000	
CAPITAL WORKS GRANT	11 320	9 632	1 688	3 851	407	3 444
OPERATING GRANT	96 312		-	94 700	92 753	1 947
CONDITIONAL GRANT SAMORA MACHEL AND MATOLA		1 206	- 1 206	-	-	-
ADMISSION FEES	1 535	344	1 191	369	129	239
FUNDRAISING INCOME	2 497	26	2 472	899	200	699
VENUE HIRE	977	268	709	230	5	225
TENDER AND OTHER INCOME	23	180	-157	23	96	-74
PROFIT ON DISPOSAL OF FIXED ASSETS	-	48	-48	-	-	-
TURNOVER RENT	129	169	-40	31	48	-17
INTEREST RECEIVED	1 500		-1 413	1 200	2 051	-851
Total	294	111 097	3 197	101 303	95 284	6 019
<b>TRANSFER FROM DEFERRED INCOME</b>	<b>23 060</b>	<b>6 832</b>	<b>16 228</b>	<b>3 200</b>	<b>1 939</b>	<b>- 1 261</b>

The Capital Works Infrastructure Grant is recognised as revenue in line with related spending. The under collection in the Capital Works Infrastructure Grant is attributable to an underspending on capital works infrastructure projects.

It should be noted that the Conditional Grant for the integration of the Samora Machel and Matola museums were received after the budget for the year was set.

Internally generated income in the form of admission fees and venue hire revenue continued to be adversely affected by the Covid – 19 pandemic, with the Park being closed for several months during the year and the number of participants at events being restricted throughout the year. The low visitor numbers also had an impact on turnover based rent income received from the gift shop and restaurant.

The profit on disposal of assets are driven by insurance payments for fully depreciated computer equipment and a burst geyser, offset by the derecognition of obsolete golf carts.

Other income mainly consists of non-recurring revenue such as the settlement received from an employee pertaining to a disciplinary matter and the recognition of a customer receipt previously treated third party revenue due for events services. Recurring revenue of R21 100 was generated from the sale of the Freedom Park book and for filming. Tenders are no longer generating revenue as all tenders are advertised online.

Additional interest of R1.4m was generated due to higher than anticipated cash levels coming from the slower than anticipated rollout of the capital projects.

## 5. CAPITAL INVESTMENT

Infrastructure projects	2021/2022			2020/2021		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
		Expenditure	Expenditure		Expenditure	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
CAPITAL WORKS AND FACILITIES MANAGEMENT	14 147	11 125	3 022	1 500	407	1 093
REPAIRS TO PATHWAYS	1 800	-	1 800	1 800	-	1 800
STANDBY GENERATOR AND EXTERNAL ELECTRICAL INFRASTRUCTURE	5 450	764	4 686	5 450	-	5 450
GALLERY OF LEADERS	21 094	2 771	18 323	7 000	1 135	5 865
IMMEDIATE REPAIRS	1 627	1 627	-	3 200	1 573	1 627
RE-GRAVELLING OF PERIMETER FENCE	750	633	117	750	-	750
REPLACEMENT OF THE HEAT VENTILATION AND AIR CONDITIONING SYSTEM IN THE ADMINISTRATION BUILDING (HVAC)	11 072	-	11 072	2 070	-	2 070
CCTV CAMERAS	747	308	439		243	-243
<b>TOTAL</b>	<b>30 764</b>	<b>16 463</b>	<b>14 300</b>	<b>21 770</b>	<b>3 359</b>	<b>18 411</b>

### Capital Works infrastructure projects

The entity received an approval from Department of Sport, Arts and Culture (DSAC) in November 2019, to utilise its deferred infrastructure funds for the capital works infrastructure and repairs/maintenance projects listed in the table above. Furthermore, in the 2021/22 financial year additional funds were approved for the replacement of the heat ventilation and air conditioning (HVAC) system in the administration building, also from the deferred infrastructure funds and DSAC allocated and transferred additional funding for the Gallery of Leaders' project.

The following table reflects progress made on the Capital Works infrastructure projects:

Project No.	Project Name	Progress report
Project 1	Appointment of a service provider for upgrading of boundary gravel road.	Project is completed, contractor is busy with the snag list.
Project 2	Standby Generator and external Electrical Infrastructure upgrade	Project progress is at 70% for the upgrading of the external electrical infrastructure section of the project, however there was a delay on the installation of the new 500kva generator. Project estimated completion date is 31 August 2022.
Project 3	Replacement of the heat ventilation and air conditioning system in the administration building.	The mechanical engineer consultant was appointed for the planning, design, construction monitoring and close-out phase, for supply and installation of the heat ventilation and air conditioning (HAVC) system. The project estimated completion date is 30 April 2022.
Project 4	Gallery of leaders	From the five scopes of work of the Gallery of Leaders' project, progress is as follows: Artworks progress is at 85%, scriptwriting progress is at 70%, film and sound progress is at 80%. For the audio visual, electrical and lighting and shop fit scopes of work, consulting engineers have been appointed for the planning, design, construction monitoring and close-out phases. Project estimated completion date is 30 June 2023.
Project 5	Repairs and maintenance of the CCTV cameras	Repairs part of the project was completed including the 12 months maintenance contract ended 31 August 2021.

## Repairs and Maintenance projects

The entity received approval from DSAC in November 2019 to utilise its deferred infrastructure funds for immediate infrastructure replacements, repairs, and maintenance projects as per the condition assessment conducted in the 2019/20 financial year. Reactive repairs and maintenance projects were implemented with the funds in the 2020/21 financial year. Most of these projects are being implemented as a stop gap measure to reduce the maintenance backlog in the park. The entity further received an additional allocation from DSAC in March 2020 for the Facilities Management contract and an additional allocation in the 2021/22 financial year to continue with the repairs, and maintenance projects as per the 5-year maintenance plan.

The repairs and maintenance projects in the 2021/22 financial year were implemented in line with the 5-year maintenance plan that was extracted from the condition assessment report that was done in the 2019/20 financial year.

The following repairs and maintenance projects were undertaken in the 2021/22 financial year in line with year 1 of the maintenance plan.

Project Name	Project progress
Repairs to structural wall at Tiva	Project completed; 6 months retention period has started.
Repairs to landscape structural walls admin building	Project completed; 6 months retention period has started.
Cleaning of windows, deep cleaning of carpets, office chairs, blinds, and curtains around the park	Project completed.
Repair and maintenance of the restaurant kitchen equipment at Freedom Park	Project completed; 6 months retention period has started.
Condition assessment of the Samora Machel Monument	Project completed.
The assessment repair, supply, integrate and commission the biometrics system	Project completed; 6 months retention period has started.
The repairs and maintenance of generators	Project completed
Roof leaks repairs and waterproofing services to buildings around Freedom Park	Project completed
Appointment of service provider to do once off electrical repairs within the Park	Project completed
Plumbing around the Park	Project completed; 6 months retention period has started.
The repairs and maintenance to the air conditioning refrigerator and cold storage rooms	Project completed; 6 months retention period has started.
Repair, refurbishment, and the Maintenance of wooden floors and doors – Sanctuary, Gallery of Leaders and Moshate and the wooden canopies	Project completed; retention period has started.
Repairs to air conditioning, refrigerator, and cold storage room	Project completed; 6 months retention period has started.
The repairs of the upper part of the Isivivane water feature in Freedom Park	Project completed.
Maintenance and repairs to pumps and valves around Freedom Park for a period of 3 years	The project implementation is underway. Project progress is at 75% for repairs.
Repairs, upgrade and maintenance of the eternal flame gas control system at sanctuary in Freedom Park	The repairs and upgrades scope of work in the project is completed, the maintenance process for a period of 24 months has already commenced.
Painting of the admin building	Project completed; 6 months retention period has started.
Waterproofing of restaurant and museum building	The project implementation is underway. Project progress is at 30%.
Repairs to the Isivivane water feature	Project completed; 6 months retention period has started.

## Immovable and movable asset management

The entity's current fleet that includes 2 sedans, a single cab bakkie, a kombi and 5 golf carts have reached their lifespan, as stated in the entity Fleet Management policy and the useful life of 5-7 years as stated in the entity's fixed assets policy. The fleet needs to be replacement as it is becoming costly to repair and maintain them in their current condition. The process for disposal and replacement of the entire fleet commenced in the 2021 financial year.

There have not been any major changes to the entity's immovable assets, except for improvements made through planned capital works infrastructure and repairs and maintenance projects.

Asset	Condition
Immovable assets	
Intangible assets (ICT)	Fair
movable assets	
Tangible	75% in a fair condition, 25% in a poor condition and in progress for disposal.
Artificial work	Fair, the process of acquiring suitable storage is underway.
Heritage assets	
Heritage assets	Fair



## **PART C:** **GOVERNANCE**

## 1. INTRODUCTION

Corporate governance in terms of King IV, is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of ethical culture, good performance, effective control and legitimacy. Corporate governance endeavors to assist the entity, in line with addition to legislative requirements based on and the public entity's enabling legislation and corporate governance in respect to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run-in tandem with the principles contained in the King IV Report on Corporate Governance.

The Department of Sport, Arts & Culture, the executive, and the accounting authority of the public entity are responsible for corporate governance. Council provides effective leadership based on a principled foundation, and the entity subscribes to high ethical standards. Responsible leadership, characterized by the values of responsibility, accountability, fairness and transparency are the entities' defining characteristic. The Council members have a collective responsibility to provide effective corporate governance that involves relationships between the Freedom Park, the Department of Sport, Arts and Culture and other relevant stakeholders. Corporate governance is an essential element of Freedom Park, like all other organisation. It ensures that assurance is provided to stakeholders and that the organisation is well managed, ethical and functioning with integrity and accountability.

Council is the governing body and the structure that has the primary accountability for the organization's governance and performance. Council, as the accounting authority, provides leadership, oversight, and accountability. In this regard, Council established governance structures at supporting levels with clearly approved mandates. Delegated powers are delegated to the Committees of the Council and the Chief Executive Officer. Council is the highest decision-making body of the organization and provides strategic leadership and oversight over the organization and ensures that there is accountability for organizational performance. The governing body steers the organization and sets its strategic direction based on which management develops a strategy that is approved by the governing body.

Executive management implements and executes strategy according with policy and plans which are overseen and supervised by the governing body. Executive management formulates policies and operational procedures that give effect to the organization's strategy. All the organizational policies are approved by the Council as the governing body. Council ensures that it complies with good corporate governance through prescripts of the enabling and facilitating legislations. The main drivers are the Cultural Institutions Act, the Public Finance Management Act and the principles contained in the King's Report IV on Corporate Governance.

## 2. EXECUTIVE AUTHORITY

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

Date	Report
01 April 2021	Start of financial year 2021/22
29 April 2021	Submit final Quarterly Report to Department for 2021/22 financial year
31 May 2021	Submit list of all banking accounts to Treasury via DSAC
31 May 20221	Submit Annual Report performance measurement details to Auditor-General.
31 May 2021	Submit signed unaudited financial statements for 2021/22 and management reports to Treasury and Auditor-General/External auditor
31 May 2021	Submit unaudited AFS to Treasury and DSAC
15 July 2021	First Quarterly Report on the procurement plan 2022/23
10 August 2021	Submit audited signed Treasury AFS Template to Treasury
10 August 2021	Submit the audited AFS and audit report to DSAC
29 July 2021	1st quarter Report National Treasury to Treasury for the 2021/22 financial year



Date	Report
29 July 2021	1st quarter Report to DSAC for 2021/22 financial year: DSAC TEMPLATE
29 July 2021	Submit mock-up Annual Report to DSAC
30 August 2021	Submit Printed/PDF Annual Reports 2020/21 Annual Report to DSAC
14 October 2021	2nd Quarterly Report on the procurement plan for 2021/22
29 October 2021	2nd Quarterly Report to Department for 2021/22 and the Audit implementation plan
29 October 2021	2nd National Treasury Quarterly Report
30 October 2021	Submit the Annual Performance Plan Draft for 2022/23
30 November 2021	Submit the 2021/22 Irregular Expenditure condonations applications
13 January 2022	3rd quarterly Report on the procurement plan for 2021/22
30 January 2022	3rd quarterly Report National Treasury to Department for 2021/22
30 January 2022	3rd quarterly Report to Department for 2021/22 financial year and the Audit implementation Plans
30 January 2022	3rd quarter report: DSAC Template
30 January 2022	3rd quarter report: Treasury
15 February 2022	1st Draft Shareholder's Compact 2022/23
15 February 2022	Submit final Approved PDF Annual Performance Plan to Dept for 2022/23
15 February 2022	Submit Procurement Plans to Treasury for 2022/2023
04 March 2022	Tabling of the 2022/23 APPs
15 March 2022	Final 2 printed Shareholders Compact 2022/22
31 March 2022	Financial Year End 2021/22

### 3. THE ACCOUNTING AUTHORITY/ COUNCIL

#### Introduction

The Council of Freedom Park represent the Corporation's system of corporate governance and it is ultimately accountable and responsible for the performance and affairs of the entity. Good corporate governance is regarded as critical to the success of the business of the entity. The Council is unreservedly committed to applying the fundamental principles of good governance – transparency, integrity, accountability, and responsibility – in all dealings by, in respect and on behalf of the entity. The Council embraces the principles of good governance as set out in the King Code of Governance for South Africa and the King Code of Governance Principles (known collectively as "King IV") and seeks to comply with the Public Finance Management Act (PFMA), Act No 1 of 1999, and the National Treasury Regulations, as amended.

The current Council assumed office on 01<sup>st</sup> September 2021 and comprises of eleven members who were appointed by the Minister of Sport, Arts & Culture. The Council reports to the Executive Authority on performance in relation to its mandate and targets agreed upon with the Executive Authority in the Shareholders Compact.

In addition, all reports submitted to the legislature and other stakeholders are submitted through the executive authority (shareholder).

## Council Charter

The Council Charter defines the governance parameters within which the council exists, sets out specific responsibilities to be discharged by the council collectively, as well as certain roles and responsibilities incumbent upon members as individuals. The Council Charter further serves to ensure that all Council members, the employees of the entity and other stakeholders are aware of the duties and responsibilities of the Council as well as the basis upon which it interacts with management to give effect to its obligations.

## Council Composition

The Council is appointed by the executive authority and shall comprise of a maximum number of 12 non-executive members. In determining the optimum composition of the Council, the executive authority sought to ensure that it collectively contains the appropriate skills, experience and mix of personalities appropriate to the strategic direction of Freedom Park and necessary to secure its sound performance.

The Council is led by an independent non-executive Chairperson who, inter alia, presides over meetings of the Council and is responsible for ensuring the integrity and effectiveness of the Council governance process. The role of the charter is critical to good governance as defined in the Council Charter. The Chief Executive Officer (CEO), and the Chief Financial Officer (CFO), Head of Department: Heritage & Knowledge (DH:HK) and Head of Department: Public Participation (HD: PP) are invitees in all the Council meetings.

Irrespective of a member's special expertise or knowledge, all members of the Council recognize that they are collectively responsible to the executive authority for the performance of the entity. The Council Charter sets out the broad governance principles and parameters within which the Council operates, and it constitutes an integral part of setting out the composition and meeting procedures for the Council. The Council supports the concept of materiality, which emphasizes integrated reporting based on issues, risks and opportunities that could materially impact the performance of the Corporation over the short, medium and long term.

## The Role of Council

Council acknowledges that it is the accounting authority and ultimately responsible for the internal and financial controls established by the entity, and places considerable importance on maintaining a strong, controlled environment. The CEO is responsible for the day-to-day management and administration and the entire staff, assisted by executive management. The CEO reports to Council and is responsible for implementing the entity's policy and the organizational strategy as directed by Council. Council is responsible for building a sustainable entity that recognizes the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, Council is sensitive to the legitimate interests and expectations of the entity's stakeholders. Council meets regularly, at least quarterly, to discharge all its fiduciary duties and responsibilities and retains complete control over Freedom Park. The Council Charter sets out Council's roles and responsibilities as well as the requirements for its composition and meeting procedures. In this regard, Council ensures that it complies with its fiduciary duties as required by the Public Finance Management Act.

As required, Council acts with fidelity, honesty, integrity and in the best interests of Freedom Park in managing the financial affairs of Freedom Park. Council also discloses, on request from the Department of Sport, Arts and Culture all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Department.

## Composition of Council and Council meetings attended

Member	10 Apr 2021	29 Apr 2021	27 May 2021	11 June 2021	30 June 2021	29 July 2021	23 Aug 2021	27 Aug 2021	30 Aug 2021	6 Oct 2021	7 Oct 2021	28 Oct 2021	27 Jan 2022	24 March 2022
Mr MCR Makopo Chairperson	√	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Dr MR Raphalalani	√	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Kgosi EM Mabalane	X	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Ms F Mohammed	√	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Ms W Jabosigo	√	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Mr M Mpanza	√	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Mr R Nyandeni	√	√	X	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Ms L Robinson	√	√	√	√	√	√	√	√	√	n/a	n/a	n/a	n/a	n/a
Mr M Tsedu	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ms HCM Mgabadelo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Adv N Bleki	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Mr E Daniels	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	X	X
Ms MMS Mothapo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Ms MG Rrambwa	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Prof S Cooper	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Ms Z Hlatswayo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Mr BWJ Langa	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Mr M Musi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√
Ms PC Nxumalo	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	√	√	√	√	√

Council member term came to an end on 31 August 2021.

New Council was appointed and started their tenure on 1 September 2021.

Committee number of members – Members with tenure ending on 31 August 2021

Committee	No of Meetings held	No of members	Name of members
Audit and Risk Committee	4	3 Council Members	Ms F Mohamed Mr M Mpanza Mr M Tsedu
Core Business Committee	2	3 Council Members	Dr MR Raphalalani Mr R Nyandeni Ms L Robinson
Chairpersons Committee	0	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	2	3 Council Members	Ms W Jabosigo Kgosi EM Mabalane Ms F Mohamed
Finance and Fundraising Committee	3	3 Council Members	Mr M Mpanza Mr R Nyandeni Ms L Robinson
HR & Remuneration Committee	3	4 Council Members	Kgosi EM Mabalane Dr MR Raphalalani Ms W Jabosigo Mr M Tsedu

Committee number of members – Members with tenure starting on 1 September 2022

Committee	No of Meetings held	No of members	Name of members
Audit and Risk Committee	5	5 Council Members	Mrs P Nxumalo Mr M Tsedu Ms M Mothapo Adv Bleki Mrs M Rrammbwa
Core Business Committee	2	5 Council Members	Dr B Langa Prof S Cooper Ms Z Hlatshwayo Mr M Musi Mrs M Rrammbwa
Ethics and Legal Committee	2	3 Council Members	Adv N Bleki Mr E Daniels Dr B Langa
Finance and Fundraising Committee	1	3 Council Members	Ms M Mothapo Mr E Daniels Mr M Musi
HR & Remuneration Committee	3	3 Council Members	Mr M Tsedu Prof S Cooper Mrs M Rrammbwa

### Honoraria 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:

## Honoraria Paid to Council from 1 April 2021 to 31 March 2022

Member	Fees for services as a member of Council	Committees	Adhoc meetings**	TOTAL
Ms W Jabosigo	31 359	17 420	10 452	59 231
Mr KEM Mabalane	30 452	11 802	15 336	57 590
Mr MCR Makopo	37 962	-	12 654	50 616
Ms F Mohamed	31 356	20 904	-	52 260
Mr M Mpanza	27 872	17 420	-	45 292
Mr R Nyandeni	26 130	43 550	-	69 680
Dr M Raphalalani	31 440	17 420	5 226	54 086
Ms L Robinson	31 356	17 420	-	48 776
Mr M Tsedu	48 776	54 002	33 098	135 876
Mr. M Musi	15 678	6 968	8 710	31 356
Adv. NJ Bleki	15 678	24 388	3 484	43 550
Prof S Cooper	24 388	17 420	17 420	59 228
Mr. E Daniels	10 452	10 452	5 226	26 130
Mrs PC Nxumalo	17 420	13 936	3 484	34 840
Dr. BWJ Langa	22 646	13 936	6 968	43 550
Ms. HC Mgabadeli - Chair	29 526	-	16 782	46 308
Ms. MMS Mothapo	17 420	19 162	3 484	40 066
Mrs. MG Rammbwa	22 646	41 808	17 420	81 874
<b>Total</b>	<b>472 557</b>	<b>348 008</b>	<b>159 744</b>	<b>980 309</b>

\*\*Adhoc special request to attend events and other official activities

## 4. RISK MANAGEMENT

Enterprise Risk Management applies to risk management throughout Freedom Park rather than only in selected business areas or disciplines. Accordingly, risk management at Freedom Park is decentralized, with every department being responsible for risk management. Freedom Park instituted a robust Enterprise Risk Management process, founded on an organizationally embedded framework that is, supported, 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 specifies guiding principles for the management of risk, comprises the totality of all the structures, policies, strategies and procedures that deal with risk management at a strategic or operational level. Risk is considered as one of the primary management responsibilities, and to this end Management holds Risk Management meetings to review and assess risks. 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 reports to Council as the highest decision-making body.

**Nature of risk management:**

The Institution uses a risk management program to facilitate the timely identification, measurement, analysis and evaluation of risks. Each department is required to update the risk management program quarterly, together with an up-to-date risk detailing, quantifying, prioritizing 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 entity has an approved risk management strategy in place which was effectively implemented during the year under review through the assistance of an outsourced internal Audit function on a consultancy basis.

In accordance with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, an appropriate risk assessment was fully conducted by management. Effective risk management is integral to the organization's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and efficiently monitoring risks.

The entity has developed a fraud prevention plan, which is currently being implemented and that is designed to eliminate fraud and corruption within the entity's core operations. The plan focuses mainly on prevention, detection and correction. In its pursuit for a fraud free environment, Freedom Park has furthermore complemented the plan in so far as detection of fraud and corruption is concerned by maintaining a reporting structure for fraud and corruption through the President's Hotline.

The hotline sets out the channels and mechanisms on which to report fraud and corruption without fear of reprisals and guarantees protection to all stakeholders raising genuine concerns regarding fraud and corruption; During the period under review there was no reported case of fraud or corruption.

All cases reported are investigated and where wrongdoing is found to have occurred, consequence management is taken. The fraud prevention and risk management policies adopted by FP are aimed at obtaining sufficient cover to protect its asset base, earning capacity and legal obligations against possible losses.

**The Efficiency and Effectiveness of Internal Control**

To meet its responsibility of providing reliable financial and other information, FP maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority and that the assets are adequately protected against material loss or unauthorized acquisition, use or disposition, and the transactions are properly authorized and recorded.

The Committee has considered the work performed by an outsourced Internal Audit function who are guided by an internal Audit plan approved by the Audit & Risk Committee.

The auditors adopt a risk-based audit approach to ensure that the process adds value to the organization. The Internal auditors monitor the operation of the internal control system and report findings and recommendations to the Executive Management and Audit and Risk Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Committee notes that there has been improvement in internal controls in the areas of financial statements, performance reporting and compliance with legislation.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statements preparation and the safeguarding of assets.

## In-year Management and Monthly/Quarterly Report

Freedom Park has reported monthly, quarterly to the Audit Committee, Council, Department of Sport, Arts & Culture.

We reviewed the quarterly financial and performance of the 2021/22 Financial Year prior to submission to the Council and Provincial Treasury.

During the year under review the Committee constantly raised concerns about the financial health of the Park, of which needs to be improved.

## Review and Evaluation of Financial Statements and Performance Information

The Audit and Risk Committee has:

- Afforded time to review the annual financial statements with management and Auditor-General
- Reviewed and discussed the audited annual financial statements
- Reviewed the annual performance report in line with Annual Performance plan and Annual operational plan

These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and in the manner required by the PFMA. The Committee recommended the audited annual financial statements for approval by Council

## Compliance with Legal and Regulatory Provisions

The Audit Committee has over the past years deliberated on the entity's non-compliance to legal and regulatory provisions, drawing the attention of management and the Council to irregular expenditure that Freedom Park continues to incur but which however showcased a substantial decrease in the year under review.

The Internal Auditors continue placing emphasis in these areas and they should be specific in the areas of non-compliance to assist management to correct this.

## 6. INTERNAL AUDIT AND AUDIT & RISK COMMITTEE

### Attendance of Audit and Risk Committee Meetings from 1 April 2021 to 31 August 2021

Member	20 Apr 2021	20 May 2021	20 Jul 2021	13 Aug 2021
Ms F Mohamed	√	√	√	√
Mr M Mpanza	X	√	√	√
Mr M Tsedu	√	√	√	√
Mr R Nyandeni	√	√	√	√

**Attendance of Audit and Risk Committee Meetings from 1 September 2021 to 31 March 2022**

Member	19 Oct 2021	21 Jan 2021	28 Feb 2022	29 Mar 2022
Mrs PC Nxumalo	√	√	√	√
Mr M Tsedu	√	√	√	√
Ms MMS Mothapo	√	√	√	√
Mrs MG Rammbwa	√	√	√	√
Adv N Bleki	X	X	√	√

**The Efficiency and Effectiveness of Internal Control**

To meet its responsibility of providing reliable financial and other information, FP maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority and that the assets are adequately protected against material loss or unauthorised acquisition, use or disposition, and the transactions are properly authorised and recorded.

The Committee has considered the work performed by an outsourced Internal Audit function who are guided by an internal Audit plan approved by the Audit & Risk Committee.

The auditors adopt a risk-based audit approach to ensure that the process adds value to the organization. The Internal auditors monitors the operation of the internal control system and report findings and recommendations to the Executive Management and Audit and Risk Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Committee notes that there has been improvement in internal controls in the areas of financial statements, performance reporting and compliance with legislation.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statements preparation and the safeguarding of assets.

**7. COMPLIANCE WITH LAWS AND REGULATIONS**

The Audit Committee has over the past years deliberated on the entity's non-compliance to legal and regulatory provisions, drawing the attention of management and the Council to irregular expenditure that Freedom Park continues to incur, which showed a substantial increase in the year under review. Freedom Park strives to comply with all relevant laws; the entity has adopted a compliance tool with which to track compliance and management prepares a legal compliance status report for quarterly

Audit & Risk Committee and Council scrutiny.

The Internal Auditors continue placing emphasis in these areas and they should be specific in the areas of non-compliance to assist management to correct this.



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

## 9. CODE OF CONDUCT

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 protecting organisational assets and information and conflict 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 always comply with the following values in the execution of their tasks and official interactions:

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

## 10. 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 legislations. 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.

## 11. COMPANY SECRETARY

The Company Secretary is appointed by 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, administrative support and governance. 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 ethics, good governance, compliance, and legal matters 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 through training, advising, and providing guidance.
- To provide effective and efficient support to Council, management and staff by effective minute taking, co-ordination of statutory meetings and distributing 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 economic 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.

## 12. SOCIAL RESPONSIBILITY

Freedom Park sees social responsibility as a form of self-regulation of their corporate conscience and citizenship. The goal of 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 inter alia to Hermanstad, Calvinia and youth projects by developing social community awareness. This kind of collective activism is reached by social education and awareness goals.

## 13. AUDIT & RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

### Audit Committee Responsibility

The Audit & Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulations 27.1. The Audit & Risk Committee also report that it has adopted appropriate formal terms of reference as its Audit & Risk Committee Charter and has regulated its affairs in compliance with this charter and discharged all its responsibilities herein.

### The Effectiveness of the Internal Control

In-year Management and Monthly/Quarterly Report Freedom Park has reported monthly, quarterly to the Audit Committee, Council, Department of Sport, Arts & Culture.

### Evaluation of financial statements

We reviewed the quarterly financial and performance of the 2021/22 Financial Year prior to submission to the Council and Provincial Treasury. During the year under review the Committee constantly raised concerns about the financial health of the Park, of which needs to be improved. Review and Evaluation of Financial Statements and Performance Information

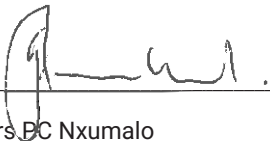
### The Audit and Risk Committee has:

- Afforded time to review the annual financial statements with management and Auditor-General
- Reviewed and discussed the audited annual financial statements
- Reviewed the annual performance report in line with Annual Performance plan and Annual operational plan

These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) and in the manner required by the PFMA. The Committee recommended the audited annual financial statements for approval by Council

### Appreciation

The Audit & Risk Committee expresses its appreciation to Council, Management, Internal Audit and AGSA for their support and co-operation during the year under review. The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Mrs. PC Nxumalo

Chairperson of the Audit Committee

31 August 2022

## 14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	Preferential Procurement is included the approved SCM policy
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	



**PART D:**  
HUMAN RESOURCES

## 1. INTRODUCTION

### 1.1 Overview of human resources

Human Resources (HR) plays a vital role in the achievement of an organization's overall strategic objectives and evidently demonstrates that the function fully understands and supports the direction in which the organization is moving.

In essence, HR make sure Freedom Park has the right people in place, with the right mix of skills; employees display the right attitudes and behaviours; and employees are developed in the right way.

During the reporting period, human resources oversight and control mechanisms have ensured enhanced compliance with Human Resources Policies, which are aligned to the relevant acts.

Freedom Park headcount for permanent employees has been stable for the past 5 years averaging at 90, with a staff turnover below 5% during this period. The headcount reflects permanent employees and excludes temporary and contract employees. There has been a drop in the senior management role.

### 1.2. Highlights

The new organizational Structure was approved during August 2021. Freedom Park appointed the service provider to embark on the process of Job Evaluation of all posts, alignment of the job profiles to the approved organizational structure amongst other responsibilities.

The following have been achieved:

- Approved Skills Audit document
- Approved submissions on training and development – short programme
- Performance agreements filed for the 2021/2022 financial year
- Workshops conducted to Senior Managers on the change management.

### COVID-19 outbreak

During 2021/22, Freedom Park developed COVID-19 working from home procedures; Provision of personal protective equipment such as gloves and masks (at least 3 cloth masks per employee); Increased access to hand sanitizers and temperature screening implemented at specific entrances and exits; Employees received information providing them with guidance, advice and answers to frequently asked questions relating to COVID-19 through wellness service provider ICAS; Employees received guidance on hand hygiene, social distancing, ways to maintain their health and what to do if they started experiencing any of the COVID-19 symptoms; and. All premises were disinfected and deep cleaned upon return to work.

### 1.3 Challenges

Freedom Park committed itself to establishing safety measures to prevent the transmission of the disease within the organization. This included the establishment of the COVID-19 Committee to oversee the efficient management of incidents to minimize the impact of the disease, to comply with government legislation, and to ensure the continued delivery of the mandate.

The challenge faced by the institution during this reporting period has been the impact of the lockdown in the implementation of initiatives that requires physical meetings or events such as Wellness Day and some training interventions. The working from home arrangement has had some team dynamic and cultural challenges.

Some of the challenges Freedom Park experienced was managing employee productivity within a changing environment; employee motivation and retention within the current economic conditions; Managing high cost of labour in a difficult financial situation; changing environment requires integrated talent management strategies.

#### 1.4 Employee wellness programmes

The regular employee wellness events could not be hosted during the reporting period due to COVID-19. Human resources, however made provision for employees who needed counselling to cope with the impact of the COVID-19 infections both at the workplace and in their families.

#### 1.5 Performance Management Framework

The Employee Performance Management Framework remained fully integrated and linked to the Freedom Park's strategic objectives, thus ensuring synergy between organisational and individual performance.

#### 1.6. Human resources priorities for 2021/22

HR priorities for the year under review included amongst others, rolling out culture enhancement initiatives plan, execution of the training plan for the year and conceptualisation of the organisational realignment project.

#### 1.7 Policy development

Several policies were reviewed during 2021/22 financial year. The following five policies were approved.

- Overtime policy
- Salary advance policy
- Acting appointment policy
- Service Awards policy
- Uniform policy

#### 1.8 Plans and goals

The following initiatives will be undertaken to create a platform for Freedom Park to achieve its strategic objectives:

**ORGANISATIONAL CULTURE AND DESIGN:** Realignment of dysfunctional aspects of workflow, procedures, structures and systems, to complement current business realities/goals. Develop plans to implement the new changes assessing the current organisational climate, developing feedback mechanisms for employees on the achievement of the desired culture. Design and deliver activities to embed the desired culture into the Freedom Park environment , the performance management and the structure.

**HIGH -PERFORMANCE CULTURE:** The future plan for the institution is to build a high-performance culture which is inculcated in all its workforce. Additionally, HR plans to further develop and consolidate processes that are user friendly. That will continuously enhance efficiency, transparency, and high-quality HR services. We will refine our HR Strategy to meet the need of everchanging and rapidly changing world of work.

**EMPLOYEE ENGAGEMENT:** Consulting and negotiating with employees and developing initiatives that will result in cost reduction, loyal and motivated employees.

**CHANGE MANAGEMENT:** Initiatives assisting individuals or teams to shift from a current state/situation to a desired state during the current unprecedented times of COVID-19 and technological adaptations, organisational realignment process, new world of work hours.

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

The following section presents statistics relevant to Freedom Park staff complement. The data and statistics include short-term contracts.

### 1.1 PERSONNEL RELATED EXPENDITURE

#### Personnel Cost by programme/ activity/ objective programme/ activity/ objective

Programme	Total Expenditure for the entity (R)	Personnel Expenditure (R)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R)
Administration	60 157 778	28 837 887	47%	50	577 478
Business Development		18 408 148	31%	23	800 354
Public Engagement		13 165 600	22%	18	731 422

#### Personnel cost by salary band

Level	Personnel Expenditure (R)	% of personnel exp. To total personnel cost (R)	No. of employees	Average personnel cost per employee (R)
Top Management	2 077 959	3%	1	2 077 959
Senior Management	5 533 413	9%	5	1 106 683
Professional qualified	28 793 368	47%	30	959 779
Skilled	13 942 440	23%	24	580 935
Semi-skilled	7 890 319	13%	22	358 651
Unskilled	2 210 138	4%	9	245 571
<b>TOTAL</b>	<b>60 157 778</b>	<b>100%</b>	<b>91</b>	

#### Performance Rewards

Programme	Performance Rewards	Personnel Expenditure (R)	% of performance rewards to total personnel cost (R)
Top Management	-	2 077 959	0%
Senior Management	-	5 533 413	0%
Professional qualified	-	28 793 368	0%
Skilled	-	13 942 440	0%
Semi-skilled	-	7 890 319	0%
Unskilled	-	2 210 138	0%
<b>TOTAL</b>	<b>-</b>	<b>60 157 778</b>	



### No performance bonuses were awarded for the Financial Year 2021/2022 Training Costs

Directorate/Business Unit	Personnel Expenditure (R' 000)	Training Expenditure(R' 000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee
Freedom Park – Human Resources	Nil	540 799,70		25	R21 632

### Employment and vacancies

Programme	2020/2021 Number of employees	2021/2022 Approved posts	2021/2022 Vacancies	% of vacancies
Top Management	1	1	0	0%
Senior Management	6	4	3	0,6%
Professionally qualified	30	30	0	0
Skilled	24	24	0	0
Semi-skilled	21	21	2	0,4%
Unskilled	11	11	0	0
<b>TOTAL</b>	<b>93</b>	<b>93</b>	<b>5</b>	

The position on Top Management was filled due to the contract that expired. Also on Senior Management Level in the Heritage & Knowledge a position was also filled. Employment changes The below provides information on changes in employment over the financial year under review

Salary band	Employment at the beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	6	3	2	7
Professionally qualified	30	0	1	29
Skilled	24	0	3	21
Semi-skilled	21	3	0	24
Unskilled	11	0	2	9
<b>TOTAL</b>	<b>93</b>	<b>6</b>	<b>8</b>	<b>91</b>

## Reasons for staff leaving

## Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	6	75%
Dismissal	0	0
Retirement	1	12.5%
Ill health	0	0
Expiry of contract	1	12.5%
Other	0	0
<b>TOTAL</b>	<b>8</b>	<b>100%</b>

Resignation which is highest followed by retirement constitute a turnover of 75%. Measure for replacement is done within 90 days. This includes immediate advertisement and acting appointment to mitigate against vacant positions.

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written Warning	2
Dismissal	0
Other	9
<b>TOTAL</b>	<b>12</b>

## Equity Target and Employment Equity Status

Employee Equity race and gender targets never agitate critical and needing immediate re-addressing in the institution due to the current race and gender complexion in the organization except the disabled equity category. The organization employee equity target that remains elusive is the absence of disabled staff in the organization. Interventions in this regard include outreach liaison with institutions that have data base of disabled skills profiles and contacting these in instances of recruitment.

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	2	0	0	0	0	0	0	0
Professional qualified	12	0	1	0	0	0	0	0
Skilled	8	0	0	0	1	0	0	0
Semi-skilled	8	0	1	0	0	0	0	0
Unskilled	5	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>35</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	13	0	0	0	1	0	3	0
Skilled	13	0	2	0	0	0	0	0
Semi-skilled	11	0	0	0	0	0	2	0
Unskilled	4	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>45</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>

At the end of the year under review, our staff establishment was as follows: (continued)

Levels	Disabled Staff			
	Male		Female	
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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



*Dulcie September*  
THE ARCHIVE SPEAKS

**PART E:**  
**FINANCIAL INFORMATION**



Address by Deputy Minister of International Relations, Mri Marius Fransman

"Haar jeug en volwasse lewe het gesprek van 'n gees van onselfsugligheid, opoffering, toewyding en beyewering vir stryd teen alle vorme van onderdrukking en diskriminasie. Haar ideaal tot die dag van haar dood was om 'n verenigde, nie-rassige en nie-seksistiese Suid-Afrika te bou."

Adjunk-minister van Internasionale Betrekkinge en Samewerking, Mri Marius Fransman

"Ubomi bakhe babuntambi nobobudala babubobomntu naxa selekhulle buphawuleka ngomoya wokubacingela abanye abantu, ukuzinikela njengedini, ukuzimisela nokuzinikela ekulweni zanke linfobo zengcinezelo nezocalu-calulo. Kude kube ngumhla wokulishiya kwakhe ell izwe ebengogungqi kwinkotelo yakhe yokwakha uMzantsi Afrika omanyeneyo, nongenacalu-calulo ngokabuhlanga nangokwesini."

Inteliso kaSekela-Mphahiswa kwezobudlelane baMazwe ngaMazwe neNtsebenziswano, uMumzamo uMarius Fransman

The Department of Cultural Affairs and Sport hereby wishes to acknowledge the contribution towards this exhibition of the following persons and institutions: Mr. Mphahlele and Mr. Mphahlele.

## 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 69 to 114 which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Freedom Park as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

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

#### Emphasis of matter

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

#### Restatement of corresponding figures

7. As disclosed in note 8 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2022.

#### Responsibilities of the accounting authority for the financial statements

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

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

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

## Report on the audit of the annual performance report

### Introduction and scope

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

Programmes	Pages in the annual performance report
Programme 2: business development	26 – 31

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

## Other matters

17. I draw attention to the matter below.

## Achievement of planned targets

18. Refer to the annual performance report on pages 22 to 34 for information on the achievement of planned targets for the year and management's explanations provided for the under-/over achievement of targets.

## Adjustment of material misstatements

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

## Report on the audit of compliance with legislation

### Introduction and scope

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

### Annual financial statements and Annual Performance Report

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) and (b) of the PFMA.
22. Material misstatements of heritage assets, commitments, related parties, irregular expenditure and statement of comparison of budget and actual amounts identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

### Consequence management

23. 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.
24. Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.

### Procurement and contract management

25. I was unable to obtain sufficient appropriate audit evidence that at least three written price quotations were obtained as required by treasury regulation 16A6.1, paragraph 3.3.1 of practice note 8 of 2007/08 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22 in a material number of instances
26. I was unable to obtain sufficient appropriate audit evidence that quotations were awarded to bidders that scored the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2017

### Expenditure management

27. Prepayments were made before goods/services were received, in contravention of treasury regulation 31.1.2(c).

### Other information

28. 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 and the company secretary's certificate, as required by the Companies Act 71 of 2008 (Companies Act). The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
30. 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.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

32. 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 basis for the qualified opinion and the findings on compliance with legislation included in this report.
33. Action plans to address deficiencies identified in the prior year were developed; however, they were not monitored and were not implemented timeously to avoid repeat findings.
34. Management did not implement adequate internal controls to ensure that financial statements and performance reporting are evidenced by reliable information. Furthermore, adequate internal controls were not implemented to monitor compliance with applicable regulations.



## Other reports

35. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
36. There are ongoing investigations by the Public Protector's Office into allegations of mismanagement of resources within the entity.

*Auditor-General*

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Pretoria

31 July 2022



## 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 programme 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 public entity’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
  - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the 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 an entity to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
  - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### Communication with those charged with governance

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

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Authority's Responsibilities and Approval

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The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999) (PFMA), 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 Accounting Authority 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 (ASB).

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

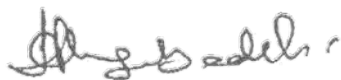
The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting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

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2023 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 Sport, 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 Sport, 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 69 to 114 which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2022 and were signed on its behalf by:



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**Ms. HC Mgabadeli**  
Chairperson

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Assets</b>			
Current Assets			
Inventories	3	113 652	117 743
Receivables from exchange transactions	4	1 551 082	1 383 488
Cash and cash equivalents	5	90 934 354	74 043 177
		<b>92 599 088</b>	<b>75 544 408</b>
Non-Current Assets			
Property, plant and equipment	6	430 802 698	440 468 086
Intangible assets	7	1 621 328	2 465 552
Heritage assets	8	3 474 247	3 474 247
		<b>435 898 273</b>	<b>446 407 885</b>
<b>Total Assets</b>		<b>528 497 361</b>	<b>521 952 293</b>
<b>Liabilities</b>			
Current Liabilities			
Operating lease liability	9	394 292	352 047
Payables from exchange transactions	10	13 612 122	7 348 693
Unspent conditional grants and receipts	11	59 658 982	56 802 119
Provisions	12	2 496 857	2 786 715
		<b>76 162 253</b>	<b>67 289 574</b>
Non-Current Liabilities			
Operating lease liability	9	5 203 559 548	4 940 313 860
<b>Total Liabilities</b>		<b>5 279 721 801</b>	<b>5 007 603 434</b>
<b>Net Assets</b>		<b>(4 751 224 439)</b>	<b>(4 485 651 139)</b>
Accumulated surplus		(4 751 224 439)	(4 485 651 139)

\* See Note 37

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	13	344 392	129 482
Rental of facilities and equipment	14	267 526	5 000
Discount received	15	-	1 851
Other income	15	348 908	144 895
Interest received - investment	16	2 912 669	2 051 012
Gain on disposal of assets and liabilities		47 795	-
Inventories reversal		10 041	2 146
<b>Total revenue from exchange transactions</b>		<b>3 931 331</b>	<b>2 334 386</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	17	113 981 286	96 233 626
Public contributions and donations	18	25 796	200 290
<b>Total revenue from non-exchange transactions</b>		<b>114 007 082</b>	<b>96 433 916</b>
<b>Total revenue</b>		<b>117 938 413</b>	<b>98 768 302</b>
<b>Expenditure</b>			
Employee related costs	19	(60 157 778)	(61 397 143)
Depreciation and amortisation	6&7	(14 691 701)	(20 843 750)
Impairments	20	(51 309)	(189 099 710)
Lease rentals on operating lease	21	(263 800 721)	(263 622 652)
Debt impairment	22	-	(92 903)
Bad debts written off		-	(10 804)
Loss on disposal of assets and liabilities		-	(1 898 969)
Loss on foreign exchange		-	(475)
General Expenses	24	(44 810 204)	(29 063 127)
<b>Total expenditure</b>		<b>(383 511 713)</b>	<b>(566 029 533)</b>
<b>Deficit for the year</b>		<b>(265 573 300)</b>	<b>(467 261 231)</b>

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	(4 021 592 254)	(4 021 592 254)
Adjustments		
Correction of errors (refer to Note 37)	3 202 346	3 202 346
<b>Balance at 01 April 2020 as restated*</b>	<b>4 018 389 908</b>	<b>4 018 389 908</b>
Changes in net assets		
Deficit for the year	(467 261 231)	(467 261 231)
Total changes	(467 261 231)	(467 261 231)
<b>Restated* Balance at 01 April 2021</b>	<b>(4 485 651 139)</b>	<b>(4 485 651 139)</b>
Changes in net assets		
Deficit for the year	(265 573 300)	(265 573 300)
Total changes	(265 573 300)	(265 573 300)
<b>Balance at 31 March 2022</b>	<b>(4 751 224 439)</b>	<b>(4 751 224 439)</b>

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		793 232	279 377
Grants		116 838 149	92 753 000
Interest received		2 912 669	2 051 012
Interest paid		(1 048)	-
Other receipts		25 796	1 169 000
		120 568 798	96 252 389
<b>Payments</b>			
Employee costs		(60 447 636)	(60 555 791)
Suppliers		(39 044 383)	(28 171 912)
		(99 492 019)	(88 727 703)
<b>Net cash flows from operating activities</b>	25	<b>21 076 779</b>	<b>7 524 686</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(4 128 048)	(1 821 393)
Proceeds from sale of property, plant and equipment	6	101 236	94 044
Purchase of intangible assets	7	(158 790)	(50 000)
<b>Net cash flows from investing activities</b>		<b>(4 185 602)</b>	<b>(1 777 349)</b>
<b>Net increase in cash and cash equivalents</b>		<b>16 891 177</b>	<b>5 747 337</b>
Cash and cash equivalents at the beginning of the year		74 043 176	68 296 315
Effect of exchange rate movement on cash balances		-	(475)
<b>Cash and cash equivalents at the end of the year</b>	5	<b>90 934 353</b>	<b>74 043 177</b>

\* See Note 37

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of financial performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	1 535 475	-	<b>1 535 475</b>	190 930	<b>(1 344 545)</b>	32.1
Rental of facilities and equipment	977 000	-	<b>977 000</b>	267 526	<b>(709 474)</b>	32.2
Other income	151 584	-	<b>151 584</b>	348 908	<b>197 324</b>	32.3
Interest received	1 500 000	-	<b>1 500 000</b>	2 912 669	<b>1 412 669</b>	32.5
Proceeds on disposal of property, plant and equipment	-	-	-	101 236	<b>101 236</b>	
<b>Total revenue from exchange transactions</b>	<b>4 164 059</b>	-	<b>4 164 059</b>	<b>3 821 269</b>	<b>(342 790)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants and subsidies	132 683 702	-	<b>132 683 702</b>	116 838 149	<b>(15 845 553)</b>	32.6
Public contributions and donations	2 497 348	-	<b>2 497 348</b>	25 796	<b>(2 471 552)</b>	32.7
<b>Total revenue from non-exchange transactions</b>	<b>135 181 050</b>	-	<b>135 181 050</b>	<b>116 863 945</b>	<b>(18 317 105)</b>	
<b>Total revenue</b>	<b>139 345 109</b>	-	<b>139 345 109</b>	<b>120 685 214</b>	<b>(18 659 895)</b>	
<b>Expenditure</b>						
Personnel	(61 051 900)	-	<b>(61 051 900)</b>	(60 447 636)	<b>604 264</b>	32.8
Lease rentals on operating lease	(338 687)	-	<b>(338 687)</b>	(512 788)	<b>(174 101)</b>	32.9
General expenses	(51 394 522)	-	<b>(51 394 522)</b>	(38 546 775)	<b>12 847 747</b>	32.10
Capital Projects/ Purchase of fixed assets	(26 560 000)	-	<b>(26 560 000)</b>	(4 286 838)	<b>22 273 162</b>	32.11
<b>Total expenditure</b>	<b>(139 345 109)</b>	-	<b>(139 345 109)</b>	<b>(103 794 037)</b>	<b>35 551 072</b>	
<b>Surplus before taxation</b>	-	-	-	<b>16 891 177</b>	<b>16 891 177</b>	
<b>Actual amount on comparable basis as presented in the budget and actual comparative statement</b>	-	-	-	<b>16 891 177</b>	<b>16 891 177</b>	



# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of GRAP, issued by the ASB 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.

#### 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 Sport, Arts and Culture.

#### 1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

#### 1.3 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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.3 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.

#### 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.

### 1.4 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.

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

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

#### 1.4 Property, plant and equipment (continued)

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 subsequently 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	5-90 years
IT equipment	Straight line	4-10 years
Library material	Straight line	10-80 years
Motor vehicles	Straight line	5-7 years
Office equipment	Straight line	4-15 years
Infrastructure	Straight line	10-80 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).

#### 1.5 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance.

An asset is identifiable if it either:

- 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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

### 1.5 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.

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

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	4-20 years
Film and other	Straight line	4-20 years

Intangible assets are derecognised:

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

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

### 1.6 Heritage assets

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

#### Recognition

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

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.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

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#### 1.6 Heritage assets (continued)

##### 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).

#### 1.7 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.

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:

When the present value of future cash flows exceeds carrying value of the assets

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.7 Impairment of non-cash-generating assets (continued)

#### 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 overdesigned or overcapacity asset. Overdesigned 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.

#### 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.

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.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

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#### 1.7 Impairment of non-cash-generating assets (continued)

##### 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.

#### 1.8 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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.8 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	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivable from exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	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.



## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

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#### 1.8 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.

#### 1.9 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.

##### Operating leases - lessee

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the entity's benefit. Where the lease payments paid by the entity to the lessor during a financial year are less than the lease expense recognised as an expense in the statement of financial performance on straight line basis, the entity recognises the shortfall as a operating lease liability in that same period.

#### 1.10 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.

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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.10 Inventories (continued)

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.

### 1.11 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.

### 1.12 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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.12 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 27.

### 1.13 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 26 - 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.

### 1.14 Revenue from exchange transactions

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

An exchange transaction is one in which the 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.

### 1.15 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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.15 Revenue from non-exchange transactions (continued)

#### 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.

### 1.16 Investment income

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

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

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#### 1.17 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.

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..

##### Defined contribution plans: recognition and measurement

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:

(a) 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, a reduction in future payments or a cash refund; and

(b) as an expense.

#### 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.

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Accounting Policies

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### 1.18 Fruitless and wasteful expenditure (continued)

For details on fruitless and wasteful expenditure, refer to note 31 - 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 33 - Irregular expenditure.

### 1.20 Budget information

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

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

### 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 28 - Related parties.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

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#### 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.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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#### 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 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised) Employee Benefits	01 April 2022	Not expected to impact results but may result in additional disclosure
• GRAP 104 (as revised) Financial Instruments	01 April 2022	Not expected to impact results but may result in additional disclosure
• iGRAP 7 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01 April 2022	Not expected to impact results but may result in additional disclosure
• iGRAP 21 Effects of Past Decision on Materiality	01 April 2022	Unlikely there will be a material impact

Figures in Rand	2022	2021
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#### 3. Inventories

Merchandise	113 652	117 743
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During the year an inventory gain of R10 041 was realised (2021: R2 146 gain) and taken into account in the statement of financial performance. The 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	150 077	63 414
Employee costs in advance	10 052	7 105
Prepayments	1 390 953	1 312 969
	<b>1 551 082</b>	<b>1 383 488</b>

##### Trade and other receivables pledged as security

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

##### 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 2022, R 10 000 (2021: R23) were past due but not impaired.

The carrying amount of trade debtors comprise of the following:

Gross trade debtors	293 549	206 885
Impairment	(143 472)	(143 472)
Net trade debtors	150 077	63 413



## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Reconciliation of provision for impairment of trade and other receivables</b>		
Opening balance	(143 472)	(1 292 327)
Provision for impairment	-	(10 804)
Amounts written off as uncollectible	-	1 159 659
	<b>(143 472)</b>	<b>(143 472)</b>

#### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	23 484	10 414
Bank balances	3 637 187	3 228 970
Short-term deposits	87 273 683	70 803 791
	<b>90 934 354</b>	<b>74 043 175</b>

There were no restricted cash and cash equivalent balances.

#### 6. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Artwork	8 258 152	(14 599)	8 243 553	8 258 152	(11 967)	8 246 185
Buildings	602 896 557	(280 985 934)	321 910 623	602 896 557	(276 167 608)	326 728 949
Furniture and fixtures	47 980 160	(40 365 301)	7 614 859	47 980 159	(35 735 140)	12 245 019
IT equipment	16 727 496	(14 775 947)	1 951 549	15 557 232	(14 139 821)	1 417 411
Library Material	355 076	(268 578)	86 498	336 951	(234 197)	102 754
Motor vehicles	1 247 798	(965 322)	282 476	1 834 746	(1 418 248)	416 498
Office equipment	7 737 013	(7 354 067)	382 946	7 684 246	(7 053 990)	630 256
Infrastructure	134 939 840	(48 515 572)	86 424 268	134 939 840	(45 394 232)	89 545 608
Assets under construction	3 905 926	-	3 905 926	1 135 406	-	1 135 406
<b>Total</b>	<b>824 048 018</b>	<b>(393 245 320)</b>	<b>430 802 698</b>	<b>820 623 289</b>	<b>(380 155 203)</b>	<b>440 468 086</b>

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 6. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment	Total
Artwork	8 246 185	-	-	-	(2 632)	8 243 553
Buildings	326 728 949	-	-	(4 818 326)	-	321 910 623
Furniture and fixtures	12 245 020	-	-	(4 597 370)	(32 791)	7 614 859
IT equipment	1 417 411	1 286 451	(1 184)	(748 012)	(3 117)	1 951 549
Library material	102 754	18 310	(185)	(23 206)	(11 175)	86 498
Motor vehicles	416 498	-	(52 072)	(81 950)	-	282 476
Office equipment	630 256	52 767	-	(298 483)	(1 594)	382 946
Infrastructure	89 545 608	-	-	(3 121 340)	-	86 424 268
Assets under construction	1 135 406	2 770 520	-	-	-	3 905 926
	<b>440 468 087</b>	<b>4 128 048</b>	<b>(53 441)</b>	<b>(13 688 687)</b>	<b>(51 309)</b>	<b>430 802 698</b>

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 6. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Impairment loss	Total
Artwork	8 261 947	-	(30 622)	14 452	-	-	408	8 246 185
Buildings	523 466 929	-	-	-	(377)	(7 609 414)	(189 128 189)	326 728 949
Furniture and fixtures	18 384 115	2 686	(1 434 603)	90 802	-	(4 815 220)	17 240	12 245 020
IT equipment	2 410 585	224 816	(35 673)	252 204	-	(1 437 986)	3 464	1 417 410
Library material	94 594	18 804	-	-	10 129	(22 192)	1 419	102 754
Motor vehicles	246 378	248 074	-	-	-	(82 141)	4 187	416 498
Office equipment	1 636 810	191 607	(245 947)	-	(346 717)	(607 256)	1 759	630 256
Infrastructure	93 745 051	-	-	9 577	-	(4 209 020)	-	89 545 608
Assets under construction	-	1 135 406	-	-	-	-	-	1 135 406
	<b>648 246 409</b>	<b>1 821 393</b>	<b>(1 746 845)</b>	<b>367 035</b>	<b>(336 965)</b>	<b>(18 783 229)</b>	<b>(189 099 712)</b>	<b>440 468 086</b>

#### Pledged as security

No assets pledged as security:

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>6. Property, plant and equipment (continued)</b>		
<b>Expenditure incurred to repair and maintain property, plant and equipment</b>		
<b>Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance</b>	<b>2022</b>	<b>2021</b>
Employee related costs	-	1 793 625
Contracted services	-	32 751
Sale of goods/Inventory	-	159 360
General expenses	9 531 172	468 357
	<b>9 531 172</b>	<b>2 454 093</b>

#### Change in Accounting Estimate

During the year the estimated total useful lives of certain items of property, plant and equipment were revised. The net effect of the changes in the current financial year was an increase in depreciation expense of R621 203. Assuming the assets are held until the end of their estimated useful lives, depreciation in future years in relation to these assets will be decreased by R621 203.

The effect of the change in estimate per class of asset is as follows:

Asset	Previous Average	Current Average	Increase/(Decrease)	Increase/Decrease
Description	Useful Life	Useful Life	in Current Depreciation	Future Depreciation
Buildings	10-80 years	10-80 years	-2 304	2 304
Infrastructure	10-80 Years	10-80 Years	215 782	-215 782
Furniture and				
Fittings	5-15 Years	5-90 Years	47 662	-47 662
Vehicles	5-7 Years	5-7 Years	-1 194	1 194
Office				
Equipment	4-15 Years	4-15 Years	99 897	-99 897
Computer				
Equipment	4-10 Years	4-10 Years	261 256	-261 256
Library Material	10-15 Years	10-15 Years	104	-104
<b>Total</b>			<b>621 203</b>	<b>-621 203</b>

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

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand

2022

2021  
Restated\*

#### 7. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	5 370 445	(4 122 714)	1 247 731	5 211 655	(3 543 356)	1 668 299
Films and other	13 240 127	(12 866 530)	373 597	13 240 127	(12 442 874)	797 253
<b>Total</b>	<b>18 610 572</b>	<b>(16 989 244)</b>	<b>1 621 328</b>	<b>18 451 782</b>	<b>(15 986 230)</b>	<b>2 465 552</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	1 668 299	158 790	(579 358)	1 247 731
Films and other	797 253	-	(423 656)	373 597
	<b>2 465 552</b>	<b>158 790</b>	<b>(1 003 014)</b>	<b>1 621 328</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	2 841 705	50 000	(233 282)	-	(990 124)	1 668 299
Films and other	1 842 431	-	(12 942)	(15 938)	(1 016 298)	797 253
	<b>4 684 136</b>	<b>50 000</b>	<b>(246 224)</b>	<b>(15 938)</b>	<b>(2 006 422)</b>	<b>2 465 552</b>

#### Pledged as security

No intangible assets were pledged as security.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
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#### 7. Intangible assets (continued)

##### Other information

##### Change in Accounting Estimate

During the year the estimated total useful lives of certain items of intangible assets were revised. The net effect of the changes in the current financial year was an increase in depreciation expense of R455 357. Assuming the assets are held until the end of their estimated useful lives, depreciation in future years in relation to these assets will be decreased by R455 357.

The effect of the change in estimate per class of asset is as follows

Asset	Previous Average	Current Average	Increase/(Decrease)	Increase/Decrease
Description	Useful Life	Useful Life	in Current Depreciation	Future Depreciation
Intangible –				
Software	4-8 Years	4-20 Years	81 760	-81 760
Intangibles-				
Other	4-8 Years	4-20 Years	373 597	-373 597
<b>Total</b>			<b>455 357</b>	<b>-455 357</b>

#### 8. Heritage assets

	2022			2021		
	Cost	Accumulated impairment losses	Carrying value	Cost	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	3 477 447	(3 200)	3 474 247	3 477 447	(3 200)	3 474 247

##### Reconciliation of heritage assets 2022

	Opening balance	Total
Art Collections, antiquities and exhibits	3 474 247	3 474 247

##### Reconciliation of heritage assets 2021

	Opening balance	Transfers	Total
Art Collections, antiquities and exhibits	3 488 690	(14 443)	3 474 247

##### Pledged as security

No heritage assets were pledged as security.

During the annual assessment of heritage assets, no asset was deemed impaired.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand

	2022	2021 Restated*
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#### 8. Heritage assets (continued)

##### Expenditure incurred to repair and maintain heritage assets

During the year no repairs and maintainance was incurred for heritage assets.

There are heritage assets which fair value could not be reliably measured for purposes of recognition in the annual financial statements. This relates to:

- the ANN Colin manuscript collection which are not the original item but a photocopy with no commercial value, and
- Grave artifacts (clothes of assassinated freedom fighters) which are illegal to trade thus do not have a commercial value.

#### 9. Operating lease liability

Non-current liabilities	(5 203 559 548)	(4 940 313 860)
Current liabilities	(394 292)	(352 047)
	<b>(5 203 953 840)</b>	<b>(4 940 665 907)</b>

The operating lease accrual arise from the 99 year nonrenewable lease agreement for Land at Salvokop, Pretoria which commenced in 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 20 of the lease. The lease payments are straightlined over the term of the lease.

#### 10. Payables from exchange transactions

Trade payables	7 412 356	3 958 023
Accrued 13th cheque	985 856	1 036 432
Other accrued expenses	5 203 910	2 354 238
Deposits received	10 000	-
	<b>13 612 122</b>	<b>7 348 693</b>

#### 11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

Unspent grants	59 658 982	56 802 119
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##### Movement during the year

Balance at the beginning of the year	56 802 626	59 113 745
Additions during the year	20 526 150	1 169 000
Income recognition during the year	(17 669 794)	(3 480 626)
	<b>59 658 982</b>	<b>56 802 119</b>

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

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

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022 2021  
Restated\*

#### 12. Provisions

##### Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	2 786 715	4 462 746	(4 752 604)	2 496 857

##### Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	2 329 220	4 477 847	(4 020 352)	2 786 715

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.

#### 13. Rendering of services

Administration fees	344 392	129 482
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#### 14. Hiring of facilities and equipment

##### Premises

Venue hire	267 526	5 000
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#### 15. Other Income

Discount received	-	1 851
Other income	348 908	144 895
	<b>348 908</b>	<b>146 746</b>

Other income earned through the sale of books, and rental for restaurant and giftshop.

#### 16. Interest Received

##### Interest revenue

Bank	2 912 669	2 051 012
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## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>17. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	96 312 000	92 753 000
Infrastructure Maintenance	6 831 606	3 480 626
	<b>103 143 606</b>	<b>96 233 626</b>
<b>Capital grants</b>		
Balance of unspent grant at beginning of the year	9 631 680	-
Conditional grant SM Matola	1 206 000	-
	<b>10 837 680</b>	-
	<b>113 981 286</b>	<b>96 233 626</b>
<b>Conditional and Unconditional</b>		
Included in above are the following grants and subsidies received:		
Conditional grants received	17 669 287	3 480 626
Unconditional grants received	96 312 000	92 753 000
	<b>113 981 287</b>	<b>96 233 626</b>
<b>Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the operational activities of the entity.		
<b>Deferred income - Capital Works Grant</b>		
Current-year receipts	11 320 150	-
Conditions met - transferred to revenue	(9 631 680)	-
	<b>1 688 470</b>	-
Conditions still to be met - remain liabilities (see note 11).		
<b>Deferred Income - GRAP 103 Grant</b>		
Balance unspent at beginning of year	14 878 000	15 000 000
Conditions met - transferred to revenue	-	(122 000)
	<b>14 878 000</b>	<b>14 878 000</b>
Conditions still to be met - remain liabilities (see note 11).		
<b>Deferred Income - Infrastructure Grant not Reprioritised</b>		
Balance unspent at beginning of year	9 002 508	9 002 508
Amounts reprioritised during the year	(9 002 508)	-
	-	<b>9 002 508</b>
Conditions still to be met - remain liabilities (see note 11)..		
<b>Deferred Income - Reprioritised Capital Works Grant</b>		
Balance unspent at beginning of year	28 307 946	31 260 001
Current-year receipts	8 000 000	-
Conditions met - transferred to revenue	(5 338 175)	(2 952 055)

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>17. Government grants and subsidies (continued)</b>		
Amounts reprioritised during the year	9 002 508	-
	<b>39 972 279</b>	<b>28 307 946</b>

Conditions still to be met - remain liabilities (see note 11).

### Deferred Income - Facilities Management Grant

Balance unspent at beginning of year	3 444 665	3 851 236
Conditions met - transferred to revenue	(1 493 432)	(406 571)
	<b>1 951 233</b>	<b>3 444 665</b>

Conditions still to be met - remain liabilities (see note 11).

### Deferred Income - Samora Machel and Matola Memorials

Balance unspent at beginning of year	1 169 000	-
Current-year receipts	1 206 000	1 169 000
Conditions met - transferred to revenue	(1 206 000)	-
	<b>1 169 000</b>	<b>1 169 000</b>

Conditions still to be met - remain liabilities (see note 11).

### 18. Public contributions and donations

Public contributions and donations	25 796	200 290
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### 19. Employee related costs

13th Cheques	4 183 567	4 290 450
Acting allowances	197 727	551 229
Basic	48 201 325	49 413 362
Defined contribution plans	1 076 276	1 030 791
Leave pay provision	256 741	841 353
Medical aid	3 281 081	3 440 646
Ex-gratia salary payment	1 867 500	763 938
Overtime payments	201 212	158 959
Temporary wages	52 393	667 643
Travel allowances /expenditure	138 345	15 584
UIF	178 625	159 697
WCA	522 986	63 491
	<b>60 157 778</b>	<b>61 397 143</b>

### 20. Impairment of assets

#### Impairments

Property, plant and equipment	51 309	189 099 710
Impairment of assets was based on physical condition of assets, broken assets and items which were not found during consecutive verifications.		

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>21. Lease rentals on operating lease</b>		
<b>Lease rentals on land</b>		
Contractual amounts	263 622 196	263 622 652
<b>Lease rentals on photocopiers</b>		
Contractual amounts	178 525	-
	<b>263 800 721</b>	<b>263 622 652</b>
<b>22. Debt impairment</b>		
Bad debts written off	-	92 903
<b>23. Auditors' remuneration</b>		
Fees	4 013 083	1 713 028
<b>24. General expenses</b>		
COVID-19 expenses	750 665	1 066 810
Computer expenses	2 823 417	2 343 725
Consulting and professional fees	1 434 680	1 662 563
Council expenditure	1 437 395	1 038 597
Electricity	5 328 000	4 678 527
Entertainment	100 232	20 798
External auditors remuneration	4 013 083	1 713 028
Insurance	1 255 084	1 050 230
Internal audit fees	312 916	596 376
Landscaping expenses	3 185 069	3 044 214
Marketing	820 990	928 767
Other operating expenses	2 631 983	1 510 552
Repairs and maintainance	9 531 172	2 300 597
Security	4 859 964	4 464 176
Strategic projects	6 325 554	2 644 167
	<b>44 810 204</b>	<b>29 063 127</b>
<b>25. Cash generated from operations</b>		
Deficit	(265 573 300)	(467 261 231)
<b>Adjustments for:</b>		
Depreciation and amortisation	14 691 701	20 843 750
(Gain)/loss on sale of assets and liabilities	(47 795)	1 898 969
Loss on foreign exchange	-	475
Impairment on property, plant and equipment	51 309	189 099 710
Debt impairment	-	92 903
Impairment loss/reversal of impairments	-	10 804
Movements in operating lease assets and accruals	263 287 933	263 325 653
Movements in provisions	(289 858)	457 495
Other non-cash items	-	(10 804)
<b>Changes in working capital:</b>		
Inventories	4 091	53 757
Receivables from exchange transactions	(167 594)	(185 507)
Consumer debtors	-	(92 903)
Payables from exchange transactions	6 263 429	1 603 241
Unspent conditional grants and receipts	2 856 863	(2 311 626)
	<b>21 076 779</b>	<b>7 524 686</b>

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>26. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Artworks	1 147 662	1 531 167
• Buildings	1 403 627	3 775 142
• Intangible assets	2 099 950	3 624 465
• Furniture & fixtures	5 235 224	-
• IT Equipment	764 652	-
• Library Material	870 341	-
	<b>11 521 456</b>	<b>8 930 774</b>
<b>Total capital commitments</b>		
Already contracted	11 521 456	8 930 774
<b>Authorised operational expenditure</b>		
<b>Already contracted</b>		
• Already contracted for	40 993 211	30 550 453
• Already paid	(24 301 909)	(11 646 519)
	<b>16 691 302</b>	<b>18 903 934</b>
<b>Total operational commitments</b>		
Already contracted for	16 691 302	18 903 934
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	589 047	352 047
- in second to fifth year inclusive	2 125 193	1 884 452
- later than five years	26 094 917 393	26 095 537 819
	<b>26 097 631 633</b>	<b>26 097 774 318</b>
<b>Statement of Financial Position</b>		
Operating lease liability	5 203 953 840	4 940 665 907
<b>Statement of Financial Performance</b>		
Lease rentals on operating lease	263 800 721	263 622 652

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 20 of the lease and has been paying the monthly rental dutifully without any defaults.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
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#### 27. Contingencies

##### 2022

Management are not aware of contingent liabilities as at 31 March 2022.

The claim lodged by the former employee of Freedom Park for an alleged breach of contract and wrongful termination as reported in the prior year was unsuccessful.

##### 2021

The former employee of Freedom Park has lodged a claim through CCMA for an alleged breach of contract and wrongful termination of employment for remuneration of the 12 months remuneration. Freedom Park has opposed the claim on the basis that the labour laws complied with in terminating the employment. Since it presently is not possible to determine the outcome of the matter, no provision has been made in the financial statements for the ultimate resolution. The resolution of the CCMA awards could have a significant effect on Freedom Park's profit in the year that a determination is made; however, in management's opinion, the final resolution of the legal matter will not have a material adverse effect on the entity's financial position.

Claim for 12 months remuneration	1 081 324
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# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021  
Restated\*

### 28. Related parties

#### Relationships

Executive Authority	Department of Sport, Arts and Culture
Government controlled through National Treasury	Department of Public Works and Infrastructure, Samora Machel Memorial, and Department of Military Veterans

Senior Management	Refer to remuneration of key management
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Freedom Park entered into a 99 year nonrenewable lease agreement with Department of Public Work and Infrastructure 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 20 of the lease.

#### Related party balances

##### Amount included in Trade Payables regarding related parties

Department of Sport, Arts and Culture	59 658 982	56 802 119
Department of Public Works and Infrastructure	28 224	-

##### Amounts included in Trade receivable (Trade Payable) regarding related parties

Department of Sport, Arts and Culture	24 040	24 040
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#### Related party transactions

##### Income/(Expenses) from/to related parties

Department of Sport, Arts and Culture (Operational grant)	96 312 000	96 233 626
Department of Sport, Arts and Culture (Capital works)	11 320 150	-
Department of Sport, Arts and Culture (Additional capital grant)	8 000 000	1 169 000
Department of Sport, Arts and Culture (Additional capital grant - Samora Machel Memorial)	1 206 000	-
Department of Sport, Arts and Culture (Venue hire)	16 500	-
Department of Public Works and Infrastructure	(2 801 441)	(5 259 477)
Samora Machel Memorial and Matola Memorials	1 717 852	-

##### Cash inflow/(outflow) from/to related parties

Department of Military Veterans (cash advance for event hosted on behalf of the Department of Military Veterans)	10 000 000	-
Department of Military Veterans (refund of excess cash for event hosted on behalf of Department of Military Veterans)	(7 067 736)	-

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 28. Related parties (continued)

#### Remuneration of management

##### Council members

2022

Name	Fees for services as a member of management	Committees	Adhoc requests	Total
Ms W Jabosigo	31 359	17 420	10 452	59 231
Mr KEM Mabalane	30 452	11 802	15 336	57 590
Mr MCR Makopo	37 962	-	12 654	50 616
Ms F Mohamed	31 356	20 904	-	52 260
Mr M Mpanza	27 872	17 420	-	45 292
Mr R Nyandeni	26 130	43 550	-	69 680
Dr M Raphaelalani	31 440	17 420	5 226	54 086
Ms L Robinson	31 356	17 420	-	48 776
Mr M Tsedu	48 776	54 002	33 098	135 876
Mr. M Musi	15 678	6 968	8 710	31 356
Adv. NJ Bleki	15 678	24 388	3 484	43 550
Prof S Cooper	24 388	17 420	17 420	59 228
Mr. E Daniels	10 452	10 452	5 226	26 130
Ms PC Nxumalo	17 420	13 936	3 484	34 840
Dr. BWJ Langa	22 646	13 936	6 968	43 550
Ms. HC Mgabadeli - Chair	29 526	-	16 782	46 308
Ms. MMS Mothapo	17 420	19 162	3 484	40 066
Ms. MG Rammbwa	22 646	41 808	17 420	81 874
	<b>472 557</b>	<b>348 008</b>	<b>159 744</b>	<b>980 309</b>

2021

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 28. Related parties (continued)

Name	Fees for services as a member of management	Other long-term benefits	Total
Mr MCR Makopo ( Chairperson)	63 270	44 289	107 559
Dr P Dala	50 518	45 292	95 810
Ms W Jabosigo	48 776	55 744	104 520
Mr KEM Mabalane	49 792	74 813	124 605
Mr M Mpanza	55 744	64 454	120 198
Mr R Nyandeni	55 744	71 422	127 166
Dr M Raphaelalani	48 776	52 260	101 036
Mr L Conar	10 452	10 452	20 904
Ms F Mohamed	55 744	54 002	109 746
Ms L Robinson	27 872	27 872	55 744
Mr M Tsedu	17 420	36 582	54 002
	<b>484 108</b>	<b>537 182</b>	<b>1 021 290</b>

The following council members' terms ended on the 31st of August 2021;

- Ms W Jabosigo
- Mr KEM Mabalane
- Mr MCR Makopo
- Ms F Mohamed
- Mr M Mpanza
- Mr R Nyandeni
- Dr M Raphaelalani
- Ms L Robinson

Mr M Tsedu was appointed on 12 Jan 2021



## Notes to the Annual Financial Statements

Figures in Rand

### 28. Related parties (continued)

The following council members were appointed on the 1st of September 2021.

- Mr M. Musi
- Ms NJ Bleki
- Prof S. Cooper
- Mr E. Daniels
- Ms PC Nxumalo
- Dr BWJ Langa
- Ms HC Mgabadeli
- Ms MMS Mothapo
- Ms MG Rammmbwa

### Executive management

2022

Name	Basic salary	13th cheque	Other short-term employee benefits	Provident fund contributions	Total
Ms J Mufamadi	1 611 642	76 841	220 437	193 638	2 102 558
Ms HB Ramugadi	958 483	115 291	187 414	76 403	1 337 591
Mr IM Moroko	783 638	76 375	92 183	96 233	1 048 429
Ms MA Makoela	1 022 857	97 342	144 697	81 768	1 346 664
Ms RM Koto	644 831	87 275	208 466	54 983	995 555
Mr TJ Makhura	655 531	87 800	150 265	55 314	948 910
Mr A Arries	658 683	60 646	116 923	50 942	887 194
Dr SD Zeka	848 552	79 730	150 948	66 973	1 146 203
Dr OM Ntsoane	104 798	-	2 971	7 888	115 657
Dr T Makobela	1 022 695	91 639	54 014	76 977	1 245 325
Mr LPM Zikalala	848 682	80 194	106 222	67 363	1 102 461
	<b>9 160 392</b>	<b>853 133</b>	<b>1 434 540</b>	<b>828 482</b>	<b>12 276 547</b>

2021

# Freedom Park

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## Notes to the Annual Financial Statements

Figures in Rand

### 28. Related parties (continued)

Name	Basic salary	13th Cheque	Other short-term employee benefits	Provident fund contribution	Total
Ms J Mufamadi	1 606 305	153 681	98 899	233 528	2 092 413
Ms HB Ramugadi	1 025 020	97 342	78 432	107 034	1 307 828
Mr TJ Makhura	878 065	87 800	115 783	96 542	1 178 190
Mr MA Makoela	1 025 398	97 342	80 703	107 034	1 310 477
Mr P Zikalala	838 515	80 194	228 693	88 178	1 235 580
Ms MS Kekana	73 553	22 737	38 729	11 118	146 137
Ms RM Koto	888 284	87 275	113 920	95 964	1 185 443
Dr T Makobela	402 145	15 273	11 623	41 985	471 026
	<b>6 737 285</b>	<b>641 644</b>	<b>766 782</b>	<b>781 383</b>	<b>8 927 094</b>

Ms H Ramugadi resigned on 28 February 2022.

Mr IM Moroko was appointed Acting CFO from 1 March 2022 to 31 March 2022.

Ms M Koto resigned on 31 December 2021.

Mr A Arries was appointed Acting Company Secretary 1 January 2022 - to 31 March 2022.

Mr T Makhura retired on 31 December 2021.

Dr SD Zeka was appointed Acting HOD H&K between 10 January 2022 and 28 February 2022.

Dr OM Ntsoane was appointed on 1 March 2022.

Mr LPM Zikalala was appointed Acting HRM between 15 February 2022 and 28 March 2022.

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
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#### 29. 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.

Cash flow forecasts are prepared and monitored by the entity.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	13 612 122	-	-	-
At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	7 348 693	-	-	-

##### 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 evaluates credit risk by reviewing the debtors ageing relating to customers on an ongoing basis and in line with its policy on management of debtors. As at yearend, the amount of debtors which were over 90 days due amounted to R143 472 which mainly relates to inter-governmental debt and is also considered not to be material.

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

Financial instrument	2022	2021
Cash and cash equivalents	90 934 354	74 043 175
Receivables from exchange transactions	150 077	63 413

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

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

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Restated\*

### 29. Risk management (continued)

#### Interest rate risk

The entity has cash and cash equivalent to the value of R90 934 354 (2021: R74 043 175) which bears interest. This financial asset exposes the entity to interest rate risk on the interest that the entity receives from the financial asset should the interest rate change. The entity cannot quantify this interest rate risk as the entity uses the cash and cash equivalents for its operations and does not maintain a fixed balance of the cash and cash equivalent throughout the year. Furthermore, the fluctuation in interest rate is also dependent on the financial institutions financial modelling of its products and services. To manage the risk; the entity only deposits cash with major banks with high quality credit standing and considers whether the interest rate on the cash and cash equivalent is reasonable when benchmarked to other major banks should the change in rate be significant.

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

### 30. Financial instruments disclosure

#### Categories of financial instruments

#### 2022

##### Financial assets

	At amortised cost	Total
Cash and cash equivalents	90 934 354	90 934 354
Trade and other receivables from exchange transactions	150 077	150 077
	<b>91 084 431</b>	<b>91 084 431</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	13 612 122	13 612 122

#### 2021

##### Financial assets

	At amortised cost	Total
Cash and cash equivalents	74 043 175	74 043 175
Trade and other receivables from exchange transactions	63 413	63 413
	<b>74 106 588</b>	<b>74 106 588</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	7 348 693	7 348 693

## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>31. Fruitless and wasteful expenditure</b>		
Fruitless and wasteful expenditure	618 141	1 690 977
Current year expenditure	689 889	5 657
Expenditure written off	-	(1 078 793)
Less: amount recovered	(12 499)	(300)
	<b>1 295 531</b>	<b>617 541</b>

The fruitless and wasteful expenses were incurred by paying for the missed flights, SARS penalty fee and interest.

There was also fruitless and wasteful expenditure incurred for minute press as a result of payment of a wrong minute press account; amount could not be recovered from the supplier after multiple attempts to recover the payment

There was a further fruitless and wasteful expenditure for gallery of leaders as a result of payment made to supplier Labstyres. The invoice was paid based on incorrect presentations made that the work was complete. When evidence was subsequently requested to support the signoff, it could not be produced. This was followed by a forensic investigation.

#### Details of fruitless and wasteful expenditure

Missed flights	7 500	-
Laptop damage	-	5 657
Minute Press	40 419	-
SARS penalty and interests	1 048	-
Gallery of leaders	640 922	-
	<b>689 889</b>	<b>5 657</b>

### 32. Budget differences

#### Material differences between budget and actual amounts

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

32.1 Unfavourable sales revenue due to national lockdown regulations.

32.2 Unfavourable rental of facilities and equipment is due to lockdown regulations with restrictions gatherings.

32.3 Favorable variance resulting from additional turnover rent from restaurant activities and penalty imposed on an employee for transgression of policies.

32.4 Favorable variance driven by slow spending on capital works programs.

32.5 Revenue resulting from insurance payments received for assets stolen in the previous year.

32.6 Unfavorable variance due to slower spending on capital works projects.

32.7 Unfavorable fundraising environment.

32.8 Underspending in employee costs resulting from vacancies.

32.9 Unfavourable variance mainly due to rental of new copier machines.

32.10 Underspending due lower spending on water and electricity due to the transfer of the account, consulting fees due to suppliers being appointed late in the year, and on a number of other expense lines where spending were reduced due to remote working in the light of lockdown regulations.

32.11 Underspending due to slow roll out of capital works programs.

#### Differences between budget and actual amounts basis of preparation and presentation

# Freedom Park

Annual Financial Statements for the year ended 31 March 2022

## Notes to the Annual Financial Statements

Figures in Rand

	2022	2021 Restated*
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### 32. Budget differences (continued)

The budget and the accounting bases differ. The annual financial statements for the entity are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements differ from the budget, which is approved on the cash basis.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis to be on the same basis as the final approved budget. The amounts of these adjustments are identified in note 34.

### 33. Irregular expenditure

Opening balance	15 311 890	14 569 611
Add: Irregular Expenditure - current year	2 890 194	742 279
	<b>18 202 084</b>	<b>15 311 890</b>

#### Details of irregular expenditure – current year

	<b>Disciplinary steps taken/criminal proceedings</b>	
Non-compliance with SCM processes	The responsible officials are being investigated	2 890 194

#### Details of irregular expenditure - Prior years

Non-compliance with SCM processes	3 556 133
Deviation from normal procurement processes without approval of National Treasury	307 107
Inclusion of the specific brand on the bid specification	4 144 014
Overspending of the approved budget	7 291 737
Overpayment of contracts	12 899
	<b>15 311 890</b>

### 34. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance:

Net surplus/(deficit) per approved budget	-
<b>Adjusted for:</b>	
Purchase of property, plant and equipment and intangible assets and Proceeds on disposal of property, plant and equipment	4 185 602
Depreciation and amortisation	(14 691 701)
Gain on sale of assets and liabilities	47 795
Impairment on property, plant and equipment	(51 309)
Increase in operating lease liability	(263 287 933)
Decrease in leave pay provision	289 858
Net increase in working capital	(8 956 789)
Surplus on actual against budget on a cash basis	16 891 177
<b>Net deficit per the statement of financial performance on accrual basis</b>	<b>(265 573 300)</b>

### 35. 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. Management does not have intention to liquidate the entity or cease operations. As at the end of the financial year, management is not aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern including events after the reporting date.

### 36. Events after the reporting date

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

## Freedom Park

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### Notes to the Annual Financial Statements

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**36. Events after the reporting date (continued)**

- In April 2020 the entity entered into an MOA with Lilliesleaf Museum to administer the seven million rands (R7 000 000) provided for the daily operations and management of Lilliesleaf Museum as directed by National Treasury. The funds were received by Freedom Park from National Treasury..

# Freedom Park

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## Notes to the Annual Financial Statements

Figures in Rand

### 37. 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

##### 2020

	Note	As previously reported	Correction of error	Re-classification	Restated
Heritage assets	8	130 938	3 170 967	186 785	3 488 690
Property plant and equipment		648 401 816	14 829	(170 235)	648 246 410
Accumulated Deficit		4 021 592 254	(3 185 796)	(16 550)	4 018 389 908
		<b>4 670 125 008</b>	<b>-</b>	<b>-</b>	<b>4 670 125 008</b>

##### 2021

	Note	As previously reported	Correction of error	Re-classification	Restated
Heritage assets		116 495	3 170 967	186 785	3 474 247
Accumulated deficit		4 488 853 485	(3 185 796)	(16 550)	4 485 651 139
Property plant and equipment		440 623 493	14 829	(170 235)	440 468 087
		<b>4 929 593 473</b>	<b>-</b>	<b>-</b>	<b>4 929 593 473</b>

#### Errors

The following prior period errors adjustments occurred:

##### Error 1

Heritage assets increased with an amount of R152 828, for newly identified assets that were brought into the asset register. Furthermore, heritage assets increased with an amount of R3 022 548 to correctly account for the fair value on recognition of assets donated. Heritage assets of R1 209 were derecognised as they were previously double counted. There was also an impairment loss of R3 200 which was not recognised prior to 2021.

##### Error 2

Property, plant and equipment increased with an amount of R14 829, for newly identified artwork that were brought into the asset register

##### Error 3

The following changes was made on the disclosure note 33 to remove the amount incorrectly disclosed for local content thresholds not specified on RFQs which irregular expenditure relates to the 2022 financial year rather.

	As previously reported	Correction	Restated
Amount included in Non-compliance with SCM processes	R 4 006 728	-R 450 595	R3 556 133



## Freedom Park

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 37. Prior-year adjustments (continued)

##### Reclassifications

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements

As a result, certain line items have been amended in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flow, and the related notes to the financial statements.

##### Reclassification 1

There was library material with a carrying amount of Rnil which was reclassified from property, plant and equipment to heritage assets so as to improve the presentation of the items according to the nature of the assets. As result, the previous depreciation that was accounted for when the assets were still classified as property, plant and equipment of R16 550 was reversed and reclassified into heritage assets which are accounted for at cost.

Furthermore, there was an amount of R170 235 relating to art work which was reclassified from property, plant and equipment to heritage assets so as to improve the presentation of the items according to the nature of the assets.

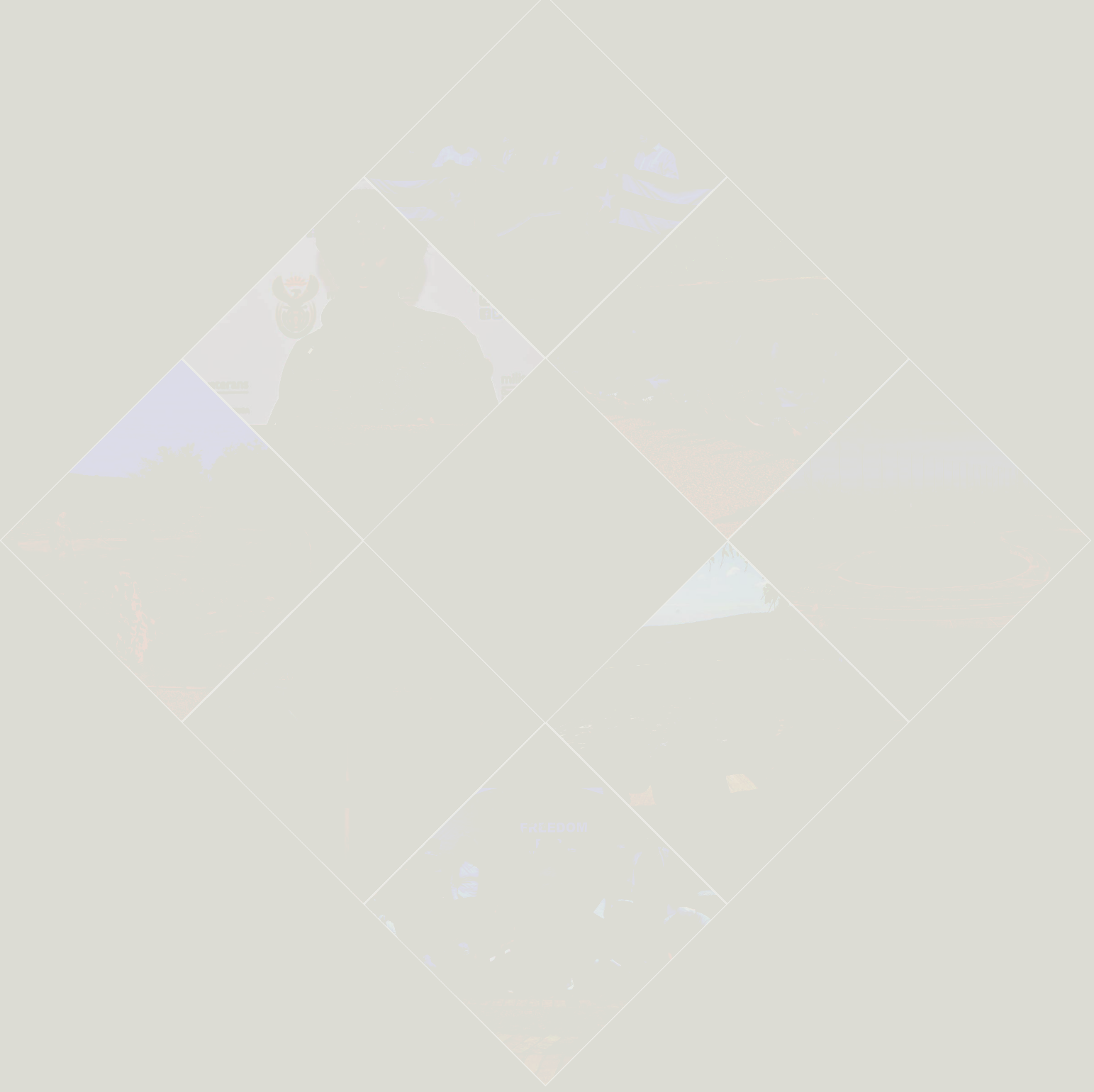
#### 38. Operating deficit

Operating deficit for the year is stated after accounting for the following:

##### Operating lease charges

Lease rentals on operating lease

• Contractual amounts	263 800 721	263 622 652
Gain/(loss) on sale of property, plant and equipment	47 795	(1 898 969)
Impairment on property, plant and equipment	51 309	189 099 710
Amortisation on intangible assets	1 003 014	2 006 426
Depreciation on property, plant and equipment	13 688 687	18 837 324
Employee costs	60 157 778	61 397 143



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