

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010

## 1. ACCOUNTING POLICIES

### 1.1 Presentation of the annual financial statements

The cash flow statement can only be prepared in accordance with the direct method.

The following are the principle accounting policies, which are in all material respects consistent with those applied in previous years, except where otherwise indicated.

### 1.2 Property, plant and equipment

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

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

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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

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

Item	Average useful life
Buildings	20 years
Leasehold improvements	19 months - 5 years
Office equipment	5 - 15 years
Furniture and fittings	10 - 15 years
Vehicles	5 - 7 years
IT equipment	4 - 8 years
Artwork	Indefinite

The residual value and the useful life of each asset are reviewed at each financial period-end.

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

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

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

Assets under construction will not be depreciated until project completion and all costs attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by the Council, will be capitalised as part of the cost of the asset.

### 1.3 Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- There is an intention to complete and use or sell it;
- There is an ability to use or sell it;
- It will generate probable future economic benefits;
- There are available technical, financial and other resources to complete the development and to use or sell the asset;
- The expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	4 - 8 years
Intangible assets under development: Exhibition development	10 years/indefinite

### 1.4 Investments

All surplus cash is invested in accordance with Treasury Regulations, and all funds are invested with major financial institutions. Investment periods do not exceed 12 months. All investments are recognised at cost, including transaction costs.

### 1.5 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Park becomes a party to the contractual provisions of the instruments.

The Park classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### Trade and other payables

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 1.6 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.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned. The depreciation recognised for depreciable leased assets is calculated in accordance with GRAP 17: Property, Plant and Equipment and GRAP 102: Intangible Assets. A depreciable leased asset is depreciated over:

- Its useful life if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term.
- The shorter of: the assets useful life; or the lease term.

If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term.

The entity applies GRAP 26: Impairment of Assets to determine whether the leased asset has become impaired.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset.

The non-renewable operating lease for land is recognised in the Statement of Financial Performance when the cash based expense is incurred.

### 1.7 Impairment of assets

The Park assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the Park estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Park also tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately as a surplus or deficit.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The increased carrying amount due to reversal should not be more than what the depreciated and amortised historical cost would have been, if the impairment had not been recognised.

Financial assets, other than those at fair value through surplus or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

#### 1.8 Employee benefits

##### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The defined plan is a provident fund plan under which the Park pays fixed monthly contributions to a separate entity that will have legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all the employee benefits relating to the employee service in the current and prior period. The Park pays contributions to a publicly administered provident fund on a mandatory, contractual or voluntary basis. Once the contribution is paid, the Park has no further obligations.

#### 1.9 Provisions and contingencies

Provisions are recognised when:

- The Park has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

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 certain that the reimbursement will be received if the Park settles the obligation and is then recognised in the Statement of Financial Performance. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Employees' entitlement to annual leave and a thirteenth cheque are recognized when it becomes available to employees.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

- The entity will comply with the conditions attaching to them; and
- The grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

### 1.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. 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 associated with the transaction will flow to the Park;
- The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest revenue, arising from the use by others for the entity's assets, is recognised:

- Using the effective interest method when:
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

### 1.12 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 1.13 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.14 Research and development expenditure

Research costs are charged against operating surplus as incurred. Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:

- The product or process is clearly defined and the costs attributable can be separately identified and measured reliably;
- The technical feasibility of the product or process can be demonstrated;
- The existence of a market or, if to be used internally rather than sold, its usefulness to the Park can be demonstrated;
- Adequate resources exist to complete the project and then market or use the product or process; and
- The asset is separately identifiable.

### 1.15 Risk management

Interest rate risk is managed by investing excess cash in Financial Instruments at approved financial institutions. The Park's exposure to credit risk is insignificant. Liquidity risk is managed by keeping sufficient cash available from short dated financial instruments.

### 1.16 Fruitless and wasteful and irregular expenditures

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation including the Public Finance Management Act.

All irregular and fruitless and wasteful expenditures are charged against the surplus in the period in which they occur.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 2. NEW STANDARDS AND INTERPRETATIONS

At the date of these financial statements there are standards and interpretations in issue, but not yet effective that may have an impact on future financial statements and include:

		Effective date Commencing on or after
GRAP 18	Segment Reporting	1 April 2010
GRAP 21	Impairment of non-cash generating assets	1 April 2010
GRAP 23	Revenue from non-exchange transactions	1 April 2010
GRAP 24	Presentation of budget information in financial statements	1 April 2010
GRAP 25	Employee benefits	1 April 2010
GRAP 26	Impairment of cash generating assets	1 April 2010
GRAP 103	Heritage assets	1 April 2010
GRAP 104	Financial instruments	1 April 2010

### 3. PROPERTY, PLANT AND EQUIPMENT

	2010			2009		
	Cost / valuation R	Accumulated depreciation R	Carrying value R	Cost / valuation R	Accumulated depreciation R	Carrying value R
Buildings	241,338,276	(27,523,417)	213,814,859	237,730,279	(15,456,505)	222,273,774
Furniture and fittings	1,780,381	(801,516)	978,866	1,498,878	(635,866)	863,012
Motor vehicles	1,573,874	(311,896)	1,261,979	839,027	(349,816)	489,211
Office equipment	1,407,130	(670,675)	736,455	1,200,751	(432,009)	768,742
IT equipment	2,760,449	(1,457,873)	1,302,576	2,250,658	(1,344,285)	906,373
Leasehold improvements	4,732,191	(1,892,877)	2,839,315	169,076	(128,736)	40,340
Property under construction	309,365,758	-	309,365,758	175,788,047	-	175,788,047
Art work	249,114	-	249,114	249,114	-	249,114
<b>Total</b>	<b>563,207,174</b>	<b>(32,658,253)</b>	<b>530,548,921</b>	<b>419,725,830</b>	<b>(18,347,217)</b>	<b>401,378,613</b>

Reconciliation of property, plant and equipment - 2010

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R	R	R	R	R	R
Buildings	222,273,774	-	-	3,607,997	(12,066,912)	213,814,859
Furniture and fittings	863,012	288,830	(16,553)	6,750	(162,490)	979,549
Motor vehicles	489,211	1,140,025	(140,000)	-	(227,258)	1,261,978
Office equipment	768,742	206,382	-	-	(238,669)	736,455
IT equipment	906,373	921,213	(12,617)	-	(513,076)	1,301,893
Leasehold improvements	40,340	4,732,191	(9,477)	(6,749)	(1,916,990)	2,839,315
Property under construction	175,788,047	137,185,708	-	(3,607,997)	-	309,365,758
Art work	249,114	-	-	-	-	249,114
<b>Total</b>	<b>401,378,613</b>	<b>144,474,348</b>	<b>(178,647)</b>	<b>-</b>	<b>(15,125,394)</b>	<b>530,548,921</b>

The amount of R3,607,997 was transferred from Property under Construction to Buildings as it represents a completed construction project and the asset is capable of operating in the manner intended by the Council. Items to the value of R6 750, previously classified as leasehold improvements, have been reclassified as Furniture and Fittings.

### Reconciliation of property, plant and equipment - 2009

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R	R	R	R	R	R
Buildings	36,811,442	-	-	190,982,754	(5,520,422)	222,273,774
Furniture and fittings	698,991	307,210	(10,573)	-	(132,616)	863,012
Motor vehicles	451,713	159,030	-	-	(121,532)	489,211
Office equipment	358,379	585,970	(11,255)	-	(164,352)	768,742
IT equipment	406,982	740,442	(4,081)	-	(236,970)	906,373
Leasehold improvements	112,681	-	-	-	(72,341)	40,340
Property under construction	242,685,663	124,085,138	-	(190,982,754)	-	175,788,047
Art work	249,114	-	-	-	-	249,114
<b>Total</b>	<b>281,774,965</b>	<b>125,877,790</b>	<b>(25,909)</b>	<b>-</b>	<b>(6,248,233)</b>	<b>401,378,613</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 4. INTANGIBLE ASSETS

	2010		Carrying value	2009		Carrying value
	Cost / valuation	Accumulated depreciation		Cost / valuation	Accumulated depreciation	
	R	R	R	R	R	R
Computer software, other Intangible assets under development	9,088,030	7,782,232	1,305,798	7,802,439	(6,556,186)	1,246,253
	9,383,872	18,634	9,365,238	1,882,126	(6,524)	1,875,602
<b>Total</b>	<b>18,471,902</b>	<b>7,800,867</b>	<b>10,671,035</b>	<b>9,684,565</b>	<b>(6,562,710)</b>	<b>3,121,855</b>

#### Reconciliation of intangible assets – 2010

	Opening balance	Additions	Disposals	Amortisation	Total
	R	R	R	R	R
Computer software, other Intangible assets under development	1,246,253	1,326,017	(31)	(1,266,442)	1,305,798
	1,875,602	7,501,746	-	(12,110)	9,365,238
<b>Total</b>	<b>3,121,855</b>	<b>8,827,764</b>	<b>(31)</b>	<b>(1,278,552)</b>	<b>10,671,036</b>

#### Reconciliation of intangible assets - 2009

	Opening balance	Additions	Disposals	Amortisation	Total
	R	R	R	R	R
Computer software, other Intangible assets under development	1,896,674	704,776	(5,474)	(1,349,723)	1,246,253
	-	1,882,126	-	(6,524)	1,875,602
<b>Total</b>	<b>1,896,674</b>	<b>2,586,902</b>	<b>(5,474)</b>	<b>(1,356,247)</b>	<b>3,121,855</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 5. TRADE AND OTHER RECEIVABLES

	2010	2009
	R	R
Staff loans and accruals	12,102	-
Deposits	213,627	449,560
Prepaid expenses	1,309,212	50,821
Other debtors	-	396,359
	<u>1,534,942</u>	<u>896,740</u>
<b>Fair value of trade and other receivables: deposits</b>		
Present value	212,723	401,551
Interest receivable	904	48,009
Future value	<u>213,627</u>	<u>449,560</u>

Freedom Park is not subjected to interest rate risks as there are no borrowed funds. Future value is determined by using the CPI rate of 5.1 % rate at 31 March 2010 and 8.5 % at 31 March 2009 as a reasonable rate for the determination of fair value.

### 6. CASH AND CASH EQUIVALENTS

	2010	2009
	R	R
Cash on hand	5,462,313	1,959,150
Short-term deposits	149,418,024	112,927,531
	<u>154,880,337</u>	<u>114,886,681</u>

*NOTES TO THE ANNUAL FINANCIAL STATEMENTS*  
FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

**7. DEFERRED INCOME**

Deferred income represents the movement in capital grants received. Capital grants are recognized as income over the economic life of capital items.

Deferred income comprises:

	<b>2010</b>	<b>2009</b>
	<b>R</b>	<b>R</b>
<b>Non-Current liabilities</b>		
Contracts to be completed in more than one year	163,604,172	111,210,099
<b>Current liabilities</b>		
Contracts to be completed within the next financial year	-	-
Reconciliation of closing balances		
<b>Opening balance</b>	<b>111,210,099</b>	<b>84,847,740</b>
<b>Capital grants receipts:</b>	<b>206,409,437</b>	<b>155,250,000</b>
Department of Arts and Culture	200,000,000	144,000,000
National Lotteries Board	6,409,437	11,250,000
<b>Amount released to the income statement</b>	<b>(154,015,364)</b>	<b>(128,887,641)</b>
<b>Balance of capital funds left unspent</b>	<b>163,604,172</b>	<b>111,210,099</b>
Cash available - Department of Arts and Culture	155,547,809	102,265,174
Cash available - National Lottery	8,056,363	8,944,925

The available cash at year-end indicates the available cash that will be utilised during the next financial year for the completion of the Freedom Park. Capital grants have been presented in the Statement of Financial Position as deferred income and were allocated to the Statement of Financial Performance based actual spending on park infrastructure.

A total grant of R30,247,000 was allocated by the National Lotteries Board for the funding of exhibition development at //hapo. The funding will be made available in tranches based on the conditions as stipulated in the Grant Agreement with the National Lotteries Board that was finalised during the 2008/2009 financial year. The second tranche payment of R6 409 437 was received on 19 March 2010.

The deferred revenue represents amounts previously received from government as well as private grants that will be utilised in the future against the respective conditions of the grants.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 8. TRADE AND OTHER PAYABLES

	2010 R	2009 R
Trade payables	3,430,280	15,305,253
Accrued leave pay	1,005,741	-
Other accrued expenses	909,789	2,338,680
	<u>5,345,810</u>	<u>17,643,933</u>
Fair value of trade and other payables		
Present value	5,276,487	17,519,834
Interest payable	69,323	124,099
Future value	<u>5,345,810</u>	<u>17,643,933</u>

Freedom Park is not subjected to interest rate risks as there are no borrowed funds. Future value is determined by using the CPI rate of 5.1% rate at 31 March 2010 and 8.5% at 31 March 2009 as a reasonable rate for the determination of fair value.

### 9. PROVISIONS

#### Reconciliation of provisions - 2010

	Opening balance R	Additions R	Utilised during the year R	Total R
Restructuring costs	159,256.00	-	(159,256)	-
Annual bonus (13th Cheque)	-	435,385	-	435,385
	<u>159,256.00</u>	<u>435,385</u>	<u>(159,256)</u>	<u>435,385</u>

#### Reconciliation of provisions - 2009

	Opening balance R	Additions R	Utilised during the year R	Total R
Restructuring costs	-	159,256	-	159,256
Performance bonus	50,611.00	841,161	(891,772)	-
Audit fees	259,697.00	-	(259,697)	-
	<u>310,308.00</u>	<u>1,000,417</u>	<u>(1,151,469)</u>	<u>159,256</u>

The retrenchment costs as provided for in the previous financial year were reversed due to the restructuring process that was completed in the current year whereby all retrenched employees were absorbed in the newly adopted organisational structure.

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FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

**10. EXCHANGE REVENUE**

	2010 R	2009 R
Admission fees received	148,805	-
Venue hiring fees received	190,762	170,729
	<u>339,567</u>	<u>170,729</u>

**11. NON EXCHANGE REVENUE**

	2010 R	2009 R
Other income	63,308	555
Operating grant	50,984,000	50,000,000
Transfer from deferred income: capital grant	154,015,364	128,887,641
	<u>205,062,672</u>	<u>178,888,196</u>

**12. GOVERNMENT GRANTS**

Government grants: operational

	2010 R	2009 R
Operating grant received in cash from the Department of Arts and Culture	50,984,000	50,000,000

**13. EMPLOYEE COSTS**

	2010 R	2009 R
Basic remuneration	26,428,888	18,162,882
Performance bonus	234,332	1,002,800
Medical aid contributions	457,745	1,235,785
UIF	123,839	80,237
Leave pay provision charge	1,069,369	632,967
Employment benefits	531,521	1,921,083
Overtime payments	236,157	283,836
Acting allowance	234,383	-
13th cheques	2,112,929	1,466,635
Temporary wages	540,100	556,898
	<u>31,969,263</u>	<u>25,343,123</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### REMUNERATION OF SENIOR MANAGEMENT

Rank	Annual basic salary	Travel allowance	13th cheque	Provident fund contribution	2010 Medical aid contribution	Annual package including 13th cheque	2009 Total costs
CEO	745,180	152,566	66,534	111,777	51,480	1,127,537	1,173,594
Deputy CEO	665,223	169,505	59,395	66,522	48,104	1,008,749	1,001,026
HoD: Human Resources	499,471	124,416	44,596	49,947	40,671	759,101	779,484
Company Secretary	499,471	136,704	44,596	49,947	28,083	758,801	788,317
HoD: Innovation and Incubation	450,509	117,256	40,224	45,051	31,527	684,567	714,993
HoD: Heritage	499,471	160,411	44,596	49,947	-	754,425	782,749
HoD: Public Participation**	374,603	160,544	44,596	-	-	579,743	798,581
HoD: Park Operations***	412,966	112,171	40,224	41,297	23,974	630,632	665,030
CFO*	467,657	103,343	55,673	46,766	21,590	695,030	803,034
Chief Information Officer	426,028	103,343	38,038	63,904	18,546	649,859	636,520

\* Resigned at 31 January 2010

\*\* Resigned at 31 December 2009

\*\*\* Resigned at 28 February 2010.

*NOTES TO THE ANNUAL FINANCIAL STATEMENTS*  
FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

**REMUNERATION OF COUNCIL**

<b>Member</b>	<b>Member status</b>	<b>2010 Annual remuneration R</b>	<b>2009 Annual remuneration R</b>
Ms NG Shope	Member until 31 March 2009		14,982
Ms MH Sebidi	Member until 31 March 2009		33,600
Ms L Callinicos	Member until 31 March 2009		44,800
Mr AM Kathrada	Member until 31 March 2009		6,720
Prof IJ Mosala	Member until 31 March 2009		6,720
Dr FFN Ginwala	Member until 31 March 2009		11,200
Gen L Moloi	Member until 31 March 2009		31,360
Dr M Adonisi	Member until 31 March 2009		24,640
Mr T Gcabashe	Member until 31 March 2009		11,200
Dr E van Harte	Member until 31 March 2009		-
Ms ES Mabusela	Chairperson until 31 March 2009		31,371
Ms ES Mabusela	Reappointed Chairperson from 21 August 2009	9,981	
Mr E Dikotla	Inducted on 10 September 2009	7,425	
Mr V Mchunu	Inducted on 10 September 2009	14,850	
Mr HNM Mdlalose	Inducted on 10 September 2009	7,425	
Ms B Mgcina	Inducted on 10 September 2009	9,900	
Mr RP Mnisi	Inducted on 10 September 2009	4,950	
Ms N Ramdhani	Inducted on 10 September 2009	7,425	
Mr I van Niekerk	Inducted on 10 September 2009	12,375	
		<b>74,331</b>	<b>216,593</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 14. FAIR VALUE ADJUSTMENTS

	2010	2009
	R	R
Interest on fair value adjustment of capital and operational payments	(958,773)	(1,244,527)

### 15. AUDITORS' REMUNERATION

	2010	2009
	R	R
Internal audit fees	453,781	895,026
External audit fees	648,312	100,779

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 16. OPERATING LEASE

The operating leases are for offices in Pretoria and Cape Town. The Pretoria lease is payable in monthly instalments of R227,271 per month. The Cape Town lease is payable in monthly instalments of R5,617 per month. These operating leases were paid up at year-end as Freedom Park moved their administrative offices from Menlyn, Pretoria to Salvokop, Pretoria. The Cape Town lease has been renewed on a month-to-month basis.

The operating lease for office equipment is for a photocopier which is repayable in monthly instalments of R6 086. The lease agreement was entered into on 18 July 2010 and is for 36 months.

The Park entered into a 99 year non-renewable lease agreement for land at Salvokop, Pretoria commencing on 24 June 2002. GRAP 13 requires operating lease payments to be recognised as an expense using the straight-line method. Should GRAP 13:48 be applied, a lease expense of R309,565,756 per annum needs to be recognized in the Statement of Financial Performance for the year with a resulting deferred liability in the Statement of Financial Position. Management concluded that compliance with the GRAP 13:48 would be misleading and calculated over 99 years will distort the entity's performance for the period under review due to the lengthy lease period.

The future minimum lease payments under non-cancellable operating leases for equipment and premises are as follow:

	2010 R	2009 R
<b>Payable within one year:</b>		
Premises	-	909,085
Office equipment	72,609	-
Land	118,549	105,847
<b>Payable within two to five years:</b>		
Office equipment	164,322	-
Land	634,575	56,658
<b>Payable after five years:</b>		
Land	30,645,710,346	30,645,896,886

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 17. CASH GENERATED FROM (USED IN) OPERATIONS

	2010 R	2009 R
(Deficit) / Surplus before taxation	136,979,274	125,886,662
- Adjustments for:		
Depreciation and amortisation	16,403,946	7,604,480
(Proceeds) / Deficit on sale of assets	36,989	3,534
Changes in working capital:		
Trade and other receivables	(638,202)	(388,210)
Trade and other payables	(12,298,123)	11,498,762
Movements in provisions	276,129	(151,052)
	<u>140,760,005</u>	<u>144,454,176</u>

### 18. RECONCILIATION OF APPROVED BUDGET SURPLUS/DEFICIT WITH THE STATEMENT OF FINANCIAL PERFORMANCE

	2010 R	2009 R
Net surplus as per the Statement of Financial Performance	136,979,274	125,886,662
Adjusted for:		
Deficit on sale of assets	36,989	-
Fruitless and wasteful expenditure	55,841	-
Under-recovery of budgeted revenue due to a delay in the charging of entrance fees	2,801,489	5,855,716
Generation of unbudgeted other income	(63,308)	-
Over-recovery of interest income due to increased interest rates and surplus cash	(4,417,676)	(10,106,863)
Over-spent of budgeted operating and employment costs due to the over-recovery of interest income	2,218,811	(4,840,242)
Transfer of grants to performance statement	(137,611,419)	(116,679,659)
Approved budgeted surplus as at 1 April	<u>0</u>	<u>115,614</u>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 19. COMMITMENTS

Significant capital commitments

	2010 R	2009 R
Already contracted for but not provided for:		
Value of total contracts	261,958,230	146,278,360
Less: Total payments made until 31 March 2010	(95,501,290)	(88,250,680)
Outstanding payments against contracts	<u>166,456,941</u>	<u>58,027,680</u>

The committed expenditure as at 31 March 2010 relates to two contractual obligations with Fikile Stocks JV for the construction of //hapo (total value of R146 278 360) and the Administration Offices (total value of R115 679 870) that will be financed by capital grants that are received from the Department of Arts and Culture.

### 20. CONTINGENCIES

In terms of Section 53(3) of the Public Finance Management Act, all accumulated surplus funds may be forfeited to National Treasury. Formal requests have been made to National Treasury to retain accumulated surpluses in prior financial years but approval has not been received to date.

### 21. RELATED PARTIES

Relationships

Department of Arts and Culture as the Executive Authority.

Related party transactions

	2010 R	2009 R
Department of Arts and Culture: Operating grant	50,984,000	50,000,000
Department of Arts and Culture: Capital grant	200,000,000	144,000,000

### 22. FINANCIAL INSTRUMENTS

In the course of the Park's operations it is exposed to credit, liquidity and market risk. The Park has developed a comprehensive Risk Strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. Internal Audit Function reports quarterly to the Audit and Risk Committee, and independent body that monitors risks and policies implemented to mitigate risk exposures. The risk management process relating to each of these risks is discussed under the headings below.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### Operational risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Park cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, the Park is able to manage the risk. Controls include effective segregation of duties, access control, authorisation and reconciliation procedures, employee education and assessment processes.

### Categories of financial instruments

Financial assets: Cash, trade and other receivables

Financial liabilities: Trade and other payables

### Price risk

As the Park has no significant interest bearing assets, the Park's income and operating cash flows are substantially independent of changes in market interest rates.

### Cash flow risk

#### Financial instrument

	CPI rate	Due in less than one year
	%	%
Interest Receivable	5.1	904
Interest Payable	5.1	69,323
Cash	5.1	958,773

### Interest rate risk

This risk is the potential financial loss as a result of adverse movement in interest rates that affects the value of receivables and bank balances. Nominal interest rate risk can be split into real interest rate risk and inflation risk. Interest rate risk is managed by investing funds in highly liquid call accounts, at reputable financial institutions, earning market related interest.

### Market risk

No significant fluctuations in the market occurred during the year that the Park is aware of.

### Credit risk

Financial assets, which potentially subject the Park to the risk of non performance by counter parties consist mainly of cash. The Park limits its treasury counter party exposure by only dealing with well established financial institutions approved by National Treasury.

### Liquidity risk

The Park manages liquidity risk through proper management of working capital, capital expenditure and actual versus forecast cash flows and its cash management policy. Adequate reserves and liquid resources are also maintained.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 23. 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.

### 24. CONTINGENT LIABILITIES

The contingent liability is in respect of labour related claims arising in the ordinary course of business and comprise of:

Parties	Nature	Lodged in	Potential liability
Company Secretary	Predissmissal arbitration	CCMA	R758,800 plus legal costs

Based on the opinion of the in-house counsel, it is anticipated that no material liability will arise.

### 25. FRUITLESS AND WASTEFUL EXPENDITURE

The following fruitless and wasteful expenditures were incurred during the year:

Supplier	Amount	Description
E-Z Golf Carts	753	Interest charges on late payment
Rentokil	6,459	Payment made for deep cleaning services that were not rendered
The Office Plant	12,928	Contract was not cancelled in time when office move took place in July 2009
Bytes communication systems	3,851	Contract was not cancelled in time when office move took place in July 2009
Telkom SA	1,851	Interest charges on late payment
Maggie Davey	30,000	Confederation Cup T-shirts - settlement fee for use of design concept
<b>Total</b>	<b>55,841</b>	

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 MARCH 2010 (CONTINUED)

### 26. CHANGE IN ACCOUNTING POLICY

#### Deferred income

During 2009 the entity adopted the accounting standard of GRAP 23 Non-exchange transactions (Taxes & Transfers) and amended its accounting policy accordingly. The adoption resulted in a change in revenue recognition which were retrospectively adjusted for all prior years.

	2010	2009
	R	R
Effect on 31 March 2009 restated		
Statement of financial position	-	-
Decrease in deferred revenue	-	360,607,533
Increase in accumulated surplus	-	(239,324,372)
		<u>121,283,161</u>
Statement of financial performance	-	-
Increase in deferred income released	-	121,283,161

### 27. OTHER MATTERS

#### World Cup Tickets

No expenditure was incurred for World Cup tickets.

## PERFORMANCE REVIEW

FOR THE YEAR ENDING 31 MARCH 2010

*This section of the Annual Report offers a brief overview of Freedom Park's performance by highlighting activities and involvement in projects, initiatives, research and partnerships during the past financial year to meet our strategic objectives as a cultural institution.*

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
Strategic objective 1	To contribute to social cohesion by positioning Freedom Park as a symbol of National Identity in 70% of identified target groups			
To integrate history, culture and spirituality in a manner that will portray a national identity	Research and knowledge	Research content for the permanent exhibition	Annual research framework plan	<ul style="list-style-type: none"> <li>• Developed seven epochs as the storyline for //hapo, from 3.6 billion years ago to the present.</li> <li>• Appointed two historians as consultants to interrogate the Interpretive Plan to enhance the emancipation of the African voice and ensure that the continent is appropriately represented.</li> <li>• Developed an artefact study model with research categories that supplies information on the historical, cultural and spiritual aspects of the artefact.</li> <li>• Accessioned and documented all research output in the PAA knowledge management database with the Vernon application system.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To integrate the natural and cultural landscape for contemplation, reflection and reconciliation	Research and knowledge	Research content for the Garden of Remembrance	Annual research framework plan	<ul style="list-style-type: none"> <li>• Identified key areas of research for the Wall of Names, Gallery of Leaders and artworks.</li> <li>• Identified categories for the Wall of Names for analysis as follows: BCM/ Azapo, Gateway to Freedom, Sports Persons, LNDI Memorial, Death in Detention, PAC, SANNC, Bambatha Uprising, Sekhukhune Land Uprising.</li> <li>• Included data collection on all eight conflicts in research content: Pre-colonial War, Genocides, Slavery, World War I, World War II, South African Wars, Wars of Resistance and the Liberation Struggle.</li> <li>• Focused sourcing of research content for the Gallery of Leaders on additional leaders, namely King Hintsa, Hendrik Witbooi, General Koos de la Rey, Christian de Wit and Aushimato.</li> <li>• Completed the transfer of research output for the development of the artwork brief.</li> <li>• Procured eight artwork sculptures and three text artworks for the Garden of Remembrance.</li> <li>• Finalised and approved the placement of artworks.</li> </ul>
To continuously educate visitors about cultural, historical and spiritual issues focusing on the national, continental and international world	Research and knowledge	Research content for temporary exhibitions	Transfer research output to exhibitions	<ul style="list-style-type: none"> <li>• Installed a temporary photographic exhibition on Cleansing and Healing in the Gallery of Leaders for Reconciliation Day on 16 December 2009.</li> <li>• Installed portraits of OR Tambo and Che Guevara in the Gallery of Leaders as a pilot for the development of the exhibition.</li> <li>• Sent research information about leaders to artists to visually portray the leaders as part of the pilot project.</li> <li>• Used the research output for the exhibition development of //hapo for the temporary seven-epoch exhibition in August 2009 for benchmarking purposes.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To inform, educate and provide a platform for an interactive engagement with the national and international community	Positioning Freedom Park as a symbol of national identity in 20% of the target groups in 2009	Website	Design and development	Designed and developed a new website.
			Upload of new, relevant and accurate content	<ul style="list-style-type: none"> <li>• Launched new website on 1 April 2009</li> <li>• Constantly updated contents with current and relevant information.</li> <li>• Monitored the Discussion Forum and replied to comments from the public.</li> </ul>
To understand and assess the target groups to keep abreast of changes in the environment and realign action plans	Positioning Freedom Park as a symbol of national identity in 20% of the target groups in 2009	Market research	Conduct professional and informative target group research	Postponed activity to the next financial period due to the reprioritisation of the budget.
			Identify information needs and realign action plans	<p>Conducted interim, random surveys:</p> <ul style="list-style-type: none"> <li>• Distributed feedback forms to Park visitors at the end of each tour.</li> <li>• Assessed and dealt with feedback via the info@freedompark.co.za e-Mail address on a case-by-case basis.</li> <li>• Prepared and distributed monthly statistical reports with website user statistics</li> <li>• Received weekly analysis report from media monitoring services.</li> </ul>
To ensure that events are managed effectively	Positioning Freedom Park: reconciliation and nation building	Event management	Develop and update policies and procedures related to event management	Planned and coordinated events according to a project plan compiled and approved for every event.

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To influence public opinion by managing information flow to ensure positive perceptions of Freedom Park	Positioning Freedom Park: reconciliation and nation building	Public Relations plan ensures positive perceptions	Develop and implement PR operational plan and approved action plans	Developed Public Relations operational and action plans with dedicated, measurable deliverables.
			Develop and implement tourism operational plan and approved action plans	<ul style="list-style-type: none"> <li>Public Participation Department hosted a function on 26 November 2009 to introduce //hapo to the media and tourism industry role players.</li> <li>Functions resulted in media awareness and ownership and large-scale awareness in the industry responsible for bringing international, continental and national tourists to Freedom Park.</li> </ul>
			Develop and implement crisis communication operational plan and approved action plans	<ul style="list-style-type: none"> <li>Personal attention given to complaints from the public received via the website as well as telephonically.</li> <li>Gauged media exposure through a dedicated media monitoring service.</li> <li>Compiled statistics from monthly reports submitted by tour guides on tours, visitors' feedback and numbers.</li> </ul>
To inform, create awareness and persuade the target groups to visit Freedom Park	Positioning Freedom Park: reconciliation and nation building	Advertising plan to reach various target groups	Develop and implement advertising operational plan and approved action plans	<ul style="list-style-type: none"> <li>Placed advertisements in A La Carde, Destination 2010, Supersport Yearbook and Moja.</li> <li>Obtained free advertisements in Horizons, Good Morning Mr President and The Commuter.</li> </ul>
To position Freedom Park through corporate identity	Positioning Freedom Park: Reconciliation and Nation Building	Corporate identity (CI) manual	Develop a positioning strategy with a corporate identity manual	<ul style="list-style-type: none"> <li>Issued and implemented a directive for the new Freedom Park logo and naming convention.</li> <li>Produced all marketing collateral to reflect the new CI convention for the institution.</li> <li>Placed document templates and a word-processing manual on the Intranet.</li> <li>Edited all content for the website and checked for adherence to CI specs before publication on the site.</li> <li>Aligned external communication with the corporate message.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To effectively co-ordinate, inform and enhance the visitor experience	Frontline services	Welcoming and information	Develop a welcoming plan and implement	Appointed frontline Officers in December 2009 to welcome visitors and see to their hospitable experience.
To effectively educate, inform, engage and guide visitors at the Park	Frontline services	Guided tours	Conduct tours that enhance visitors' experience	Booking of tours available through the website, tours@freedompark.co.za and via mobile numbers.
Strategic objective 2	To establish mechanisms to promote, protect and preserve IKS			
To create user-friendly access to the knowledge base	Archiving and collections	Print and electronic material	Create an accession register	<ul style="list-style-type: none"> <li>Created an accession register for print and audio-visual material, and 3-D objects based on recognised accessioning standards.</li> <li>Accessioned 461 manuscripts to date.</li> </ul>
To maintain and preserve all physical collections	Curatorship	Preserved and stored objects in accordance with international museological standards	Manage and provide appropriate storage facilities and conditions for 3-D objects	Signed an agreement for storage space with Ditsong Musuems (formerly Northern Flagship Institute) to store resources that were donated, purchased or on loan to the Park while //hapo was still under construction.
			Implement preventative conservation of collections	<ul style="list-style-type: none"> <li>Ditsong Museums' Curator treated heritage resources received as donations from the National Prosecutions Authority.</li> <li>Developed a draft Integrated Conservation Policy and Conservation Assessment plan with guidelines for the acquisition, storage and maintenance of heritage resources under Freedom Park custodianship.</li> </ul>
			Safeguard objects	Developing a disaster management plan to ensure fast and efficient protection and preservation of tangible and intangible heritage resources in the care and ownership of Freedom Park.

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To install and update the seven epochs in //hapo	Exhibition design and implementation	Installation of seven-epoch permanent exhibition in accordance with IKS standards	Install exhibition	<ul style="list-style-type: none"> <li>• Commissioned scale model of //hapo and exhibition to assist content and design team with appropriate visitor flow, placement of exhibition components and overall aesthetics.</li> <li>• Model of building completed and ready for delivery, scaled exhibition still being manufactured.</li> <li>• The exhibition installation process will begin in May 2010.</li> </ul>
To ensure an effective public interface	Knowledge management	Packaged research output	Install electronic names database	PAA and ICT Department installed electronic names database in December 2009.
			Protect and provide access to knowledge	<ul style="list-style-type: none"> <li>• Enforced Intellectual Property Policy (IPP) when public needed access to Freedom Park information.</li> <li>• Placed IPP and Access to Information Manual on Freedom Park website for public viewing when public needed access to Freedom Park material.</li> </ul>
To establish a document management system with easy storage, access and dissemination of knowledge and information generated from IKS research projects	Knowledge management	Document management system for IKS	Create easy access to IKS knowledge items	<ul style="list-style-type: none"> <li>• Established Knowledge Management Centre as effective interface with public.</li> <li>• Bought and stored all text books and journals used as reference for //hapo story according to categories together with all IKS research products.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
Strategic objective 3	To create a conducive environment to attract, engage and retain effective and knowledgeable talent, as measured by industry standards			
To ensure effective measures for handling employee dissatisfaction	Labour relations	Employee disputes effectively resolved within prescribed timeframe	Provide training in labour relations	<ul style="list-style-type: none"> <li>Developed and approved training programme for implementation.</li> <li>Re-aligned internal HR policies and procedures following attendance of Labour Law seminars.</li> </ul>
			Communicate with the Union	<ul style="list-style-type: none"> <li>Confirmed a schedule of meetings in May, July, September and October 2009 with Union.</li> <li>Commenced consultation process about implementing new organisational structure in October 2009.</li> </ul>
To attract, engage and retain effective and knowledgeable talent as measured by industry standards	Recruitment	Reduction in the % of approved positions which remains vacant for more than four months	Develop and implement total reward strategy	<ul style="list-style-type: none"> <li>Completed preliminary exercise to establish salary mid-points and loaded it on VIP Premier Payroll.</li> <li>Envisaged to continue with reward strategy when HR Genesis module of VIP was fully implemented.</li> </ul>
			Obtain approval from Council to convert contract positions	<ul style="list-style-type: none"> <li>Council approved conversion of all non-managerial positions into permanent positions effective 1 October 2009.</li> <li>Converted contracts for management positions into three-year fixed term contracts.</li> <li>A new contracts issued after concluding consultative process with Union.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To ensure high employee productivity	Employee assistance	% of employees who are satisfied with the working conditions	Implement appropriate organisational development interventions	<ul style="list-style-type: none"> <li>Presented diversity workshop for Managers on 1 October 2009.</li> <li>Resolved to roll out diversity training throughout organisation.</li> <li>Codified organisation values where employees interpreted values to give them context and common meaning as a point of departure and build-up to diversity workshop.</li> <li>Prepare for workshop by using at least 80% of input interpretations received as basis for workshop.</li> </ul>
			Review and align EAP policy with organisational and employee needs	<ul style="list-style-type: none"> <li>Implemented EAP policy.</li> <li>Identified shortcomings.</li> <li>Reviewed policy to align it with the business requirements of Freedom Park.</li> </ul>
			Conduct regular surveys to assess effectiveness of EAP programmes	Conducted survey to solicit employees' inputs about effectiveness of EAP programmes.
To ensure adherence to HR policies	HR policies and procedures	% employees who have been inducted/ attended presentation on HR policies and confirmed their understanding thereof	Conduct regular workshops to educate staff about policies	<ul style="list-style-type: none"> <li>Identified topics for presentations on HR policies.</li> <li>The Leave and Overtime policy was presented at a staff meeting in August 2009.</li> </ul>
			Conduct regular review of HR policies and procedures	<ul style="list-style-type: none"> <li>Identified policies for review and started review process.</li> <li>Drafted HIV and AIDS policy as component of EAP policy</li> <li>Reviewed Recruitment policy.</li> <li>More comprehensive review of the other policies and scope new organisational structure change process to be done.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To ensure good organisational performance in achieving strategic objectives	Performance management	% employees who compiled and submitted performance work plans	Develop work plans aligned with strategic objectives	<ul style="list-style-type: none"> <li>Requested staff members in June 2009 to submit work plans as instruments for performance planning.</li> <li>Institutionalised Cura Risk Management system</li> <li>All employees completed and updated work plans on system.</li> </ul>
			Conduct workshop to promote correct application of Performance Management system	Presented Performance Management System to staff members in June 2009 to ensure correct application of system.
To ensure that staff members are trained in accordance with their development needs	Training and development	% employees confirmed attendance of training and development in line with their performance requirements and developmental needs	Integrate training and development with performance management needs	<ul style="list-style-type: none"> <li>Identified areas of success (strengths) and those that required training intervention from performance review outcomes.</li> <li>Conducted skills audit which was a further key source of information for developmental purposes.</li> </ul>
			Structure training and development	<ul style="list-style-type: none"> <li>Number of employees attended various forms of training in accordance with their performance assessments and vital skills requirements to ensure optimal performance.</li> </ul>
To ensure that staff is horizontally informed and educated about current matters and to promote staff cohesion	Internal communication	Internal communication plan	Development and maintain Intranet	<ul style="list-style-type: none"> <li>Activated new Intranet on 1 December 2009.</li> <li>Presented Intranet functionality to staff members in January 2010.</li> </ul>
			Develop, implement and maintain internal communication mechanisms	<ul style="list-style-type: none"> <li>Distributed informative and comprehensive e-News to staff members.</li> <li>Newsletters regularly relayed to staff members.</li> </ul>
			Make visual information available	<ul style="list-style-type: none"> <li>Visuals taken of the Park.</li> <li>Created photo gallery with audiovisual developer.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
Strategic objective 4	To manage Freedom Park as a customer-focused, financially sustainable cultural institution			
Effective support to Council, Management and staff members	Good corporate governance	Performance of fiduciary duties within legislative framework	Ensure that Council and Statutory Committee members have relevant information	<ul style="list-style-type: none"> <li>Inducted newly appointed Council members in September 2009.</li> <li>Compiled induction pack with relevant information about Freedom Park.</li> <li>Distributed induction pack to all Council Members.</li> </ul>
			Communicate resolutions taken during meetings	<ul style="list-style-type: none"> <li>Communicated resolutions of statutory meetings to relevant individuals by distributing Minutes of the meetings with a reminder of action points to be effected.</li> <li>Discussed action points as matters arising at next meeting.</li> </ul>
			Record, distribute and maintain minutes of meetings	Recorded, distributed and maintained minutes of the meetings as per statutory requirements.
			Design and implement annual calendar of meetings	<ul style="list-style-type: none"> <li>Compiled annual calendar for 2009'10 financial year.</li> <li>Appointment of Council for the Cultural Institution delayed and statutory meetings could not take place.</li> <li>Subsequently compiled new calendar for 2010'11 financial year and distributed it in December 2009.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
Good governance and compliance	Compliance	Adherence to governing legislation, regulations and best practice by Council and employees	Review of policies and procedures	<ul style="list-style-type: none"> <li>Aligned prescripts, otherwise minimal movement in of reviewing of policies.</li> </ul>
			Review and update authority structure and terms of reference of structure	<ul style="list-style-type: none"> <li>Tabled proposed authority structure, with updated terms of reference.</li> <li>Approved by Council on 10 September 2009.</li> <li>Appointment of external specialists in the sub-committees outstanding.</li> </ul>
			Review and update delegations of authority	<ul style="list-style-type: none"> <li>Reviewed Delegations of Authority.</li> <li>Basic required amendments approved by Council on 10 September 2009.</li> </ul>
			Provide training on Cultural Institutions Act and good governance	Presented basics of good governance and fiduciary duties to Council on 10 September 2009.
To ensure good governance of the ICT function and processes	ICT governance processes	Govern, monitor and evaluate ICT processes	Develop business continuity and risk plans	<ul style="list-style-type: none"> <li>Supplier submitted final documents (SITA and Kwesthuba).</li> <li>Scheduled for adoption and implementation in 2010'11 financial year.</li> </ul>
			Develop and implement ICT Governance and Service Management Framework	<ul style="list-style-type: none"> <li>Develop framework based on ITIL.</li> <li>Scheduled for implementation in 2010'11 financial year.</li> </ul>
			Develop and implement ICT policies, procedures and guidelines	<ul style="list-style-type: none"> <li>Developed various technical policies as part of Service Management Framework.</li> <li>Scheduled to adopt and implement in 2010'11 financial year.</li> </ul>
To set direction and a technology roadmap for ICT Department	Technology roadmap for ICT Department	Plan and organise ICT environment	Define annual ICT operational business plan	<ul style="list-style-type: none"> <li>Completed ICT business plan that informed operations and projects for Department.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To ensure that the ICT infrastructure is always available to support all business applications and systems	ICT operational services	ICT infrastructure plans and management reports	Develop ICT infrastructure operational plan	<ul style="list-style-type: none"> <li>• Bid Adjudication Committee appointed outsourced partner on 26 March 2010 to develop ICT procedures and systems under ICT Support and Maintenance tender.</li> </ul>
			Manage all ICT inventory and assets according to best practice and standards	<ul style="list-style-type: none"> <li>• Tracked all assets in collaboration with Asset Officer</li> <li>• Captured all new, old and scrapped assets on Excel spreadsheet.</li> </ul>
			Ensure daily backups of crucial data	<ul style="list-style-type: none"> <li>• Completed daily backups of crucial data for all systems.</li> <li>• Included data archiving solution (including e-Mails) in scope of ICT Support and Maintenance tender.</li> </ul>
To ensure that ICT services are managed, monitored and maintained to ensure high levels of quality, standards, efficiency, performance and cost effectiveness	ICT operational services	ICT service performance reports	Establish and test a Disaster Recovery Plan	<ul style="list-style-type: none"> <li>• Completed revision of Disaster Recovery Plan.</li> <li>• Planned to implement disaster recovery processes through ICT Support and Maintenance contract, which included offsite storage facility and backup strategy for all systems.</li> </ul>
			Implement ICT service management processes and systems  Establish Helpdesk  Place service catalogue on Intranet	<ul style="list-style-type: none"> <li>• Bid Adjudication Committee appointed outsourced partner on 26 March 2010 under ICT Support and Maintenance tender.</li> <li>• Deferred all activities to 2010'11 financial year.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To ensure improved security standards and awareness	Security	Security awareness programme and training	Review security awareness programme quarterly	<ul style="list-style-type: none"> <li>Appointed new security service provider who commenced duties on 1 December 2009.</li> <li>Implemented new security awareness programme was implemented.</li> </ul>
			Implement security awareness and training programme	<ul style="list-style-type: none"> <li>Reviewed security-training programme.</li> <li>Conducted monthly revision training in-house across all spheres of security (ie Control Room Operators and Security Guard Services).</li> </ul>
To ensure safety of visitors, employees and assets	Security	Security plans and support systems	Coordinate implementation of Health and Safety Act	<ul style="list-style-type: none"> <li>Appointed CAM Health and Safety Consultants to guide Freedom Park in implementation of OHS structures.</li> <li>Started implementation of Health and Safety programme in the Park.</li> <li>Conducted first risk assessment and compliance visits in January and February 2010.</li> <li>Developed Terms of Reference for the establishment of Health and Safety Committee for Freedom Park.</li> <li>Scheduled appointment of committee members for the new financial year.</li> <li>Completed the development of a permanent sick bay at the Park.</li> <li>Procured ad took delivery of general first-aid equipment.</li> <li>Identified required first-aid training for selected staff members</li> <li>Sourcing quotations for approval.</li> </ul>
			Develop and implement Emergency Operational Plan (EOP) and procedures	<ul style="list-style-type: none"> <li>Developed Emergency Operational Plan, which was approved.</li> <li>Identified structures that Freedom Park would need to set up to monitor and evaluate the EOP assisted by a Health and Safety consultant.</li> <li>Scheduled to activate plan in new financial year.</li> <li>Trained security officers of the new security service provider, Changing Tides, on EOP in February 2010.</li> </ul>
			Form partnerships with external security intelligence structures	<ul style="list-style-type: none"> <li>Liaison ongoing with security and protection partners in other intelligence structures through quarterly cluster meetings.</li> <li>Currently liaising with Government's Sector Security Council to be included in the Security Cluster for National Pride of Land and Institutions.</li> </ul>

Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
To ensure effective, efficient and economical security services	Security	Reduced security breach incidents	Manage, control and monitor security resources and contracts	<ul style="list-style-type: none"> <li>Conducted compliance audits based on contract agreement and scope of work of security service providers.</li> <li>Held monthly meetings with security service provider as agreed</li> <li>Compiled quarterly performance standard reports were compiled and submitted to Management.</li> </ul>
To ensure proper functionality of the Park by ensuring effective resource management	Facilities management	Stock management mechanisms	Develop internal controls and procedures	<ul style="list-style-type: none"> <li>Developed and implemented equipment logbook to register all equipment requests.</li> <li>Developed and implemented stock management tool.</li> <li>Approved no cheque requests without the consolidated stock report.</li> </ul>
To assist in the maintenance and presentation of the Park	Facilities management	Effective support services for the maintenance of the Park	Develop and implement cleaning and garden services guidelines	<ul style="list-style-type: none"> <li>Developed guidelines for garden/landscape services.</li> <li>Introduced a service level standard monitoring tool that was evaluated through landscape audits conducted by the landscape architects.</li> <li>General cleaning guidelines were developed and implemented.</li> </ul>
Contracts loaded onto system with built-in controls	Facilities management	Adherence to contractual obligations by service providers	Monitor service level standards against all service contracts	<ul style="list-style-type: none"> <li>Developed service level standards for contractors to ensure proper implementation of contracts, eg hygiene and garden services.</li> <li>Implemented logbook to register contractor access to service elements/ machines and monitor compliance of service agreements.</li> </ul>
To ensure efficient functionality by minimising down-time of facilities	Facilities management: reactive maintenance	Approved breakdown response plan	Develop reactive maintenance guidelines	Developed basic reactive maintenance guidelines to guide process for reporting repairs, eg job request forms, registers and pre-checklists.
			Monitor and evaluate reactive maintenance	Sourced quotations to appoint service providers for repair and maintenance work identified following findings from inspections.

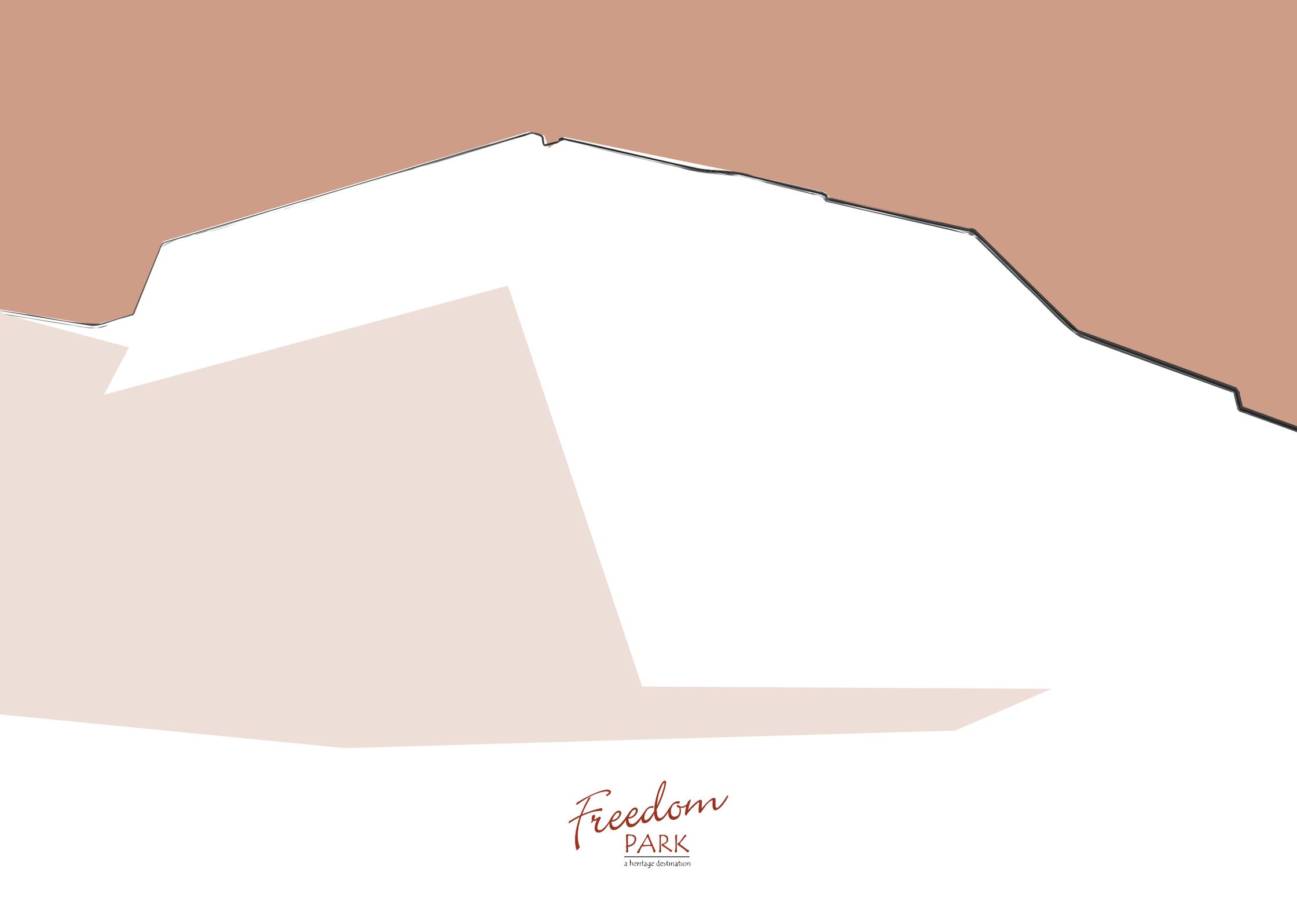
Performance strategy	Performance output	Performance indicator	Performance target	Achievement/status
Strategic objective 5				
To mobilise institutions through active partnerships with continental and international institutions to emancipate the African Voice.				
Mobilise ITIL educational institutions to educate learners to engender social cohesion	Education and training	20% of the targeted educational institutions reached	<ul style="list-style-type: none"> <li>• Approved educational programme</li> <li>• Identify knowledge base (research) to complement curriculum</li> <li>• Identify curriculum statements</li> <li>• Develop content and teaching methods</li> </ul>	<ul style="list-style-type: none"> <li>• Appointed Education Manager, educators, curriculum developer and two storytellers.</li> <li>• Developed draft plan for content rollout of education programme.</li> </ul>
Mobilise institutions through active partnerships with continental and international institutions to emancipate the AfricanVoice	Mobilisation of institutions and organisations	Signed MoAs with sustainable programmes of action	Identify institutions and organisations	Identified and prioritised 15 institutions for 2010'11 financial year as a pilot for future engagement, including Universities of North-West, Western Cape, Limpopo, KwaZulu-Natal and Cape Town, and Univen and Durban Institute of Technology.
			Identify projects and implement MoAs	<ul style="list-style-type: none"> <li>• Signed three agreements with North West University, IPAA Committee and Voortrekker Monument.</li> <li>• Other agreements not yet signed due to delays from counterparts.</li> <li>• Identified four projects, among others joint research on IKS, research on Diaspora, exchange of objects and dialogues.</li> <li>• Implemented and monitored programmes of action with milestones on the basis of projects identified from agreements.</li> </ul>

**Key**

BCM/Azapo:	Black Consciousness Movement/Azanian People's Organisation;
EAP:	Employee Assistance Programme;
EOP:	Emergency Operational Plan;
IPAA:	International Pan-African Archives;
ITIL:	IT Infrastructure Library;
LNDI Memorial:	Lenny Naidu Development Institute Memorial;
PAA:	Pan-African Archives;
PAC:	Pan Africanist Congress;
SANNC:	South African Native National Congress







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