



THE PRESIDENT'S FUND

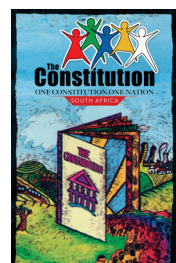
ANNUAL REPORT

2022 2023



the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA





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South Africa, 1996

Issued May 2015

THE CONSTITUTION

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REPORT OF THE ACCOUNTING OFFICER ON THE ANNUAL FINANCIAL STATEMENTS OF THE PRESIDENT'S FUND FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL REVIEW

The President's Fund was established in terms of section 42 of the Promotion of National Unity and Reconciliation Act, 1995 (Act 34 of 1995).

Parliament approved the following measures to victims subsequent to the consideration and recommendation of the ad hoc Joint Committee of both Houses of Parliament on the tabling of the final two volumes of the Truth and Reconciliation Commission (TRC) reports and on the recommendation of the State President:

- A once-off individual grant of R30 000 to those individuals or survivors designated by the TRC.
- Systematic programmes to project academic and formal records of history, cultural and art forms, as well as erecting symbols and monuments that exalt the freedom struggle, including new geographic and place names.
- Medical and other forms of Social Assistance programmes to provide for medical benefits, education assistance and the provision of housing, as well as other social benefits to address the needs of victims identified by the TRC.
- Whole community rehabilitation, other than individuals linked to the process, which suffered and are still in distress. The need therefore exists for such communities to be rehabilitated through various programs initiated and supported by Government.

Subsection 42(2) of the aforementioned Act states that "there shall be paid from the fund all amounts payable to victims by way of reparation in terms of regulations made by the President". Therefore, interventions are superseded by the promulgation of regulations that enable the Department of Justice and Constitutional Development to ensure the implementation in accordance with such regulations.

Once-off individual grant of R30 000

To give effect to the payment of the once-off individual grant of R30 000, regulations were promulgated and gazetted on 12 November 2003.

With regards to the victims who applied for reparation, this aspect of the reparation measure has been completed. There are thirteen beneficiaries who could not be traced, of which seven are declared to be residing abroad. Funds for the outstanding beneficiaries have been reserved in the fund, should the beneficiaries come forward to claim their reparation grants.

Symbols and monuments

This aspect of the reparation measures is being implemented under the auspices of various municipalities and the Department of Arts and Culture at National and Provincial levels respectively and is continuing throughout the Republic.

Medical benefits and other forms of social assistance

Regulations on Exhumation, Reburial or Symbolic Burial of Deceased Victims, whose remains were exhumed and reburied, were promulgated and gazetted on 7 May 2010. Assistance to the value of R4 907 457.56 was granted up to 31 March 2023 to families who applied for contributions towards reburial expenses in terms of the regulations. The regulations have since been amended to provide for, among others, extended forms of assistance, which include the following: Travel and subsistence allowance for family members of a missing person or a deceased TRC victim to attend a cleansing ceremony and a handover ceremony (where the remains of such a person is handed over to the family); the payment of an amount of R1 500.00 to purchase an animal to be slaughtered for the purposes of a cleansing ceremony; the provision of a coffin under certain circumstances and funeral items and accessories of R12 000.00 as well as travel and subsistence costs to assist the family members, where needed, to attend the said ceremonies. These amounts increase on an annual basis.

Regulations relating to assistance to victims in respect of Basic Education and Higher Education and Training commenced on 7 November 2014 to address educational support to TRC-identified beneficiaries through implementation by the relevant education departments. A total amount of R110 047 215.29 was contributed towards the Department of Basic Education and R129 174 450.05 towards the Department of Higher Education and Training in relation to claims submitted and advances paid.

In the Accounting Officer's Report for the Financial Year 2013/2014 it was stated that the Department of Health is considering amendments to the National Health Act, 2003 to provide for free health services to the victims, their relatives and dependants. Due to the advert of the White Paper on National Health Insurance, the proposed initiatives will automatically cover the identified TRC beneficiaries. Once the Department of Health promulgates the amendments to the National Health Act, the draft regulations can be proceeded with. In the meantime, a dedicated staff member in the Department of Health assists these beneficiaries in relation to specialised needs.

In the previous Accounting Officer's Report, it was indicated that a list of TRC-identified victims in need of housing assistance, including repairs or renovations to existing infrastructure, has been compiled. Following the finalisation of the data-clearing process, the Department commenced with a housing needs analysis process for all TRC-recommended beneficiaries whose addresses have been established. The analysis was achieved through conducting a country-wide door-to-door survey by means of a questionnaire developed by the TRC Unit in consultation with the Department of Human Settlements (DoHS). Based on the results of the survey, draft regulations on housing assistance have been developed to be published for public comments.

Rehabilitation of communities

A new Community Rehabilitation Project Team (CRPT) was established in May 2017 to coordinate and fast-track the implementation of revised Community Rehabilitation measures in identified communities.

The Department has over time prepared two sets of regulations that have already been published in the Gazette for public comments, namely on 29 November 2013 and 13 July 2018. These regulations were re-submitted to the Minister for consideration and consultation with the Minister of Finance.

Re-engagements with some of the affected communities and relevant Civil Society Organisations (CSOs) were

held under the umbrella of the South African Coalition for Transitional Justice (SACTJ).

Multi-Stakeholder Project Teams (MPTs) were established in Alexandra (Gauteng), Kwanobuhle (Eastern Cape), Maboloka (North West), Mdantsane (Eastern Cape) and Mpophomeni (KwaZulu-Natal) to prepare for the conceptualisation of desired community projects in line with the new Community Rehabilitation approach. These conceptualised projects have been submitted to the Minister for sign-off with a view to enable the next phase of preparations to commence.

2. CORPORATE GOVERNANCE ARRANGEMENTS

The administration cost for the fund and associated resources is paid by the Department of Justice and Constitutional Development as a related party. The fund utilises the Department's risk management and fraud prevention approach, relevant policies, and related support services in the achievement of its objectives. It also utilises the governance structures, systems and management processes of the related party, including Internal Audit, the Risk Committee and the Audit Committee. The performance indicators for the TRC are included in the overall performance of the Department.

3. OTHER

The Department shall continue to ensure that the funds available in the President's Fund, as well as any further contributions, are utilised solely for the purpose for which the fund was established in terms of the founding legislation and by direction of regulations assented to by the State President.

4. APPRECIATION

My appreciation and thanks are accorded to the related departments, agencies and stakeholders who are assisting in attaining the reparation goals of the President's Fund.



Adv D Mashabane
Accounting Officer: President's Fund
Date: 31 July 2023

FINAL REPORT OF THE AUDIT COMMITTEE ON PRESIDENT'S FUND



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Business Company
123 Connecticut (parum vel)
Fringilla nisl, fucibus 00029
Tel: 123-456-789-0
Fax: 123-456-789-1

Curabitur suscipit, LTD
156 Pellentesque, Aliquet
/st. SUO 9999
154-321

Date
Invoice No. xxxxxx
Customer ID 0000001 223

Description	Quantity	Amount
-------------	----------	--------

the company's target.

2014	2015	2016
98,017	8,714	
119,283	107,812	
47,029	89,919	
182,912	278,161	
81,120		

3	246.53	
4	855.75	
7	594	
3		
0		
11-12		

1775		
3,541		
76		
24		
25,31		

FINAL REPORT OF THE AUDIT COMMITTEE ON PRESIDENT'S FUND

5. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our final report for the financial year ended 31 March 2023.

5.1 Audit Committee members and attendance

The Audit Committee consisted of the members listed below and is required to meet at least four times per annum as per its approved terms of reference. During the year four (04) meetings and two (02) special meetings were held and attendance tabled as follows:

Name of members	Number of meetings attended	Number of special meetings attended	Status
Ms. Besky Maluleka-Ngunjiri (Chairperson)	4	2	Appointed 01/10/2021
Mr Eric Nwedo	4	2	Appointed 01/10 /2021
Mr Moholola Johannes Makgokolla	4	2	Appointed 01/10 /2021
Ms Gabisile Simelane	4	2	Appointed 01/10 /2021
Mr. Ashley Latchu	4	2	Appointed 01/10 /2021
Dr Lebogang Mphahlele-Ntsasa	4	2	Appointed 01/10 /2021
Mr Thabo Sakasa	2	0	Resigned 30/06//2022

5.2 Audit committee responsibility

We report that we have complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulations. The Audit Committee also reports that it has adopted appropriate formal terms of and has discharged all responsibilities as contained in the Audit Committee Charter.

5.3 The effectiveness of internal control

The Audit Committee is satisfied that key controls remained in place throughout the financial year and that there have been no material findings reported.

The Audit Committee is also pleased to report that the President's Fund has sustained the achievement of positive audit outcomes.

As reported previously, the Audit Committee is concerned that there has been slow progress in the achievement of the fund's objectives.

5.4 Internal audit

We are satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the entity in its audit. The Internal Audit completed their 2022/23 audit plan as approved by the Audit Committee.

5.5 Reports

1.5.1 The quality of in-year management and monthly/quarterly reports submitted in terms of the PFMA

The Audit committee has reviewed the monthly and quarterly reports and where concerns were raised management acted on them and the Audit Committee monitored progress throughout the year under review.

1.5.2 Evaluation of financial statements

We have reviewed and discussed the audited annual financial statements with management and also reviewed the funds compliance with legal and regulatory provisions. We have also reviewed the Auditor-General South Africa's report, management letter and management's responses to it and the Audit Committee is satisfied with the contents thereof.

5.6 Auditor-General South Africa

The Audit committee accepts and concurs with the unqualified audit opinion of the AGSA on the Annual Financial Statements of President's Fund for the year ended 31 March 2023.



B Maluleka-Ngunjiri
Chairperson of the Audit Committee
Date: 31 July 2023

**REPORT OF THE
AUDITOR-GENERAL
TO PARLIAMENT ON
PRESIDENT'S FUND**



Report of the auditor-general to Parliament on President's Fund

Report on the financial statements

1. I have reviewed the financial statements of the President's Fund set out on pages 15 to 31, which consist of the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the President's Fund as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the general notice issued in terms of the Public Audit Act 25 of 2004 (PAA).

Responsibilities of the accounting officer for the financial statements

3. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the general notice issued in terms of the PAA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
4. In preparing the financial statements, the accounting officer is responsible for assessing the fund'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 fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

5. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements*. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.
6. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
7. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

8. In terms of Promotion of National Unity and Reconciliation Act 34 of 1995 (PNURA), the fund is not required to prepare an annual performance report.

Report on compliance with legislation

9. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the fund's compliance with legislation.

10. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
11. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the fund, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
12. I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

13. I considered internal control relevant to my engagement on the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
14. I did not identify any significant deficiencies in internal control.

Professional ethics and quality control

15. I am independent of the fund 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 engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
16. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Other reports

17. I draw attention to the following engagement conducted by Public Protector South Africa (PPSA).

This report did not form part of my conclusion on the financial statements or my findings on the compliance with legislation.

18. An investigation into an allegation of failure by President's Fund to pay the reparation of a beneficiary approved by the Truth and Reconciliation Commission was conducted by PPSA. The allegation was lodged by the beneficiary on 01 November 2019, and the PPSA investigation was concluded on 30 November 2022 and resulted in the President's Fund being cleared of any improper conduct.

Auditor-General

Pretoria
31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
General notice issued in terms of the Public Audit Act 25 of 2004 (PAA)	Paragraph 34

FINANCIAL REPORTS



General Information

Auditors

Auditor General South Africa
Registered Auditors

Financial Statements for the year ended 31 March 2023

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The reports and statements set out below comprise the financial statements presented to the Accounting Officer:

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The financial statements set out from page 15, which have been prepared on a going concern basis, were approved and signed by the accounting officer on 31 July 2023.



Adv Doctor Mashabane
Accounting Officer

Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	Note(s)	2023 ‘000	2022 ‘000
Assets			
Current Assets			
Cash and cash equivalents	3	66 877	98 982
Other financial assets	4	1 806 363	1 713 416
Receivables from non-exchange transactions	5	15	-
Prepayments	6	68 129	67 258
		1 941 384	1 879 656
Total Assets		1 941 384	1 879 656
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	143	743
Provisions	8	5 967	6 317
		6 110	7 060
Total Liabilities		6 110	7 060
Net Assets		1 935 274	1 872 596
Accumulated surplus	9	1 935 274	1 872 596
Total Net Assets		1 935 274	1 872 596

Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 '000	2022 '000
Revenue			
Revenue from exchange transactions			
Interest earned – external investments	10	114 983	78 939
Expenditure			
Admin expenses	11	(1 067)	(1 043)
General Expenses (TRC reparations)	12	(52 076)	(35 333)
Total expenditure		(53 143)	(36 376)
Gain on fair value adjustments	13	839	19 008
Surplus for the year		62 679	61 571

Statement of Changes in Net Assets

	Accumulated surplus / deficit '000	Total net assets '000
Balance at April 1, 2021	1 811 577	1 811 577
Changes in net assets		
Surplus for the year	61 571	61 571
Other movement	(552)	(552)
Total changes	61 019	61 019
Balance at April 1, 2022	1 872 596	1 872 596
Changes in net assets		
Surplus for the year	62 679	62 679
Other movement	(1)	(1)
Total changes	62 678	62 678
Balance at March 31, 2023	1 935 274	1 935 274

Financial Statements for the year ended 31 March 2023

Cash Flow Statement

	Note(s)	2023 '000	2022 '000
Cash flows from operating activities			
Receipts			
Interest earned – external investments	10	<u>114 983</u>	<u>78 939</u>
Payments			
Other payments		<u>(54 980)</u>	<u>(80 515)</u>
Net cash flows from operating activities	14	<u>60 003</u>	<u>(1 576)</u>
Cash flows from investing activities			
Loss/Proceeds from sale of financial assets		<u>(92 109)</u>	<u>32 635</u>
Net cash flows from investing activities		<u>(92 109)</u>	<u>32 635</u>
Net increase/(decrease) in cash and cash equivalents		(32 106)	31 059
Cash and cash equivalents at the beginning of the year		98 982	67 922
Other movement: Cost account		<u>1</u>	<u>1</u>
Cash and cash equivalents at the end of the year	3	<u>66 877</u>	<u>98 982</u>

The accounting policies on pages 18 to 22 and the notes on pages 23 to 31 form an integral part of the financial statements.

Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Presentation of Financial Statements

The President's Fund was established in terms of Section 42 of the Promotion of National Unity and Reconciliation Act, 1995 (Act 34 of 1995) and domiciled in the Republic of South Africa.

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

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the President's Fund.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

1.4 Provisions and contingencies

Provisions are recognised when:

- the President's Fund 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.

Represents amounts owing to victims who have applied for reparation but could not be located at their given addresses. The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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

A provision is used only for expenditures for which the provision was originally recognised. Contingent liabilities are not recognised.

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; benefits or service potential will be required to settle the obligation. The President's Fund has identified two types of contingent liabilities.

1) People who were declared victims by the TRC and have not applied for reparation. 2) In respect of exhumations, reburials or symbolic burials are made in respect of 44 executed political prisoners in cases where the remains were already exhumed, handed over and reburied. These families qualify once they have submitted the necessary application forms. It is uncertain whether these people will apply for reparation or reburial assistance. Contingent liabilities are included in the disclosure notes.

The basis for calculation of the first contingent liability is R30 000 being the fixed amount for final reparation and an average amount of R2 932 being the provision for interim reparation as the interim reparation varies from R2 000 to R5 705 due to the number of people in need within the family. The subsequent measurement of the contingent liabilities reduces on application for interim and final reparation.

The basis for calculation of the second contingent liability in respect of exhumations, reburials or symbolic burials is determined by the date of the handover/reburial and prescribed by the Regulations. It will be de-recognised when the President's Fund is dissolved and money transferred to the Disaster Relief Fund as per the Promotion of National Unity and Reconciliation Act, 1995 (Act 34 of 1995).

1.5 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.

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

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

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

The President's Fund recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The President's Fund measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

The President's Fund measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.

Fair value measurement considerations**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.

Derecognition**Financial assets**

The President's Fund derecognises financial assets using trade date accounting.

The financial instrument is derecognised when the contractual agreement in respect of the financial assets is terminated.

1.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and trading cash with the Public Investment Corporation (PIC).

1.7 Prepayments

Prepayments are payments made in advance of the goods or services being received in accordance with TRC regulations on educational assistance. The prepayments are recognised when advance payments in respect of educational assistance are made to the Departments of Basic Education and Higher Education and Training.

The prepayments are de-recognised when the supporting documents in respect of the amount spent from the advance payments are received.

1.8 Payables from exchange transactions

Payables are recognised when creditors are identified and measured by the amount owing. Payables are de-recognised when monies are paid to the creditors.

1.9 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. The President's Fund recognises revenue when the amount of revenue can be reliably measured. The revenue recognised during the period was derived from the interest received and is classified as revenue from exchange transactions as prescribed in GRAP 9.

An exchange transaction is one in which the President's Fund 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.

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

Measurement

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

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement.

1.10 Expenditure

Reparations

Reparations are initially recognised when a beneficiary's application is approved by the Committee on Reparation and Rehabilitation within the Truth and Reconciliation Commission.

Reparations are processed in terms of the regulations.

Administration

Disbursements in respect of administrative expenses: bank charges and management fees are recognised when received and measured at cost.

Exhumations and Reburials

Financial assistance provided to a relative of a missing person, reported to the Truth and Reconciliation Commission (TRC) as a deceased victim, whose remains have been exhumed and handed to the family for reburial or symbolic burial of persons whose physical remains cannot be found. The exhumation and reburials are recognised on application and measured at cost.

Educational assistance

Educational assistance makes provision for Higher and Basic educations.

1.11 Statement of cash flow

The cash flow statement is prepared according to the direct method.

1.12 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the President's Fund.

The President's Fund 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 on its financial statements.

1.13 Receivables from non-exchange transactions

i. Initial recognition

These are amount owed to the fund arising from the Department of Basic Education overpayment. Other receivables are measured at initial recognition at cost.

ii. Derecognition

Other receivables are derecognised when the amount is fully paid.

1.14 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 President's Fund will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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

Notes to the Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The President's Fund has not applied the following standards and interpretations, which have been published and are mandatory for the President's Fund's accounting periods beginning on or after April 1, 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104 (as revised): Financial Instruments	April 1, 2025	Impact is currently being assessed
GRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Impact is currently being assessed
GRAP 2020: Improvements to the standards of GRAP 2020	April 1, 2023	Impact is currently being assessed
GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Impact is currently being assessed

	2023 '000	2022 '000
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	1 616	3 535
PIC trading cash	65 261	95 447
	66 877	98 982
4. Other financial assets		
Financial investments at fair value		
Other financial assets	1 806 363	1 713 416
Current assets		
Other financial asset	1 806 363	1 713 416
PIC Investments		
Money Market 0-3 months	493 766	536 832
Money Market 3-6 months	759 348	635 599
Money Market 6-9 months	207 461	152 855
Money Market 9-12 months	277 214	296 594
Loan instrument	68 574	91 536
	1 806 363	1 713 416
5. Receivables from non-exchange transactions		
Receivables from Department of Basic Education (Refer to Note 18)	15	-

	2023 '000	2022 '000
6. Prepayments		
DHET advance payment		
Carrying amount at the beginning of the year	48 671	21 910
Advance payment during the year	35 000	39 500
Higher education expenditure	(17 925)	(12 739)
Carrying amount at the end of the year	65 746	48 671
DBE advance payment		
Carrying amount at the beginning of the year	18 587	1 298
Advance payment during the year	17 500	38 750
Basic education expenditure	(33 704)	(21 461)
Carrying amount at the end of the year	2 383	18 587
7. Payables from exchange transactions		
Accruals	141	741
Unidentified funds (unknown deposits)	2	2
	143	743

The accruals are made up of the bank charges for March 2023 paid in April 2023 and claims received from the Department of Basic Education where some supporting documentation is outstanding.

8. Provisions

Reconciliation of provisions - 2023

	Opening Balance	Payments on creditors list, exhumations and reburials	Total
Other provisions	6 317	(350)	5 967

Reconciliation of provisions - 2022

Other provisions	6 396	(79)	6 317
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The provisions are made in terms of section 47 of the Promotion of National Unity and Reconciliation Act, 1995 (Act 34 of 1995). Represents amounts owing to victims who have applied for reparation but could not be located at their given addresses. The timing of these payments is uncertain.

9. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2023

	Opening balance	Other movement	Surplus for the year	Total
Opening balance	1 872 596	(1)	62 679	1 935 274

Ring-fenced internal funds and reserves within accumulated surplus - 2022

Opening balance	1 811 577	(552)	61 571	1 872 596
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10. Other revenue

Interest earned - external investments			114 983	78 939
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11. Administrative expenditure

Bank charges			5	5
Management fees-PIC			1 062	1 038
			1 067	1 043

12. General expenses (TRC reparations)

Basic educational assistance			33 710	21 461
Cleansing ceremony			9	4
Coffin, funeral items and accessories			40	14
Exhumation and reburials			332	931
Final reparation - (new applications)			60	180
Higher educational assistance			17 925	12 739
Interim reparation - (new applications)			-	4
			52 076	35 333

13. Fair value adjustments

Gain on fair value adjustments			839	19 008
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14. Cash generated from (used in) operations

Surplus			62 679	61 571
Adjustments for:				
Fair value adjustments			(839)	(19 008)
Movements in provisions			(350)	(80)
Changes in working capital:				
Other receivables from non-exchange transactions			(15)	-
Prepayments			(872)	(44 052)
Payables from exchange transactions			(600)	(7)
			60 003	(1 576)

15. Service in-kind

The President's Fund receives services in kind from the Department of Justice and Constitutional Development. These services are integral to the operations of the fund and assist the fund to perform its legislative mandate but are not exclusively rendered only to the fund. The services cannot be measured reliably and therefore no amount will be recognised on the face of the financial statements.

Services significant to the operations of President's Fund:

Cost of Key Management and Personnel

Office Accommodation

16. Contingent liabilities

Contingent liabilities are made up of two categories of reparation that have been approved by the Truth and Reconciliation Commission. The categories are:

Reparation in the form of a once-off individual reparation and; Reparation for exhumations and reburials.

Individual reparation due to the victims can only be recognised as due and payable when such victims submit an application for reparation, and thus the approved list is recognised as a contingent liability before receipt of such applications because there is uncertainty as to how many victims will actually come forward and claim the monies due to them.

The contingent liability for the Individual Reparation category as at 31 March 2023 was R140 034 576, with a total number of 4 252 beneficiaries, whereas at 31 March 2022 it was R140 094 576, with a total number 4 254 beneficiaries. Only 2 beneficiaries were paid reparation to the value of R60 000.00 during the 2022–2023 financial year.

The contingent liability in respect of exhumations, reburials or symbolic burials is based on 44 political prisoners that were executed and whose remains have been exhumed and reburied by the various families. The reparation monies due for this category are recognised as a contingent liability until the families come forward to claim for the reburial costs incurred, because it is uncertain as to how many families will come forward to claim.

The contingent liability in respect of exhumation, reburials or symbolic reburials as at 31 March 2023 was R235 399.70. This balance is made up of an amount of R 166 005.00 for exhumation and reburials and R69 394.70 for cleansing ceremonies (animal). At 31 March 2022 the balance was R271 992.20, made up of R202 597.50 for exhumation and reburials and R69 394.70 for cleansing ceremonies (animal).

During the 2022–2023 financial year, 2 beneficiaries were paid to the value of R 36 592.50 for exhumation and reburials.

17. Related parties

The President's Fund is administered by the Department of Justice and Constitutional Development; as such, the administration costs, including the salaries of officials administering the fund, are incurred by the Department. These officials are employed by the Department and do not work exclusively for the fund.

Relationships

Ultimate controlling entity	Parliament
Controlling entity	Department of Justice and Constitutional Development
Entities under common control	In light of the Department of Justice and Constitutional Development being the administrator, the fund is considered related to other entities under common control; the Guardian's Fund /Justice Administrated Fund (JAF), the Criminal Assets Recovery Account, the National Prosecuting Authority, the Special Investigation Unit, Legal Aid South Africa, Correctional Services, the Human Rights Commission, the Public Protector and the Office of the Chief Justice and Judicial Administration. There are no transactions or balances with these entities in the year under review.
Members of key management (Director General and Chief Financial Officer)	Key management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the fund. Their salaries are paid for by the Department as listed below.
National government department	Department of Basic Education
National government department	Department of Higher Education and Training
National public entity	Public Investment Corporation

Relationship

All administration costs for the President's Fund and the implementation of the Truth and Reconciliation Commission recommendations are paid for by the Department of Justice and Constitutional Development. The information is provided to give the reader of the report more information with regards to the costs incurred by the Department of Justice and Constitutional Development as part of its legal obligation towards the President's Fund. The costs disclosed are only direct costs.

Department of Basic Education

Relationship

Related party relationships exist with all the national government departments, national trading entities, state-owned entities, national government business enterprises, and national public entities within the national sphere of government due to Parliament's oversight of these entities. The Department of Basic Education is an administrator in terms of regulations relating to assistance to victims in respect of basic education.

Department of Higher Education and Training

Relationship

Related party relationships exist with all the national government departments, national trading entities, state-owned entities, national government business enterprises, and national public entities within the national sphere of government due to Parliament's oversight of these entities. The Department of Higher Education and Training is an administrator in terms of regulations relating to assistance to victims in respect of higher education and training.

Public Investment Corporation (PIC)

Relationship

PIC is the assets manager to the President's Fund.

Related party transactions are consistent with normal supplier and client relationships on terms and conditions no more or less favourable than those expected when dealing with an individual entity or person in the same circumstances. Transactions with these entities occur within the terms and conditions within the normal operating parameters.

Related party balances

Balances from advances paid

Department of Basic Education	2 383	18 587
Department of Higher Education	65 746	48 671

Related party transactions

Interest paid to (received from) related parties

Public Investment Corporation	114 983	78 939
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Administration fees paid to (received from) related parties

Public Investment Corporation	1 061	1 038
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Educational assistance (amounts cleared)

Department of Basic Education	33 704	21 461
Department of Higher Education and Training	17 925	12 739

Compensation of employees, goods and services

Department of Justice and Constitutional Development	11 113	10 260
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Key management information

Class	Description	Number
Executive management (DG)	Director General (level 16)	1
Executive management (CFO)	Chief Financial Officer (level 15)	1

President's Fund

Financial Statements for the year ended 31 March 2023

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17. Related parties (continued)

Remuneration of management

Management class: Executive management

2023

Name	Basic salary	Other short-term employee benefits	Other long-term benefits	Total
Director General	1 448	568	282	2 298
Chief Financial Officer	1 236	391	160	1 787
	2 684	959	442	4 085

2022

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other long-term benefits	Total
Director General	1 406	-	547	278	2 231
Chief Financial Officer 1	531	66	241	69	907
Chief Financial Officer 2	297	-	155	39	491
	2 234	66	943	386	3 629

18. Risk management

Financial risk management

As a client of the PIC, the President's Fund specifies its desirable risk parameters in accordance with its own risk appetite. This risk appetite informs the formal investment mandate given to the PIC. The ultimate responsibility for investment risk management oversight lies with the PIC and not with the President's Fund.

18. Risk management (continued)

Liquidity risk

The President's Fund's risk to liquidity is a result of the funds available to cover future commitments. The President's Fund's current liquid asset holdings of less than 3 months maturity amount to R494 million of the total portfolio, which ensures sufficient liquidity to pay out monies due to beneficiaries. The PIC, on behalf of President's Fund, manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

President's Fund investment portfolios are exposed to potential credit-related losses that are due to an individual, counterparty or issuer being unable or unwilling to honour contractual obligations. To mitigate this risk and minimize excessive credit exposure to one single counterparty, the President's Fund mandate to the PIC states that the PIC will only invest with local commercial banks or institutions that have a credit rating of at least "A" from one of the recognised domestic and/or international credit-rating agencies.

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

Financial instrument	2023	2022
Cash and cash equivalents	66 877	98 982
Other financial assets	1 806 363	1 713 416

Market risk

Interest rate risk

This risk is the potential financial loss as a result of adverse movements in interest rates that affect the value of money market instruments. As a PIC client, the President's Fund has exposure to interest rate risk through investments in money markets.

Sensitivity to interest rate movements is measured by the duration of the fixed interest exposure. Such duration is dictated in the President's Fund's client investment mandate to the PIC, relative to the appropriate benchmark.

Furthermore, these investment mandates prescribe how the assets should be managed by the PIC, in line with the President's Fund's liquidity needs and its liability profile. The President's Fund has significant interest-bearing assets, and the revenue and operating cashflow is substantially dependent on changes in market interest rates.

As at reporting date 31 March 2023

	Subject to interest rate movement floating
Investment	1 806 363
Subtotal	1 806 363
	1 806 363

As at reporting date 31 March 2022

Investments	1 713 416
Subtotal	1 713 416
	1 713 416

Concentration risk

Institution	% Exposure	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
ABSA CORPORATE BANK	17.75 %	332 303 219	-	-	-	-
NEDCOR CORPORATE BANK	17.90 %	335 110 925	-	-	-	-
STANDARD BANK	21.36 %	399 771 182	-	-	-	-
INVESTEC BANK LTD	15.06 %	281 932 243	-	-	-	-
FIRST RAND LIMITED	16.43 %	307 415 154	-	-	-	-
REPUBLIC OF SA	7.83 %	146 516 456	-	-	-	-
LANDBANK	3.66 %	68 574 211	-	-	-	-

Concentration risk is the risk of losses arising due to poor diversification within funds, which can result in undesirable risk exposures. The President's Fund manages this risk through the PIC investment mandate, which dictates the level of concentration. Money market investments are spread across banks to reduce and diversify the client's concentration risk.

19. Events after the reporting date

The President's Fund was made aware of the refund due to it by the Department of Basic Education. The transaction happened before year end, but additional information came to light indicating that the Department of Basic Education owed the fund. Subsequently, a claim was issued.

20. Rounding differences

The President's Fund has prepared the financial statements for the year under review using the new financial reporting software (CaseWare). This resulted in the rounded figures in the financials, in some cases, being different from the published figures for the previous financial year. These differences are not material and will not influence any decisions.



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