Annual Report for the period 1 April 2020 to 31 March 2021

AMAZWI
SOUTH AFRICAN
MUSEUM OF LITERATURE

an agency of the
Department of Sport, Arts and Culture

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Amazwi South African Museum of Literature

Annual Report for the period 1 April 2020 to 31 March 2021

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Part A: General Information

1. Registered name

Amazwi South African Museum of Literature

1.1 Registered address

25A Worcester Street
Makhanda 6139

1.2 Satellite museums

Eastern Star Gallery
Anglo-African Street
Makhanda

Schreiner House
9 Cross Street
Cradock

1.3 Postal address

Private Bag 1019
Makhanda (Grahamstown) 6140

1.4 Telephone number

046 622 7042

1.5 Email address

info@amazwi.museum

1.6 Media

http://www.amazwi.museum/
https://www.facebook.com/AmazwiMuseum/
@amazwi_museum

1.7 External auditor

Auditor-General of South Africa
(Eastern Cape Business Unit)
69 Frere Road, Trust Building
Vincent
East London
PO Box 13252
East London 5217
Telephone 043 709 7200

1.8 Bankers

Standard Bank of South Africa
Church Square
Makhanda 6139

2. Foreword by the Chairperson

Dr Sibongile Masuku

Amazwi South African Museum of Literature is a schedule 3A public entity, established in terms of the Cultural Institutions Act, Act No. 119 of 1998, under the control of a Council appointed by the Minister of Sport, Arts and Culture. The function of the Council is to formulate policy and to hold, preserve and safeguard the collections and all other movable and immovable property in the care of the museum.

The Minister appointed a new Council on 1 December 2020, for a period of three years, with a mandate to transform both the administration and core functions of the museum so that it may rightly preserve and promote the literatures of all the linguistic groups of South Africa.

Despite the challenges of the Covid-19 lockdown through most of 2020, we are encouraged by the improvement in the audit outcome for the year under review. Council has put in place systems to ensure that this continues.

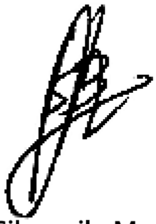
Amazwi started this strategic planning cycle with initiatives to raise its public profile with a new website and social media presence, increase research output and a dynamic programme of temporary and travelling exhibitions. While the onset of the pandemic has disrupted many in-person services at the museum, we are pleased to report that great efforts have been made to provide online exhibitions and events, and new relationships like the Time of the Writer International Festival hosted by the Centre for Creative Arts at the University of Kwa-Zulu Natal. We will continue to build on this in our development of strategic partnerships and to expand Amazwi's footprint beyond the Eastern Cape.

An ongoing challenge for the Council is adequate funding for the implementation of the 'new' museum mandate of preserving and promoting the literatures of all linguistic groups. We will continue to engage the Minister of Sport, Arts and Culture on this matter so that it is afforded the priority it deserves.

The Department is exploring ways to consolidate the cultural institutions. This could lead to greater efficiency and co-operation between similar entities; however, the uncertainty around the process is a challenge in planning for the future.

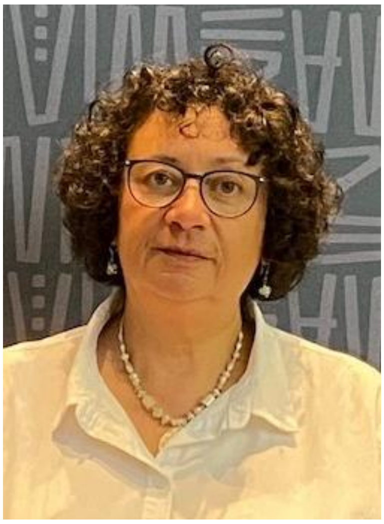
Amazwi is a lively museum governed by a committed Council and led by dedicated managers. Our combined expertise and co-operation will allow the 'new' museum to achieve ambitious objectives and nurture nation building and social cohesion in South Africa.

The Council would like to acknowledge the support of the Department of Sport, Arts and Culture and most importantly, their continued investment in Amazwi.



Dr Sibongile Masuku
Chairperson of the Council of Amazwi South African Museum of Literature
31 August 2021

3. Director's Overview



Ms Beverley Thomas

South Africa's corpus of literature is a national asset; it spans centuries and its excellence is expressed in a diversity of voices and forms. The collections are the core of the museum. Amazwi has a large collection of manuscripts, literary artefacts, published creative works, etc. from the 17th century to today. In addition to care and preservation, museum staff work to interpret and promote the collection through exhibitions, educational programmes, public talks, popular articles and scholarly research. It is Amazwi's privilege to be the custodian of this heritage.

The Council of Amazwi put together a strategic planning committee that met several times during 2019 to develop a new vision for the museum. This cycle started with plans to raise Amazwi's public profile with a new website and social media presence, increase research output and implement a dynamic programme of temporary and travelling exhibitions.

General financial review

The dramatic change in the economic and social circumstances in the country because of the Covid-19 pandemic resulted in a subsidy cut of R865 000 for the 2020/21 financial year. At the same time, the prolonged shutdown and cessation of cultural activity limited the museum's ability to generate income. In the short-term, we recognise that government spending must be on containing the pandemic and its effects. By placing a moratorium on filling vacant posts for fear of further budget cuts and by not travelling, Amazwi was able to absorb this cut in subsidy and loss of self-generated income.

Amazwi receives a grant from Inxuba Yethemba Municipality equivalent to half the salary of the Curator of Schreiner House and a municipal staff member is assigned to Schreiner House in a support capacity. The municipality further contributes through the remission of rates and municipal services.

Spending trends

Personnel expenditure accounts for less than 60% of total expenditure. The remuneration of Amazwi's staff is substantially less than the Public Service and similar entities. This has inherent risk implications.

Spending on the core functions of the museum accounts for less than half of total current expenditure. The Administrative Division, however, provides all administrative and support services to the core functions' divisions.

Future plans

Amazwi's building has sufficient collections' storage and exhibition space, and offices for additional staff – experts in the literatures of indigenous languages – to develop, curate and present exhibitions and educational programmes on an expanded mandate. It must be noted that full implementation will require a significant increase in budget allocation from the Department of Sport, Arts and Culture. The plan was to start with one indigenous language, isiXhosa, as a pilot project funded within the current subsidy allocation from the Department. IsiXhosa has a long literary tradition linked to missionary education in the Eastern Cape and we are aware of collections of literary and documentary artefacts which can be purchased to form the nucleus of a new collection. Amazwi was liaising with the owner of a major collection to have it independently valued but the project was not completed because of travel restrictions – still in place at the time of writing. While some funding has been set aside for acquisitions, current funding is insufficient to purchase substantial new collections of manuscripts and other documentary artefacts to give impetus to the full mandate change.

Ongoing challenges

The administrative staff at Amazwi are subject to considerable work pressure as a result of ever-evolving compliance measures. Amazwi was not able to increase capacity in the Administrative Division but did implement improvements to supply chain management processes and systems during the year under review.

Audit report matters

The museum's much improved supply chain management processes resulted in no findings by the Auditor-General of South Africa in this regard. Management has noted the Report of the Auditor-General and will continue to build on this capacity and all other accounting and compliance matters to ensure positive audit outcomes.

Management has noted the Management Report of the Auditor-General and will develop an audit improvement plan to address the findings raised.

Events after reporting date

On 7 April 2021 Amazwi received R1 000 000 for DSAC: Schreiner House development. This receipt was received after the reporting date and has been classified as a non-adjusting event.

In memoriam

2020 saw the tragic loss of two staff members.

Samuel Adams joined the museum as a night watchman in 2002. He later became a messenger and then moved into the Education and Public Programmes Division as educational assistant. Sam's cheerful and willing personality made him popular with his colleagues and the children with whom he worked. He is greatly missed.

Amazwi was saddened by the death of curator Dedani Lenin Shabalala. Lenin first started working for the museum in 2016, as a part-time student assistant, while working on his MA in drama. In 2017 he was appointed fulltime to the Curatorial Division, working primarily with the drama collection, and undertaking literary research. His avant-garde exuberance will be deeply missed.

Acknowledgements

I would like to thank the officials of the Department of Sport, Arts and Culture, the Council of Amazwi and the Audit and Risk Committee for their guidance and support.

All literature is part of cultural heritage and can enrich lives in many ways.

BThomas

Ms Beverley Thomas
Director of Amazwi South African Museum of Literature
31 August 2021

4. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

- all information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa;
- the Annual Report is complete, accurate and is free from any omissions;
- the Annual Report has been prepared in accordance with the *Annual Report Guide for Schedule 3A and 3C Public Entities*, 2021, issued by National Treasury;
- the Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) applicable to the Amazwi South African Museum of Literature (Amazwi);
- the Council of Amazwi is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information;
- the Council of Amazwi is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements;
- the external auditors are engaged to express an independent opinion on the Annual Financial Statements; and
- in our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2021.

Yours faithfully

Ms Beverley Thomas
Director of Amazwi South African Museum of Literature
31 August 2021

Dr Sibongile Masuku
Chairperson of the Council of Amazwi South African Museum of Literature
31 August 2021

5. Strategic overview

5.1 Vision

To be a world-class museum that celebrates South Africa's literary heritage.

5.2 Mission

To preserve the literary heritage of South Africa, promote its narrative to the world, and foster a culture of reading, writing and storytelling for education and enjoyment. We will do this by collecting, preserving and researching the tangible and intangible manifestations of South African literature and sharing it nationally and internationally through publications, exhibitions and public programmes.

5.3 Values

Our external stakeholders recognise that we value service excellence, accessibility and cultural diversity. **With our internal stakeholders we value** professionalism, inclusivity and sustainability.

5.4 Legislative and other mandates

Amazwi is governed by the Cultural Institutions Act, Act No. 119 of 1998, as amended, and operates under the jurisdiction of a Council appointed by the Minister of Arts and Culture. Amazwi is listed as a schedule 3A national public entity in terms of the Public Finance Management Act, Act No. 1 of 1999, as amended.

The operations of Amazwi are further governed by the following:

- National Heritage Resources Act, Act No. 25 of 1999;
- Public Audit Act, Act No. 25 of 2004;
- Government Immovable Asset Management Act, Act No 19 of 2007;
- Broad-based Black Economic Empowerment Act, Act No 53 of 2003; and
- White Paper on Arts, Culture and Heritage, 1996.

6. Organisational structure

Executive Authority

Minister of Sport, Arts and Culture
The Honourable Mr N.E. Mthethwa

Council

Until 30 November 2020

Ms S. Nhlabatsi (Chair)	Dr W. Langeveldt
Mr T. Lungile (Deputy Chair)	Mr B. Mgijima
Ms E. Dido	Mr P.R. Mnisi
Mr M.S. Ditlhake	Dr M. Rall

From 1 December 2020

Dr L.S. Masuku (Chair)	Mr J. Matlou
Dr W. Langeveldt (Deputy Chair)	Ms L. Mvanana
Mr M.S. Ditlhake	Dr N. Rasana
Ms H. Erdmann	Ms E. Sisulu
Mr T. Lungile	

Director

Ms B.A. Thomas

Personal Assistant to the Director

Ms C.A. Potgieter

Chief Financial Officer

Mr C.W. Malan
(until 31 December 2020)

Manager
Curatorial Division

Ms C.A. Warren

Manager
Education and Public Programmes

Mr T.Z. Matshoba

1. Auditor-General's Report: Predetermined objectives

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings, if any, being reported under the 'predetermined objectives' heading in the report on other legal and regulatory requirements section of the Auditor's Report.

Refer to the Auditors Report on pages 58-63, published as Part E: Financial Information.

2. Situational analysis

Amazwi is situated in Makhanda (formerly Grahamstown), a small university city in the Eastern Cape with a population of about 80 000 people. As a national museum Amazwi aims to deliver services all over the country.

Amazwi works in collaboration and cooperation with the Department of Sport, Arts and Culture and other government departments, including the Eastern Cape Department of Sport, Recreation, Arts and Culture, municipalities in Makhanda and Cradock, and academic institutions and other entities in the heritage sector nationally and internationally.

In previous years, the museum's focus was on finalising and settling into its new premises at 25A Worcester Street, Makhanda, and managing the museum's name change and new branding. In the year under review, the focus was on raising Amazwi's public profile with a new website and social media presence, increasing research output and implementing a dynamic programme of temporary and travelling exhibitions.

2.1 Service delivery environment

The Covid-19 pandemic in 2020 triggered dramatic changes to the economy, the way we work and individuals' social circumstances. Museums all over the world were affected by generalised lockdowns and extended closures.

Museums contribute to the educational and social needs of communities and to economic development, especially in small towns where they are often the prime tourist attraction. Amazwi's satellite museum in Cradock, Schreiner House, attracts both domestic and foreign tourists and the Curator is active in tourism structures in the town and district. The Schreiner Karoo Writers Festival, which takes place in Cradock every year in June/July, was postponed to November 2020 and presented as a hybrid in-person/online event.

The National Arts Festival, which usually attracts hundreds of thousands of visitors to Makhanda every year, was held in the virtual sphere in 2020. This limited the museum's ability to generate income from visitors to the festival and Amazwi's first major international exhibition, 'Scenes from the South: JM Coetzee at 80', which opened in February 2020.

But despite the distressing social, psychological and economic effects of the Covid19 pandemic, physical isolation inspired innovation in the digital and virtual spheres of Amazwi's work. 'Scenes from the South' was made into a virtual exhibition and launched as part of the virtual National Arts Festival and another exhibition, 'Old Man Afrika Shouting at the World', was created in a virtual format for the 24th Time of the Writer International Festival hosted by the University of KwaZulu-Natal's Centre for Creative Arts. This was an opportunity to expand Amazwi's reach beyond its physical location and the museum will continue to develop online and digital content to serve a broader audience.

The museum continued to provide access to its services by hosting its Literature, Heritage and Ecology Conference online in March 2021 and other events were livestreamed on Amazwi's Facebook page.

In addition to reading for personal pleasure, literature is taught at school and can be used as a means to add value to the teaching of other subjects. Reading, writing and comprehension skills enhance learning at all levels. In previous years Amazwi worked with education departments and educational institutions to support the study and teaching of literature but in 2020 and the beginning of 2021, schools were not permitted to engage in any off-site extra mural activities.

Museums as a whole need to engage with the public's perception that they are for the elite, or are not relevant. Amazwi has additional challenges in highlighting the importance of literary heritage against a backdrop of low reading levels and educational inequalities. In addition, the perception that the museum is a "settler" or colonial institution or only collecting white English writers needs to be addressed through constantly highlighting the diverse nature of the collections and activities. A lack of understanding of the differences between a museum of literature, a library and an institution promoting languages also needs to be addressed.

Environmental concerns are now widespread world-wide. As the first green museum in South Africa, and the first green building in Makhanda, Amazwi is a leader in sustainable museum infrastructure. The museum continued with its environmental initiatives and practices and sharing of knowledge with other institutions.

2.2 Organisational environment

In 2020 government reprioritised funding to contain the Covid-19 pandemic and its effects to healthcare and the support of vulnerable groups and individuals. Consequently, Amazwi's subsidy from the Department of Sport, Arts and Culture was reduced by R500 000, followed by a further cut of R365 000 on employee costs. At the same time, the prolonged shut-down and cessation of cultural activity limited the museum's ability to generate income.

Amazwi's budget and performance targets were revised in July 2020, based on the predicted course of the pandemic at that time. Notably, travelling costs were all but eliminated. Two posts became vacant due to the deaths of two staff members and the Council resolved not to fill these, or other vacant posts, for fear of further budget cuts.

The shutdown provided many opportunities for online and self-directed learning by members of staff. Notably, skills in digital media were embraced so that exhibitions could be presented in the virtual sphere.

During the shutdown, museum security and the monitoring of environmental conditions in the collections' storage areas was maintained.

The Chief Financial Officer retired at the end of December 2020. Although the post was advertised in October, the selection and interview process was delayed due to the change-over to a new Council in December 2020. However, at the time of writing a new Chief Financial Officer has assumed office.

In October 2020 Amazwi cautiously reopened to the public. Health and safety protocols were already in place.

3. Key policy developments and legislative changes

Following the approval of the Revised White Paper on Arts, Culture and Heritage, the Department of Sport, Arts and Culture is exploring ways to implement the consolidation of the cultural institutions. This could lead to greater efficiency and co-operation between similar entities; however, the uncertainty around the process has been a challenge in planning for the future.

4. Progress towards achievement of institutional impacts and outcomes

As an agency of the Department of Sports, Arts and Culture, Amazwi aligns its programmes with the strategic plans of the South African government as expressed in the National Development Plan, the President's Seven Priorities, as well as international commitments such as the United Nations Sustainable Development Goals, African Union Agenda 2063, and the resolutions of the International Council of Museums (ICOM).

The prolonged shutdown and the public's reluctance to join in cultural activities had a severe impact on the planned targets for the year under review. Consequently, it is difficult to measure the impact that the museum's programmes may have had on issues of redress – especially on women, youth and people with disabilities – and the contribution to spatial transformation.

Amazwi acknowledges the financial pressures of government and the stringent measures that it has put in place to reduce funding in certain domains. The unprecedented cut in the usual, inflation-linked subsidy put pressure on the museum, particularly as it had planned to collect, conserve, research and present the IsiXhosa literary heritage of South Africa.

Social cohesion is an area where arts and culture can make a valuable contribution. Government priority 5 speaks of social cohesion and safe communities while the NDP 15 refers to nation building and social cohesion. Amazwi contributes through its dynamic collections of historic and contemporary literary manuscripts as well as programmes and activities which enhance knowledge and appreciation of the quality and diversity of South African literature. Literature is a vehicle for capacity building and critical thinking, and can raise awareness of social issues and enhance empathy.

Improving education, training and innovation is the focus of government priority 2, NDP chapter 9 and African Union goal 2, which speaks of well-educated citizens and a skills revolution underpinned by science, technology and innovation. Amazwi was unable to present any programmes to learners in the year under review. However, working in the digital sphere, Amazwi was able to collaborate with educational institutions. This enabled Amazwi to broaden its reach beyond its physical location in Makhanda.

In line with the government emphasis on building a capable, ethical and developmental state as well as fighting corruption and gender-based violence, Amazwi remains committed to sound corporate governance and financial compliance as well as increased collaboration with government departments and government structures at national, provincial and local levels.

As the first green museum in South Africa Amazwi is committed to environmental sustainability, a priority of the National Development Plan, United Nations Sustainable Development goals, African Union goals and ICOM resolutions.

5. Programme performance information

Many targets were adjusted following the cut in subsidy and the social and economic circumstances pertaining to the Covid-19 pandemic.

5.1 Programme: Administrative Division

Staff in this division provide administrative and support services to the other two divisions and a secretariat service to the Council. Capacity covers financial and human resources management, front-of-house services, cleaning and maintenance. The Administrative Division is headed by the Chief Financial Officer who is responsible for compliance.

Purpose: Governance, administration and support services

Outcomes, outputs, output indicators, targets and actual achievements

Outcome	Compliance with the Cultural Institutions Act
Outputs	Compliance documents

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of compliance documents submitted to DSAC	9	6	6	6	6	-	-	-

Outcome	Compliance with the Public Finance Management Act
Outputs	Internal audit reports
	Report of the Auditor-General

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
Internal audit findings of non-compliance corrected	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	All internal audit findings of non-compliance corrected	All internal audit findings of non-compliance corrected	-	-	Target not adjusted
Number of audit findings of non-compliance	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	No findings of non-compliance, i.e. unqualified audit	No findings of non-compliance, i.e. unqualified audit	-	-	Target not adjusted

Outcome	Museum premises support administrative, curatorial and service delivery needs
Outputs	Infrastructure management and development plans and reports

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
25A Worcester St. User Asset Management Plan for infrastructure maintenance developed/ updated	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	User Asset Management Plan for infrastructure maintenance developed/ updated	UAMP updated	-	-	Target not adjusted
Implementation of maintenance plans	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Quarterly reports on implementation	Quarterly reports on implementation	-	-	Target not adjusted
Schreiner House Development plan/architectural sketch plans	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Quarterly progress reports	Quarterly progress reports	-	-	Target not adjusted
Construction of new buildings/ structures at Schreiner House	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Construction commenced	-	No progress on project	Pressure on management capacity, CFO retirement	Target not adjusted
Eastern Star Repair and renovation	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Investigation into building flaws Repair/ renovation plan	-	No progress on project	Pressure on management capacity, CFO retirement	Target not adjusted

Outcome	Health and safety monitoring
Outputs	Number of health and safety committee meetings and reports

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
11 H&S inspections and meetings	12 H&S inspections and meetings	12 H&S inspections and meetings	12 H&S inspections and meetings, recommend-ations resolved or implemented	12 H&S inspections and meetings, recommend-ations resolved or implemented	5 H&S inspections and meetings Covid-19 task team constituted, recommend-ations for return to work and re-opening of museum implemented	-7 H&S inspections and meetings	Full staff complement not at work until September 2020 Covid-19 safety protocols introduced	Target adjusted to make provision for a Covid-19 task team to make recommendations for return to work and re-opening of museum

Outcome	Expert and capacitated workforce
Outputs	Human resources training and development

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
Number of training opportunities	-	12	17	12	33	+21	Shutdown actually provided more	Target adjusted down to 3 in

Output indicators	Actual performance (audited) 2017/18	2018/19	2019/20	2020/21 Planned target	Actual achievement	Deviation from planned target	Comments on deviations	Revisions to targets and reasons
							opportunities in the form of free online webinars	anticipation of cancellation/ postponement of courses or conferences

Course/conference	Service provider/Convenor	Name	Date(s)	Cost
Storytelling Workshop	Library and Information Association of South Africa	Zongezile Matshoba	16 Jun 2020	-
Introduction to the Publishing Industry	Im4theArts Winter School	Zongezile Matshoba	22-24 Jun 2020	-
How to Be a Peer Reviewer Webinar	Sage Publishing	Marike Beyers Crystal Warren	22 Sep 2020	-
South African Museums Association Webinar. Interacting at a Distance	South African Museums Association	Victor Clarke Petro Nhlapo Crystal Warren Beth Wyrill Zongezile Matshoba	28 Oct 2020	-
African Languages Literary Heritage: Its Collection, Preservation and Appreciation	African Languages Literary Heritage Research Hub	Zongezile Matshoba	13-14 Nov 2020	-
SAMA, ICOM-SA, COMCOL Online Seminar. Decolonizing as a verb: Reinterpreting collections and collecting	South African Museums Association, International Council of Museums: South Africa, International Council of Museums International Committee for Collecting	Victor Clarke Petro Nhlapo Crystal Warren Beth Wyrill	25-26 Nov 2020	-

Course/conference	Service provider/Convenor	Name	Date(s)	Cost
Burchell's Return Trek: The book he did not write	UCT Summer School	Marike Beyers Lynne Grant Basil Mills Beth Wyrill	11-30 Jan 2021	R600.00
Early Mapping of the Cape of Good Hope	UCT Summer School	Lynne Grant Basil Mills	11-30 Jan 2021	R750.00
Monuments and Memorialisation in Mexico	UCT Summer School	Crystal Warren Beth Wyrill	22 Jan 2021	R150.00
Landscape and Emotion	UCT Summer School	Crystal Warren	27-29 Jan 2021	R225.00
Literary Creativity in J.M. Coetzee's South African Writing	UCT Summer School	Marike Beyers Beverley Thomas Crystal Warren Beth Wyrill	25-29 Jan 2021	R1 500.00
Yet More Excellent, Little-Known Books	UCT Summer School	Marike Beyers	25-29 Jan 2021	R375.00
Literature, Heritage, Ecology Conference 2021. Plants and Soil	Amazwi South African Museum of Literature	Marike Beyers Andrew Martin	1-5 Mar 2021	-
National Reading Summit	National Library of South Africa	Zongezile Matshoba	24-26 Mar 2021	-
Content management for virtual exhibitions	Openform	Thomas Jeffery Zongezile Matshoba	29 Mar 2021	R1 725.00

Outcome	Workplace free of gender-based violence
Outputs	Workplace structure
	Awareness-raising workshops

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
Structure set up as part of human resources development	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Set up structure	Structure set up and reporting system implemented	-	-	Target not adjusted
				1 awareness-raising workshop	-	-1	After reopening of museum, focus on potential external service delivery	Target not adjusted

Outcome	A digitised, cutting-edge organisation
Outputs	Digitised administrative archive
	Online booking systems

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
New file system developed and implemented	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	File system developed and approved	File system developed, but not approved	10% of task not completed	Pressure on management	Target not adjusted

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
							capacity, CFO retirement	
Functioning online booking system	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Development of system commenced	Development of system commenced to be incorporated on website	-	-	Target not adjusted, forms part of new website

Outcome	An enhanced public profile and image of Amazwi
Outputs	Marketing and communication plan
	New website
	Presence at literary/cultural festivals, tourism expos etc.

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of media releases and/or media appearances	New indicator, no baseline	New indicator, no baseline	18	18	6	-12	Adjusted target achieved	Target adjusted down to 6 in anticipation of limited museum services during lockdown

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Website design and content	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Basic website completed	Website architecture and text drafted, but not activated	20% of task not completed	Pressure on management capacity, CFO retirement	Target not adjusted
Number of literary/ cultural festivals, tourism expos etc. attended	5	8	4	4	-	-4	No contact events were held	Target adjusted down to 1 in anticipation of cancellation/ postponement of many events during lockdown

Outcome	Enhanced collaboration with other museums, educational institutions, and non-governmental organisations
Outputs	Co-branded museum programmes, festivals and events

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of co-branded events	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	2	2	-	Achieved original target with online opportunity	Target adjusted down to 1 in anticipation of cancellation/

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
								postponement of many events during lockdown

Event	Primary host/partner/organiser	Venue	Date(s)
2020 Schreiner Karoo Writers Festival	Schreiner Karoo Writers Festival	Cradock/hybrid event	20-22 Nov 2020
25th Time of the Writer International Festival 'The Writer: Witness, the Canary in the Mine or Testifier?'	Centre for Creative Arts, University of KwaZulu-Natal	Online	15-21 Mar 2021

Outcome	Increased collaboration with government departments and government structures at national, provincial and local levels
Outputs	Participation in government programmes, festivals and events

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of government events	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	2	1	-1	Adjusted target achieved	Target adjusted down to 1 in anticipation of cancellation/ postponement of

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
								many events during lockdown

Event	Primary host/partner/organiser	Venue	Date(s)
Eastern Cape Provincial Indaba: 'Shining the Spotlight on Indigenous Languages and Multilingualism'	Eastern Cape Department of Sport, Recreation, Arts and Culture, PanSALB and Steve Biko Foundation	Steve Biko Foundation, Ginsberg, Qonce	14-16 Oct 2020

Strategy to overcome areas of under performance

Most adjusted targets were achieved. Those that were not were the result of not anticipating the effects of the Covid-19 pandemic on service delivery for the whole year.

5.2 Programme: Curatorial Division

The purpose of the Curatorial Division is to develop, document and care for the museum's collections, to undertake scholarly research and to provide physical and intellectual access to the collections.

Research is undertaken in a structured manner. Firstly, to provide content for exhibitions and public programmes presented at the museum; secondly, to disseminate information in scholarly conferences and publications. This requires prioritisation and planning the reach and impact of research studies. Curatorial staff need to develop specific expertise in areas of the collections and the management of personal development is a priority.

All curatorial staff are encouraged to participate in the identification of possible acquisitions, based principally on research needs and the necessity of wide-ranging representation of the South African literary canon. Incoming collection items are accessioned and catalogued. In the case of unsolicited, but suitable material, cataloguing affords the opportunity for spontaneous research.

The division is also responsible for the care and conservation of the collection. This is currently limited to basic preventive conservation. More specialist conservation of collection items is outsourced.

The reference library forms part of the curatorial division. The function of the librarians is to provide an information service to Amazwi staff, visiting researchers and other stakeholders.

Purpose: Research, collections development, documentation and preservation

Outcomes, outputs, output indicators, targets and actual achievements

Outcome	A growing body of knowledge on South African literary and cultural heritage
Outputs	Research articles
	Research papers
	Meetings of experts

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of research articles published	4	6	2	4	4	-	-	Target not adjusted
Number of research papers presented	10	12	9	6	3	-3	Adjusted target exceeded as some conferences were presented online	Target adjusted down to 2 in anticipation of cancellation/ postponement of conferences
Number of meetings of experts hosted	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	1	1	-	Presented as online conference	Target not adjusted

Author	Title	Publication	Volume/issue/date
Marike Beyers	Water as Symbol in Works by Bessie Head and Karen Jayes	*South African Journal of Cultural History*	34(1) 2020
Thomas Jeffery	Critical Realist Philosophy and the Possibility of an Eco-decolonial Museology	*Museum and Society*	19(1) 2021
Andrew Martin	A Bibliography of Biographical and Critical Works on Olive Schreiner by South African Academics and Researchers, 1994-2019	*English in Africa*	47(2) 2020
Crystal Warren	South Africa: Bibliography and Introduction	*Journal of Commonwealth Literature*	55(4) 2020

Presenter	Title	Conference/meeting	Date
Marike Beyers	The pleasure of plants: Schreiner's use of plants in her short fiction	Literature, Heritage and Ecology Conference 2021: Plants and Soil, Amazwi South African Museum of Literature	1-5 Mar 2021
Andrew Martin	Dennis Brutus as a nature poet	Literature, Heritage and Ecology Conference 2021: Plants and Soil, Amazwi South African Museum of Literature	1-5 Mar 2021
Zongezile Matshoba	Relook and Rethink the Children's Perspective	National Reading Summit, National Library of South Africa	24-26 Mar 2021

Outcome	Dynamic collections of historic and contemporary literary artefacts
Outputs	Cataloguing records
	Valuation of heritage assets

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of artefacts catalogued and valued	7 776	14 453	4 038	5 000, of which minimum 250 from backlog	1 386, of which 1 301 from backlog	-3 614 +1 051	Fewer new acquisitions but backlog reduced Decision not to value in 2020/21 (see Note 3 in Financial Statements)	Target adjusted down to 2 000, of which minimum 250 from backlog, in anticipation of shutdown

Outcome	Professionally curated and preserved collections
Outputs	Systems for monitoring and controlling environmental conditions

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Systems for monitoring and controlling environmental conditions	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Daily conditions recorded; plan for remedial action developed; remedial action tested	Daily, but weekly during shutdown, conditions recorded Remedial action documented	Only able to monitor weekly during lockdown	Environmental conditions only recorded weekly during shutdown	Target adjusted down to weekly recording because of shutdown

Outcome	Catalogue of collections accessible and available online
Outputs	Available collections management systems investigated New/updated system procured and implemented

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
Report of findings New/updated system procured Data cleaned and prepared	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Investigation into available collections management systems	Various collections management systems investigated and demonstrations or test undertaken Report of findings	-	-	Target not adjusted

Strategy to overcome areas of under performance

Most adjusted targets were achieved. Those that were not were the result of not anticipating the effects of the Covid-19 pandemic on service delivery for the whole year.

5.3 Programme: Education and Public Programmes Division

The purpose of the Education and Public Programmes Division is the presentation of exhibitions, educational programmes and public events derived from the collections of Amazwi and literary heritage in general. The strategic focus is on fostering audience development and participation in the programmes of the museum by previously disadvantaged groups and individuals.

Amazwi hosts a lively programme of public events including a childrens' storytelling festival, book launches and talks aimed at the general public.

Purpose: Exhibitions, educational services and events

Outcomes, outputs, output indicators, targets and actual achievements

Outcome	An enhanced profile of South African literary and cultural heritage through exhibitions
Outputs	Travelling exhibitions
	Temporary exhibitions
	Display rotation
	Permanent exhibitions

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of new travelling exhibitions developed per year	7	8	4	3	1	-	Adjusted target achieved, developed as online exhibition Previous travelling exhibition re-created as online exhibition	Target adjusted down to 1 because of shutdown

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of new temporary exhibitions developed per year	2	2	2	1	-	-	Adjusted target achieved No new temporary exhibition curated 2019/20 exhibition still installed and re-created as virtual exhibition for National Arts Festival	Target adjusted because of shutdown
Number of showcases rotated per year	New indicator, no baseline	14	-	15	15	-	-	Target not adjusted
Revision of permanent exhibition sub-themes	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	Feasibility study/project plan	-	No progress on project	Prolonged shutdown and exclusion from museum premises, focus on conversion of physical exhibitions to digital	Target not adjusted

Exhibition	Type	Date of release	Event
Old Man Afrika Shouting at the World	Online exhibition	15 Mar 2021	25th Time of the Writer International Festival Centre for Creative Arts, University of KwaZulu-Natal

Outcome	The popularisation of South African literary and cultural heritage
Outputs	Popular publications
	Popular events

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
Number of popular publications	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	4	1	-3	Adjusted target partially achieved, museum closed during shutdown	Target adjusted down to 3 because of shutdown
Number of popular events	32	44	38	32	3	-29	Adjusted target partially achieved, public events only resumed in 2021	Target adjusted down to 4 in anticipation of cancellation/ postponement of events

Outcome	Mutually beneficial relationships with educators and education officials
Outputs	Educator engagements

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of engagements/ meetings per year	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	8	-	-1	No engagement with schools which were not permitted to do extra mural activities until second term of 2021	Target adjusted down to 1 because of shutdown

Outcome	Students and learners at all levels with knowledge of South African literature
Outputs	Education programmes

Output indicators	Actual performance (audited)			2020/21				Revisions to targets and reasons
	2017/18	2018/19	2019/20	Planned target	Actual achievement	Deviation from planned target	Comments on deviations	
Number of students and learners involved in education programmes per year	3 157	6 936	6 996	6 000	23	-977	Schools not permitted to do extra mural activities until second term of 2021	Target adjusted down to 1 000 because of shutdown

Outcome	Changed norms and behaviours through gender-based violence prevention efforts and advocacy platforms
Outputs	Public programmes

Output indicators	**Actual performance (audited)**			**2020/21**				**Revisions to targets and reasons**
	2017/18	**2018/19**	**2019/20**	**Planned target**	**Actual achievement**	**Deviation from planned target**	**Comments on deviations**	
Number of public programmes to raise awareness of gender, positive masculinities and gender-based violence	New indicator, no baseline	New indicator, no baseline	New indicator, no baseline	1	1	-	No public events that could not reliably take place outdoors were organised Substituted by National Week of Mourning Ceremony	Target not adjusted

Strategy to overcome areas of under performance

Most adjusted targets were achieved. Those that were not were the result of not anticipating the effects of the Covid-19 pandemic on service delivery for the whole year. Along with other museums, Amazwi is confident that visitors and learners will return to the museum as soon as it is safe to do so.

The course of the pandemic during 2021 is still largely unknown. Amazwi will continue to offer 'hybrid' museum experiences and digital platforms to ensure that the museum's content can be seen and enjoyed by an even wider audience.

6. Reporting on the institutional response to the Covid-19 pandemic

Administrative Division

Intervention	Geographic location	Number of beneficiaries	Disaggregation of beneficiaries	Budget allocation	Contribution to APP outputs	Immediate outcomes
Cessation of in-person Council, committee, and other meetings	Makhanda and Cradock	Undefined	Undefined	Saving of ±R250 000	Health and safety	Health and safety of Council, committee members, staff and other stakeholders
Cleaning	Makhanda and Cradock	Undefined	Undefined	Re-prioritised from existing allocation	Health and safety	Health and safety of staff and visitors
Access to online training courses and conferences, mostly with no charge	Undefined	12	21 opportunities for female staff, 12 for males	Saving of ±R24 500	Human resources training and development	Indicator target achieved/over-achieved despite lockdown

In the Administrative Division, responses to the Covid-19 pandemic were of an internal nature; in the Curatorial and Education and Public Programmes Divisions, responses had an impact on the museum's external stakeholders.

Curatorial Division

Intervention	Geographic location	Number of beneficiaries	Disaggregation of beneficiaries	Budget allocation	Contribution to APP outputs	Immediate outcomes
In-person conference presented online	Undefined	142	Undefined	Webinar software purchased instead of catering etc.	A growing body of knowledge on South African literary and cultural heritage	Output could be achieved despite lockdown

Education and Public Programmes Division

Intervention	Geographic location	Number of beneficiaries	Disaggregation of beneficiaries	Budget allocation	Contribution to APP outputs	Immediate outcomes
Production of virtual and online exhibitions	Undefined	Undefined	Undefined	Re-prioritised from production and printing of exhibitions	An enhanced profile of South African literary and cultural heritage through exhibitions	Output could be achieved despite lockdown

7. Linking performance with budgets

Programme	2019/20 (restated)				2020/21			
	Original budget R'000	Revised budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Original budget R'000	Revised budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Administrative Division	6 670	6 570	8 611	(2 041)	6 878	8 878	8 379	499
Curatorial Division	4 370	4 460	4 579	(119)	5 080	4 785	4 676	109
Education and Public Programmes Division	4 377	4 425	3 015	1 410	3 135	2 625	2 504	121
Total	15 417	15 455	16 205	(750)	15 093	16 288	15 559	729

Amazwi's budget was redrafted to take the reduced income into account by cutting travelling costs and not filling vacant posts for fear of further budget cuts after the tragic loss of two staff members in 2020. The increase in expenditure is the result of audit fees that were defrayed from National Treasury's vote.

8. Revenue collection

Sources of revenue	2019/20 Estimate R'000	2019/20 Revised estimate R'000	2019/20 Actual collected R'000	2019/20 Over/(under) collection R'000	2020/21 Estimate R'000	2020/21 Revised estimate R'000	2020/21 Actual collected R'000	2020/21 Over/(under) collection R'000
DSAC subsidy	12 347	12 975	12 975	-	13 641	12 606	12 606	-
DSAC municipal charges allocation	161	161	161	-	170	170	170	-
DSAC non-exchange transactions	-	1 500	1 506	6	500	500	811	311
NT non-exchange transactions	-	-	-	-	-	-	1 494	1 494
Inxuba Yethemba Municipality	161	152	152	-	201	190	190	-
Donations and self-generated income	181	828	1 190	362	631	380	282	(98)
Interest and dividends	160	105	105	-	120	75	74	(1)
Total	**13 010**	**15 721**	**16 089**	**368**	**15 263**	**13 921**	**15 627**	**1 706**

Amazwi's subsidy from the Department of Sport, Arts and Culture was cut by R865 000 as a result of the Covid-19 pandemic and other government priorities. Other adjustments were due to the loss of income during the shutdown.

9. Capital investment, maintenance and asset management

DSAC capital development/infrastructure allocation

DSAC capital development/infrastructure allocation	2019/20			2020/21		
	Estimate R'000	Revised estimate R'000	Actual R'000	Estimate R'000	Revised estimate R'000	Actual R'000
Schreiner House development	2 000	2 000	2 000	1 000	-	-
25A Worcester Street maintenance	-	-	-	-	-	-
Total	**2 000**	**2 000**	**2 000**	**1 000**	**-**	**-**

Expenditure	2019/20				2020/21			
	Original budget R'000	Revised budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Original budget R'000	Revised budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Schreiner House development	1 450	45	45	-	750	-	-	-
25A Worcester Street maintenance	1 200	900	878	22	1 000	275	274	1
Total	**2 650**	**945**	**923**	**22**	**1 750**	**275**	**274**	**1**

Identifying suitable suppliers to work in Makhanda and Cradock remains a challenge, especially an approved supplier to fix the problem of neighbourhood effluent outflow into the museum's stormwater retention ponds.

Work carried out at 25A Worcester Street includes the maintenance of fire suppression and environmental control systems in the collections' stores, remedial electrical work and repairs, and repairs to the roof. Project management fees amounted to R66 700 (2020: R514 400).

Work at Schreiner House has all but ground to a halt but will resume in the new financial year.

10. Heritage assets

Method of acquisition	2019/20 Original budget R'000	2019/20 Revised budget R'000	2019/20 Actual expenditure R'000	2019/20 (Over)/under expenditure R'000	2020/21 Original budget R'000	2020/21 Revised budget R'000	2020/21 Actual expenditure R'000	2020/21 (Over)/under expenditure R'000
Schreiner House repairs and additions	25	21	21	-	15	17	17	
Purchase of museum collections	47	26	24	2	122	12	12	-
Donations of museum collections	-	-	829	(829)	-	-	-	-
Total	**72**	**47**	**874**	**(827)**	**137**	**29**	**29**	**-**

Part C: Governance

1. Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act and the principles contained in the King IV Report on Corporate Governance.

Parliament, the Executive Authority (the Minister of Sport, Arts and Culture) and the Accounting Authority (the Council of Amazwi) are responsible for corporate governance.

2. Portfolio committees

Amazwi was not called to the Portfolio Committee on Sport, Arts and Culture during the year under review.

3. Executive Authority

The Cultural Institutions Act places museums under the control of a Council appointed by the Minister of Arts and Culture.

The Annual Performance Plan for 2020/21 was submitted to the Department of Sport, Arts and Culture and tabled in Parliament by the Minister on 12 March 2020.

The Council of Amazwi submitted quarterly reports to the Minister of Sport, Arts and Culture and to National Treasury in the months following the end of each quarter.

4. The Accounting Authority

The Council of Amazwi is the Accounting Authority. The functions of a Council, as described in the Cultural Institutions Act, are:

- to formulate policy;
- to hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the declared institution concerned;
- to receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1);
- to raise funds for the institution;
- to manage and control the moneys received by the declared institution and to utilise those moneys for defraying expenses in connection with the performance of its functions;
- to keep a proper record of the property of the declared institution, to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of account to be kept;
- to determine, subject to this Act and with the approval of the Minister, the objects of the declared institution; and
- to generally, carry out the objects of the declared institution.

The Council fosters a culture and set of values and operates within terms of reference that determine the manner in which it governs the museum, i.e. the systems and structures that it uses to define policy, to provide leadership, to manage, coordinate and monitor procedures and resources, and to develop long-term strategy and direction for the organisation.

4.1 Composition of the Council

The tables below disclose relevant information on the members of Council.

Up to 30 November 2020					
Designation	**Name**	**Date of appointment**	**Expiration of term of office**	**Meetings scheduled**	**Meetings attended**
Chair	Ms S. Nhlabatsi	1 Dec 2017 (second term)	30 Nov 2020	4	4
Deputy Chair	Mr T. Lungile	1 Dec 2017	30 Nov 2020	4	2
Member	Ms E. Dido	1 Dec 2017 (second term)	30 Nov 2020	4	2
Member	Mr M.S. Ditlhake	1 Dec 2017	30 Nov 2020	4	3
Member	Dr W. Langeveldt	1 Dec 2017	30 Nov 2020	4	3
Member	Mr B. Mgijima	1 Dec 2017	30 Nov 2020	4	3
Member	Dr M. Rall	1 Dec 2017 (third term)	30 Nov 2020	4	4
Director (ex officio)	Ms B.A. Thomas	1 Jan 2010	n/a	4	4

After 1 December 2020					
Designation	**Name**	**Date of appointment**	**Expiration of term of office**	**Meetings scheduled**	**Meetings attended**
Chair	Dr S.L. Masuku	1 Dec 2020	30 Nov 2023	2	2
Deputy Chair	Dr W. Langeveldt	1 Dec 2020 (second term)	30 Nov 2023	2	1
Member	Mr M.S. Ditlhake	1 Dec 2020 (second term)	30 Nov 2023	2	1
Member	Ms H. Erdmann	1 Dec 2020	30 Nov 2023	2	2
Member	Mr T. Lungile	1 Dec 2020 (second term)	30 Nov 2023	2	1
Member	Mr J. Matlou	1 Dec 2020	30 Nov 2023	2	2
Member	Ms L. Mvanana	1 Dec 2020	30 Nov 2023	2	2
Member	Dr N. Rasana	1 Dec 2020	30 Nov 2023	2	2
Member	Ms E. Sisulu	1 Dec 2020	30 Nov 2023, resigned 26 Mar 2021	1	1
Director (ex officio)	Ms B.A. Thomas	1 Jan 2010	n/a	2	2

4.2 Council members' profiles

Members until 30 November 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
Chair: Ms S. Nhlabatsi	Doctoral Candidate, DBA in Programme and Project Management (SKEMA Business School, France) MBA International Business (Columbia, USA) BCom Management and Economics (Swaziland) Registered Practitioner: Management of Risk (MoR) Registered Practitioner: Portfolio, Programme, and Project Management (P30) Registered Practitioner: Projects in Controlled Environments (PRINCE2) Over 20 years experience in the development sector and private sector strategy, finance, organisational reform, and resource management	UNISA Graduate School of Business Leadership Board	UNISA SBL Research Committee UNISA SBL Research Ethics Committee UNISA SBL Centre for Business Leadership (Executive Leadership Short Learning Courses)
Deputy Chair: Mr T. Lungile	MA Museums and Heritage Studies (Emory and Georgia State, USA) Higher Diploma in Education (Western Cape) BA History and Political Science (Western Cape) Certificate in Management Practice Over 20 years experience in the heritage sector, including education and training in the sector	-	-
Member: Ms E. Dido	Diplomas: General Nursing, Midwife, Psychiatric Nurse BA(Cur) degrees (UNISA): Nursing Administration, Nursing Education & Community Health Nursing Science Expertise in ethos and professional practice and clinical governance Published author	Board Director/co-founder of Cape Town Radio 021 (PTY) Ltd	

Members until 30 November 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
Member: Mr M.S. Ditlhake	Hons BCom Accounting (Natal) BCom Accounting (Potchefstroom) Executive Development Programme (SBL UNISA) International expertise in leadership, business development and operations	Corridor Africa Technologies (CEO) Film and Publication Board Ditsong Museums of South Africa	-
Member: Dr W. Langeveldt	DPhil Instructional Design and Technology (Iowa, USA) MA Counsellor Education and Student Development (Iowa, USA) BEd Counselling and Career Guidance (UNISA) BA Psychology and Afrikaans Nederlands (UNISA) Extensive knowledge in the field of human rights and education Author of numerous academic publications on indigenous culture and language, especially the Khoe-San	Founder member and Patron of the National Land Khoe-San African Movement and extensive involvement in other First Nations, culture and language movements and committees	-
Member: Mr B. Mgijima	M Public Administration (Stellenbosch) MPhil Future Studies (Stellenbosch) B Public Administration (Hons) in Public and Development Management (Stellenbosch) Post Grad Dip Museums and Heritage Studies (Western Cape) BA History and English (Western Cape) Expertise in museum governance and management, tourism and heritage management, scenario and long-term planning, and public and development management	Director of Yakhanani Tourism Solutions Pty Ltd	Chairperson: Council of Heritage Western Cape Member: Western Cape Provincial Geographical Names Committee Member: Council of the South African Heritage Resources Agency
Member: Dr M. Rall	PhD, Recontextualisation in museum display: refracting discourses over time (Cape Town)	Executive Board member and Treasurer: International Council of Museums - South	University of Cape Town committees in capacity of Director of the Centre for Extra-Mural Studies

Members until 30 November 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
	MPhil Language and Literacy Studies (Cape Town) Diploma in Adult Education (Cape Town) BA Languages (Cape Town) Research interests are museum and heritage studies Published in the *International Journal of the Inclusive Museum*, *The International Journal of Learning* and the *South African Museums Association Bulletin*	African National Committee	Member: Friends of Iziko South African Museum Committee Member: South African Museums Association Member: Western Cape Cultural Commission Deputy Chair: Western Cape Cultural Council
Director (ex officio) Ms B.A. Thomas	Hons BA History of Art, research paper on Afrikaans language monuments – their function as a mobilising factor in Afrikaner national consciousness (UNISA) Post Grad Prof Dip Museology, research paper on The New Group (Stellenbosch) B Fine Art, Theory of Art and Photographic Arts (Rhodes) More than 30 years experience in museum practice and management		Member: International Council of Museums Standing Committee for the Museum Definition

Members from 1 December 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
Chair: Dr S.L. Masuku	PhD Environmental Education (Rhodes) MEd Environmental Education (Rhodes) M European Leisure Studies (VUB, Brussels) Katholieke Universiteit Brabant Loughborough University Universidad de Deusto BA Humanities, concurrent DipEd (Swaziland)	Council member: Nelson Mandela Museum	

Members from 1 December 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
Deputy Chair: Dr W. Langeveldt	DPhil Instructional Design and Technology (Iowa, USA) MA Counsellor Education and Student Development (Iowa, USA) BEd Counselling and Career Guidance (UNISA) BA Psychology and Afrikaans Nederlands (UNISA) Extensive knowledge in the field of human rights and education Author of numerous academic publications on indigenous culture and language, especially the Khoe-San	Founder member and Patron of the National Land Khoe-San African Movement and extensive involvement in other First Nations, culture and language movements and committees	
Member: Mr M.S. Ditlhake	Hons BCom Accounting (Natal) BCom Accounting (Potchefstroom) Executive Development Programme (SBL UNISA) International expertise in leadership, business development and operations	Corridor Africa Technologies (CEO) Film and Publication Board Ditsong Museums of South Africa	
Member: Ms H. Erdmann	MA Visual Studies (Stellenbosch) BA Psychology (Stellenbosch) Actively involved in arts, culture and heritage since 1993 Author of *Manfred Zylla: Art & Resistance* (2011) Department of Arts and Culture Visual Arts Task Team 2003-2005 Expertise in museums and visual culture	Council member: Afrikaanse Taalmuseum en -monument	
Member: Mr T. Lungile	MA Museums and Heritage Studies (Emory and Georgia State, USA) Higher Diploma in Education (Western Cape) BA History and Political Science (Western Cape) Certificate in Management Practice		

Members from 1 December 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
	Over 20 years experience in the heritage sector, including education and training in the sector		
Member: Mr J. Matlou	MA International Communications (UNISA) Broadcasting and communications public policy and regulation Broadcasting news and current affairs Print media news reporting and editing	Council member: Albert Luthuli Museum	Research & Communications Committee (Luthuli Museum) Audit, Risk & Finance Committee (Luthuli Museum)
Member: Ms L. Mvanana	MEd (Illinois, USA) BEd (Witwatersrand) Post Grad Dip Education (Unitra/ Walter Sisulu) BSc (Unitra/Walter Sisulu) Management Development Programme (SBL UNISA) Certified Director: Institute of Directors Southern Africa (IoDSA) Certified Prosci Change Management Practitioner: Prosci-andChange Certified Neuro Linguistic Programming Practitioner and Coach: Change Dynamics Expertise in corporate governance, over 30 years leadership and management experience and extensive consulting experience in leadership, change management, organisational culture, diversity and inclusion, coaching, and human resource development	Director: Nkululeko Leadership Consulting Council member: National Arts Council Board member Kopanang Community Trust	Member: Institute of Directors (IoDSA)
Member: Dr N. Rasana	Leadership Effectiveness Advancement (NMU) Post Grad Dip Political and International Studies (Rhodes) PhD Applied Linguistics (Bangor,UK)	Board member: PanSALB Chairperson: Old Nyaluzan Union	Member: Institute of Directors (IoDSA) CHE: Curriculum Assessor

Members from 1 December 2020			
Name	**Qualifications and area of expertise**	**Other board memberships**	**Other committees or task teams**
	MEd English as a Second Language (Rhodes) Dip Language Instruction (Ohio, USA) Post Grad Dip Enterprise Management (Rhodes) Instruction Course in English at the Secondary Level (Christ Church Canterbury, UK) Hons BA Applied Linguistics (UNISA) BA (UNISA) Primary Teachers' Diploma (CCE, Fort Beaufort) Extensive experience in applied linguistics and literature teaching, broadsheet publishing, policy formulation analysis, curriculum and module design, research methodology and postgraduate supervision, higher institutions new curricula assessor, human resources, leadership and governance		
Member: Ms E. Sisulu	M Development Studies (ISS, Rotterdam) Dip Economic Planning and Development (IDEP, Dakar) BA Hons (Zimbabwe) BA English and History (Zimbabwe) Published, award-winning author Extensive experience in the literary domain, publishing, management and development	Executive Director: Puku Children's Literature Foundation Board member: National Arts Festival	

4.3 Committees

The outgoing Council executed its functions with the assistance of a Literature and Culture Committee, a Finance and General Purposes Committee, and in 2020, a Job Evaluation Task Team.

The new Council is executing its functions with a Marketing, Communication, Stakeholder Relations and Heritage Committee, a Human Resources and Governance Committee and a Finance, Information Technology and Infrastructure Committee.

4.4 Remuneration of Council members

Council members are remunerated at the rate prescribed by National Treasury. Members are entitled to claim for out-of-pocket expenses in attending meetings, e.g. use of private vehicles and airport parking.

Name	Ordinary meetings R	Other meetings R	Other re-imbursements R	Total R
Members until 30 November 2020				
Ms S. Nhlabatsi	8 436	2109	-	10 545
Mr T. Lungile	-	-	-	-
Ms E. Dido	3 484	-	-	3 484
Mr M.S. Ditlhake	5 226	1 742	-	6 968
Dr W. Langeveldt	5 226	3 484	-	8 710
Mr B. Mgijima	5 226	-	-	5 226
Dr M. Rall	6 968	1 742	-	8 710
Members from 1 December 2020				
Dr S.L. Masuku	4 218	6 327	3 600	14 145
Dr W. Langeveldt	1 742	13 712	3 600	19 054
Mr M.S. Ditlhake	1 742	6 852	3 600	12 194
Ms H. Erdmann	3 484	8 710	3 600	15 794
Mr T. Lungile	-		-	-
Mr J. Matlou	3 484	10 452	5 787	16 239
Ms L. Mvanana	3 484	13 936	3 600	21 020
Dr N. Rasana	3 484	12 203	3 600	19 278
Ms E. Sisulu	1 742	5 226	-	6 968

5. Risk management

Amazwi has had a Risk Management Policy in place since 2011. The purpose of this policy is to articulate Amazwi's risk management philosophy. Amazwi recognises that risk management is a systematic and formalised process to identify, assess, manage and monitor risks and therefore adopts a comprehensive approach to the management of risk. The Audit and Risk Committee serves the dual function of a Risk Management Committee. A risk assessment was undertaken by management, in consultation with the Audit and Risk Committee, to prepare the Annual Performance Plan for 2020/21. A progress report on risk mitigation forms part of the quarterly reports submitted to the Executive Authority.

6. Internal audit and the Audit and Risk Committee

The internal audit activity evaluates and contributes to the improvement of risk management, control and governance systems. The objective is to ensure that:

- risks are appropriately identified and managed;
- significant financial, managerial and operating information is accurate, reliable and timely;

- employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations; and
- resources are acquired economically, used efficiently and adequately protected.

The focus of internal control reviews during the year under review was on human resources and the payroll, banking, supply chain management, audit outcomes, performance management and the safekeeping of documents.

The internal audit function at Amazwi is outsourced.

6.1 Audit and Risk Committee

The Audit Committee is an independent committee responsible for oversight of reporting processes and systems of internal control. It also assists the Council of Amazwi to review risk management processes and the effectiveness of risk management activities.

The table below discloses relevant information on the Audit Committee members.

Designation	Name	Date of appointment	Date of resignation	Meetings scheduled	Meetings attended
Chair	Mr H. Harnett	6 May 2015	-	3	3
Member	Mr S. Mabaso	24 Mar 2017	-	3	3
Council representative	Mr M.S. Ditlhake	26 Mar 2018	-	3	2
Director	Ms B.A. Thomas	1 Jan 2010	n/a	3	3

6.2 Members' profiles

Name	Qualifications and area of expertise	Connection to entity	Other committees or task teams
Chair: Mr H. Harnett	Bachelor of Accounting (Rhodes) CA (South Africa) 10 years experience as Senior Lecturer (Taxation) at Rhodes University 12 years audit and accounting experience in the private sector	External	-
Member: Mr S. Mabaso	B Accounting (Witwatersrand) Higher Diploma in Accountancy (Witwatersrand) CA (South Africa) Senior Lecturer at Rhodes University	External	Member: Advancement of Black Accounting Students Association Member: Independent Regulatory Board for Auditors (IRBA)

Name	Qualifications and area of expertise	Connection to entity	Other committees or task teams
Member: Mr M.S. Ditlhake	Hons BCom Accounting (Natal) BCom Accounting (Potchefstroom) Executive Development Programme (UNISA School of Business) International expertise in leadership, business development and operations	Council member	Corridor Africa Technologies (CEO) Film and Publication Board Ditsong Museums of South Africa
Director Ms B.A. Thomas (ex officio)	More than 30 years experience in museum practice and management	Director	-

6.3 Remuneration of Audit and Risk Committee members

Members of the Audit and Risk Committee are remunerated at the rate prescribed by National Treasury.

Name	Ordinary meetings R	Other meetings R	Other re-imbursements R	Total R
Mr H. Harnett	12 951	12 951	-	**25 902**
Mr S. Mabaso	5 238	-	-	5 238
Mr M.S. Dithlake	2 619	-	-	2 619

7. Compliance with laws and regulations

Amazwi's policies are periodically reviewed in terms of compliance. However, a number of compliance measures remain a challenge because of the museum's relatively small size and limited capacity.

8. Fraud and corruption

The Council of Amazwi approved a Fraud Prevention and Anti-Corruption Strategy, inclusive of policy, control strategies and procedures for investigations, in 2011. The staff have been made aware of this policy and the Department of Sport, Arts and Culture's recurring anti-fraud and corruption campaigns.

Fraud and corruption is a standing item on staff meeting agendas and the toll-free hotline for reporting suspected fraud and corruption is displayed on the staff notice board.

9. Minimising conflict of interest

Council members of Amazwi are required to declare conflicts of interest at every meeting. All employees are required to disclose to the Council of Amazwi particulars of any registrable interests.

10. Code of conduct

Amazwi is an institutional member of the International Council of Museums and subscribes to its Code of Ethics.

11. Health, safety and environmental issues

Amazwi established a Health and Safety Committee in 2010. The Committee meets once a month and undertakes inspections of the premises on a regular basis. Healthy and safety issues are reported to Amazwi's management for action.

The Council of Amazwi adopted an Environmental Policy in 2011. The primary objective of this policy is to ensure that the museum makes use of resources, from paper to electricity, in a manner that minimises and ultimately eradicates unnecessary waste.

12. Social responsibility

> ***The function of museums is to preserve, interpret and promote the natural and cultural inheritance of humanity***
>
> *As expressed by the First Principle of the ICOM Code of Ethics for Museums, governing bodies and those concerned with the strategic direction and oversight of museums have a primary responsibility to protect and promote this heritage as well as the human, physical and financial resources made available for that purpose. On this basis, the ICOM Code of Ethics promotes social responsibility, independence and scientific freedom, tolerance and mutual respect without compromising professional museum standards.*
>
> *As expressed by the 2015 UNESCO Recommendation concerning the protection and promotion of museums and collections, their diversity and their role in society, museums are spaces for cultural transmission, intercultural dialogue, learning, discussion and training. Therefore, museums play an important role in education, social cohesion and sustainable development and have great potential to raise public awareness of the value of cultural and natural heritage and of the responsibility of all citizens to contribute to their care and transmission.*
>
> https://icom.museum/en/news/statement-on-the-independence-of-museums/

Amazwi is an institutional member of the International Council for Museums (ICOM) and subscribes to its Code of Ethics.

13. Report of the Audit and Risk Committee

We are pleased to present our report for the financial year ended 31 March 2021.

13.1 Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

13.2 The effectiveness of internal control

Our review of the findings of the internal audit work, based on the risk assessments conducted at Amazwi, revealed certain weaknesses which were then raised with management.

The following internal audit work was completed during the year under review:

- Irregular expenditure testing
- Audit and Risk Committee minutes
- Fixed asset testing
- Performance information
- Supply chain management testing
- Matters identified from external audit
- Covid-19 considerations.

Based on previous audit outcomes, much attention was given to irregular expenditure testing. We are pleased to report that this has had a positive outcome and that no irregular expenditure was identified in the year under review.

13.3 In-year management and quarterly reports

Amazwi submitted quarterly reports to the Minister of Sport, Arts and Culture and to National Treasury.

13.4 Evaluation of the Annual Financial Statements

We have reviewed and discussed the audited Annual Financial Statements included in the Annual Report with the Council of Amazwi.

We have reviewed the museum's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

13.5 Auditor's Report

We have reviewed Amazwi's implementation plan for unresolved audit issues raised in the prior year.

The Audit and Risk Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the Report of the Auditor-General.

13.6 Conclusion

The Audit and Risk Committee will review the Auditor-General's Management Report and management's response thereto.

The Audit Committee also has the task of advising the Council on risk management. The Committee will consider ways to mitigate the risks that gave rise to the Auditor-General's findings on the usefulness of performance information, non-compliance issues, the prescribed financial reporting framework, management monitoring, and policies and procedures.

The Audit and Risk Committee will instruct internal audit to institute a process of monitoring the implementation of the Auditor-General's recommendations.

Ms N. Jansen
Chairperson of the Audit and Risk Committee
31 August 2021

14. B-BBEE compliance performance information

The following table provides information on Amazwi's compliance with the Broad-based Black Economic Empowerment Act, Act No. 53 of 2003.

Has the public entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1-8) with regards to the following:		
Criteria	**Response**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	n/a	
Developing and implementing a preferential procurement policy?	Yes	Mainstreamed in supply chain operations.
Determining qualification criteria for the sale of state-owned enterprises?	n/a	
Developing criteria for entering into partnerships with the private sector?	n/a	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-based Black Economic Empowerment?	n/a	

Part D: Human Resources Management

1. Introduction

Museum core functions are labour intensive. Curatorial staff undertake research and care for the museum's collections. Education and Public Programmes is a service-oriented division focusing on exhibitions, education programmes and museum events aimed at school learners and adults alike.

Amazwi's resources limits its ability to offer financial performance rewards. Amazwi does however reward full-time employees for long service and for the completion of degrees and diplomas.

The administrative staff at Amazwi are subject to considerable work pressure as a result of ever-evolving compliance measures. The process of filling the supply chain officer post was stalled at the beginning of 2020 because of the Covid-19 shutdown.

2. Human resource oversight statistics

2.1 Personnel cost by programme

Programme	Total expenditure R' 000	Personnel expenditure R' 000	Personnel expenditure as % of total expenditure	Number of employees	Average cost per employee R' 000
Administrative Division	8 430	3 138	37%	10	314
Curatorial Division	4 760	3 784	80%	10	378
Education & Public Programmes Division	2 503	2 308	92%	9	256
All programmes	**15 823**	**9 230**	**58%**	**29**	**318**

2.2 Personnel cost by salary band

Level	Personnel expenditure R' 000	% of personnel expenditure to total personnel costs	Number of employees	Average cost per employee R' 000
Top management	960	10%	1	960
Senior and middle management	1 824	20%	3	608
Professional specialists	462	5%	1	462
Skilled professionals	3 643	39%	10	364
Professional and administrative support	1 825	20%	7	261
Semi-skilled administrative and technical	503	5%	3	168
Relief staff	6	0.1%	2	3
Casuals	7	0.1%	2	4
All levels	**9 230**	**100%**	**29**	**318**

2.3 Performance rewards and special awards for new qualifications

Programme	Performance rewards R' 000	Personnel expenditure R' 000	Performance rewards as % of personnel expenditure
Administrative Division	-	-	-
Curatorial Division	-	-	-
Education & Public Programmes Division	-	-	-
All programmes	**-**	**-**	**-**

Level	Performance rewards R' 000	Personnel expenditure R' 000	Performance rewards as % of personnel expenditure
Top management	-	-	-
Senior and middle management	-	-	-
Professional specialists	-	-	-
Skilled professionals	-	-	-
Professional and administrative support	-	-	-
Semi-skilled administrative and technical	-	-	-
Relief staff	-	-	-
Casuals	-	-	-
All levels	**-**	**-**	**-**

2.4 Training costs

Programme	Personnel expenditure R' 000	Training costs R' 000	Training costs as % of personnel expenditure	Number of employees trained	Average training cost per employee R' 000
Administrative Division	3 138	0.4	0.01%	1	0.4
Curatorial Division	3 784	3.2	0.08%	8	0.4
Education & Public Programmes Division	2 308	2.4	0.10%	3	0.8
All programmes	**9 230**	**6.0**	**0.07%**	**12**	**0.5**

Level	Personnel expenditure R' 000	Training costs R' 000	Training costs as % of personnel expenditure	Number of employees trained	Average training cost per employee R' 000
Top management	960	0.4	0.04%	1	0.4
Senior and middle management	1 824	1.5	0.08%	2	0.8
Professional specialists	462	-	-	-	-
Skilled professionals	3 643	4.1	0.11%	9	0.5
Professional and administrative support	1 550	-	-	-	-
Semi-skilled administrative and technical	778	-	-	-	-
Relief staff	6	-	-	-	-
Casuals	7	-	-	-	-
All levels	**9 230**	**6.0**	**0.07%**	**12**	**0.5**

Staff development and training is required to improve museological skills, enhance professionalism and encourage high level academic study in the literary field. With an aging workforce succession planning is imperative in preserving business continuity while increasing diversity and equity.

Of the 12 employees trained, six were female, one of which was a staff member in the youth category.

2.5 Employment and vacancies

Programme	2019/20 number of employees	2020/21 approved (funded) posts	2020/21 number of employees	2020/21 number of vacancies	Vacancy rate %
Administrative Division	15	11	10	1	9%
Curatorial Division	12	13	10	3	23%
Education & Public Programmes Division	7	10	9	1	10%
All programmes	**34**	**34**	**29**	**5**	**15%**

Level	2019/20 number of employees	2020/21 approved (funded) posts	2020/21 number of employees	2020/21 number of vacancies	Vacancy rate %
Top management	1	1	1	-	-
Senior and middle management	3	3	3	-	-
Professional specialists	1	1	1	-	-
Skilled professionals	10	11	10	1	9%
Professional and administrative support	7	8	7	1	13%
Semi-skilled administrative and technical	4	4	3	1	25%

Level	2019/20 number of employees	2020/21 approved (funded) posts	2020/21 number of employees	2020/21 number of vacancies	Vacancy rate %
Student assistants	2	2	-	2	100%
Relief staff	2	2	2	-	-
Casuals	4	2	2	-	-
All levels	**34**	**34**	**29**	**5**	**15%**

2.6 Employment changes

Programme	Number of employees at beginning of period	Appointments	Terminations	Number of employees at end of period
Administrative Division	10	-	1	9
Curatorial Division	10	-	1	9
Education & Public Programmes Division	9	-	1	8
All programmes	**29**	**-**	**3**	**26**

Level	Number of employees at beginning of period	Appointments	Terminations	Number of employees at end of period
Top management	1	-	-	1
Senior and middle management	3	-	1	2
Professional specialists	1	-	-	1
Skilled professionals	10	-	1	9
Professional and administrative support	7	-	1	6
Semi-skilled administrative and technical	3	-	-	3
Student assistants	-	-	-	-
Relief staff	2	-	-	2
Casuals	2	-	-	2
All levels	**29**	**-**	**3**	**26**

2.7 Reasons for staff leaving

Type of termination	Number	%
Death	2	67%
Resignation	-	-
Dismissal	-	-
Retirement	1	33%
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	**3**	**100%**

2.8 Labour relations: misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	-
Written warning	-
Final written warning	-
Dismissal	-
Total	**-**

2.9 Equity targets and employment equity status

	Males							
	African		Coloured		Indian		White	
Level	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	-	-	-	-	-	-
Senior and middle management	1	2	-	-	-	-	1	-
Professional specialists	-	-	-	-	-	-	-	-
Skilled professionals	1	4	1	1	-	-	4	-
Professional and administrative support	1	1	1	2	-	-	1	-
Semi-skilled administrative and technical	2	2	-	-	-	-	-	-
Student assistants	-	1	-	-	-	-	-	-
Relief staff	-	1	2	1	-	-	-	-
Casuals	2	2	-	-	-	-	-	-
Total	**7**	**13**	**4**	**4**	**-**	**-**	**6**	**-**

Level	Females							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	1	-	-	-	-	1	-
Senior and middle management	-	-	-	-	-	-	1	1
Professional specialists	-	1	-	-	-	-	1	-
Skilled professionals	-	3	-	1	-	-	4	2
Professional and administrative support	1	2	2	1	-	-	1	1
Semi-skilled administrative and technical	1	2	-	-	-	-	-	-
Student assistants	-	1	-	-	-	-	-	-
Relief staff	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	1
Total	**2**	**10**	**2**	**2**	**-**	**-**	**8**	**5**

Level	Disabled							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	-	-	-	-	-	-
Senior and middle management	-	-	-	-	-	-	-	-
Professional specialists	-	-	-	-	-	-	-	-
Skilled professionals	-	-	-	-	-	-	-	1
Professional and administrative support	-	-	-	-	-	-	-	-
Semi-skilled administrative and technical	-	-	-	-	-	-	-	-
Student assistants	-	-	-	-	-	-	-	-
Relief staff	-	-	-	-	-	-	-	-
Casuals	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**

Part E: Financial Information

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Report of the auditor-general to Parliament on the Amazwi South African Museum of Literature

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Amazwi South African Museum of Literature set out on pages 64 to 111, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

1. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Amazwi South African Museum of Literature as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

2. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

3. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Unqualified opinion.

Responsibilities of the accounting authority for the financial statements

5. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating

to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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

8. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

9. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

10. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

11. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2: curatorial division	22 – 26

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

13. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 2: curatorial division

Systems for monitoring and controlling environmental conditions

14. The reported indicator 'daily conditions recorded remedial action documented' did not agree with the planned indicator 'systems for monitoring and controlling environmental conditions' as per the approved annual performance plan.

15. The reported target for 'daily conditions recorded; plan for remedial action developed; remedial action tested' did not agree to the planned target of 'daily/weekly conditions recorded; plan for remedial action developed' as per the approved annual performance plan.

16. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined nature, required level of performance, and method of calculation to be used when measuring the actual achievement for the target 'daily/weekly conditions recorded; plan for remedial action developed'. This was due to insufficient measurement definitions and processes. I was unable to test whether the target for this indicator was clearly defined by alternative means.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 9 to 36 for information on the achievement of planned targets for the year and management's explanations provided for the under/over-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 14 to 18 of this report.

Report on the audit of compliance with legislation

Introduction and scope

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

20. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual report

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(a) and (b) of the PFMA.

22. Material misstatements of current assets, current liabilities and disclosure items identified by auditors in the submitted financial statements were corrected and the supporting records were provided subsequently.

23. Financial statements were not submitted for auditing within the prescribed period after the end of the financial year, as required by section 55(1)(c)(i) of the PFMA.

Other information

24. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. When I do receive and read the directors' report and the audit committee's report, and conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

29. Leadership established monitoring activities to ensure oversight responsibility within the entity. However, material non-compliance issues were identified due to a lack of management oversight of compliance with applicable laws, regulations and policies by the entity. The lack of sufficient staff in the finance unit had a negative impact on the overall control environment of the entity, as some activities were not consistently performed as a result.

30. Daily, weekly and monthly disciplines were not consistently monitored by management. Management did not ensure that these processes were implemented consistently; and where these were performed, management did not adequately review the reconciliations to ensure that they were accurate and complete.

Auditor General

East London

31 July 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Statement of Responsibility for Financial Information

The Public Finance Management Act, Act No. 1 of 1999, as amended, requires the Council to ensure that Amazwi South African Museum of Literature (Amazwi) keeps full and proper records of its financial affairs. The Annual Financial Statements should fairly present the state of affairs of Amazwi, its financial results, its performance against predetermined objectives and its financial position at the end of the year.

The Annual Financial Statements are the responsibility of the Council. The Auditor-General of South Africa is responsible for independently auditing and reporting on the Annual Financial Statements. The Auditor-General of South Africa has audited Amazwi's Annual Financial Statements and her report appears on pages 58 to 63.

The Annual Financial Statements have been prepared in accordance with the prescribed Standards of GRAP including any interpretation of such statements issued by the Accounting Standards Board. These Annual Financial Statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The Council has reviewed Amazwi's budgets and cash flow forecasts for the year ended 31 March 2022. On the basis of the review, and in view of the current financial position, the Council has every reason to believe that Amazwi will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the Annual Financial Statements.

The Council sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management, where possible, that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The entity maintains internal financial controls to provide assurance regarding the safeguarding of assets against unauthorised use or disposition, and the maintenance of proper accounting records and the reliability of financial information used within Amazwi or for publication.

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control, therefore, aims to provide reasonable assurance with respect to the reliability of financial information and the presentation of Annual Financial Statements. However, because of changes in conditions, the effectiveness of internal financial controls may vary over time.

The Council has reviewed Amazwi's systems of internal control and risk management for the period 1 April 2020 to 31 March 2021. The Council is of the opinion that Amazwi's systems of internal control and risk management were effective for the period under review.

In the opinion of the Council, based on the information available to date, the Annual Financial Statements fairly present the financial position of Amazwi at 31 March 2021 and the results of its operations and cash flow information for the year.

The Annual Financial Statements for the year ended 31 March 2021, set out on pages 65 to 112, were submitted for auditing on 31 July 2021 and approved by the Council in terms of section 51(1)(f) of the Public Finance Management Act, Act No. 1 of 1999, as amended by Act No. 29 of 1999, and are signed on its behalf by:

Ms Beverley Thomas
Director
31 July 2021

Dr Sibongile Masuku
Chairperson of the Council of Amazwi South African Museum of Literature
31 July 2021

Accounting Authority's Report for the year ended 31 March 2021

Report by the Council of Amazwi South African Museum of Literature to the Executive Authority, the Minister of Arts and Culture, and Parliament of the Republic of South Africa.

1. Review of operations

Total revenue

Total revenue for the year was R15 383 160 (2020: R15 822 557).

Deficit

A deficit of R101 689 was incurred in the year under review (2020: deficit R276 697 restated). This can be attributed to high depreciation charges on property, plant and equipment.

Events subsequent to balance sheet

On 7 April 2021 Amazwi received R1 000 000 for DSAC: Schreiner House development. This receipt was received after the reporting date and has been classified as a Non-Adjusting Event.

Other major items

Amazwi is extremely grateful to National Treasury for their payment of the museum's outstanding audit fees to the amount of R1 493 639 and for the Auditor-General's facilitation thereof. In terms of section 23(5)-(6) of the Public Audit Act, Act No. 25 of 2004, as amended, if the audit fee of an auditee, other than a national department, exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year and National Treasury was consulted and is of the opinion that the auditee has financial difficulty to pay, the excess is to be defrayed as a direct charge against the National Revenue Fund.

Amazwi will engage the Auditor-General and National Treasury to ensure that this amicable resolution can be sustained in years to come.

2. Principal activities of the museum

Amazwi houses a comprehensive collection of resources relating to South African literature, the bulk of which is currently in English. However, the surplus from 2019/20 was allocated to procuring an isiXhosa collection. The valuation of the collection was commenced but unfortunately has not been concluded because of the Covid-19 lockdown. All collections provide material for the preparation of permanent, temporary and travelling exhibitions and are accessible to visiting researchers and scholars on request.

Amazwi offers educational programmes for learners and opportunities for lifelong learning for adults. The schools' programmes provide an intellectually stimulating, fun and creative learning experience.

Amazwi's satellite museums, Schreiner House in Cradock and the Eastern Star Gallery in Makhanda, conserve and present two important aspects of the writing and publishing heritage of South Africa.

3. Materiality and significance framework for the 2020/21 financial year

In terms of the Public Finance Management Act and National Treasury Regulation 28.1.5, the Council of Amazwi has developed and agreed to a framework of acceptable levels of materiality and significance. See ANNEXURE A.

4. Approval

The Annual Financial Statements set out hereunder have been approved by the Council of Amazwi South African Museum of Literature and are signed on its behalf by:

Ms Beverley Thomas
Director
31 July 2021

Dr Sibongile Masuku
Chairperson of the Council of Amazwi South African Museum of Literature
30 July 2021

	Notes	2021 R	2020 (Restated) R
ASSETS			
Non-current assets		**62 485 359**	**64 082 649**
Property, plant and equipment	2	5 280 140	6 137 993
Heritage assets	3	56 486 010	57 256 808
Investments	5	719 209	687 848
Current assets		**9 271 848**	**7 576 265**
Inventories	4	157 305	152 945
Investments	5	38	38
Trade and other receivables	6	321 032	214 231
Cash and cash equivalents	7	8 793 473	7 209 051
Total assets		**71 757 207**	**71 658 914**
FUNDS AND LIABILITIES			
Funds and reserves		**60 785 713**	**60 887 402**
Accumulated funds		8 643 503	8 745 192
Revaluation reserve	11	52 142 210	52 142 210
Non-current liabilities		**4 602 000**	**3 773 000**
Provision for post-retirement medical benefits	12	4 602 000	3 773 000
Current liabilities		**6 369 494**	**6 998 512**
Trade and other payables	13	381 606	1 091 833
Unspent conditional receipts	13	5 987 888	5 906 679
Total funds and liabilities		**71 757 207**	**71 658 914**

	Notes	2021 R	2020 (Restated) R
Revenue	8	15 241 146	15 775 670
Other income	9	142 014	46 887
Total revenue		15 383 160	15 822 557
Expenditure	10	(15 558 769)	(16 204 509)
(Deficit)/surplus from operations		(175 608)	(381 952)
Interest received		73 921	105 255
(Deficit)/surplus for the year		**(101 689)**	**(276 697)**

Amazwi South African Museum of Literature

Statement of Changes in Net Assets for the year ended 31 March 2021

	Accumulated funds R	Total R
Balance at 31 March 2019 - previously stated	**9 013 248**	**9 013 248**
Restatement	**8 641**	**8 641**
Balance at 31 March 2019 - restated	**9 021 889**	**9 021 889**
(Deficit)/surplus for the year	(276 697)	(276 697)
Balance at 31 March 2020	**8 745 192**	**8 745 192**
(Deficit)/surplus for the year	(101 689)	(101 689)
Balance at 31 March 2021	**8 643 503**	**8 643 503**

	Notes	2021 R	2020 (Restated) R
Cash flows from operating activities			
Receipts			
Service fees, royalties, sales, donations and contribution from Inxuba Yethemba Municipality for Schreiner House		201 064	265 647
Government subsidy: Department of Arts and Culture		12 776 000	15 136 000
Payments			
Compensation of employees		(9 230 111)	(9 494 702)
Administration and other expenses		(2 295 658)	(5 437 392)
Cash generated/(utilised) from operations	14.1	1 451 295	469 553
Interest received		73 921	105 255
Interest received - capitalised to unspent conditional receipts		186 220	241 674
Net cash flows from/(to) operating activities		**1 711 436**	**816 482**
Cash flows (to)/from investing activities			
Acquisition of property, plant and equipment		(93 451)	(154 440)
Acquisition of heritage assets		(29 202)	(45 071)
Proceeds on property, plant and equipment sold		27 000	2 180
Movement of investments in securities		(31 361)	201 810
Net cash flows (to)/from investing activities	14.2	**(127 014)**	**4 479**
Net cash increase/(decrease) in cash and cash equivalents		**1 584 422**	**820 961**
Cash at the beginning of the year		7 209 051	6 388 090
Cash and cash equivalents at the end of the year	7	**8 793 473**	**7 209 051**

Amazwi South African Museum of Literature

Statement of Comparison of Budget and Actual Amounts presented on a cash basis for the year ended 31 March 2021

	2020 R	Original budget R	Adjustments R	Final approved budget R	Actual (cash) R	Variance R	Variance %	Reason for adjustment/ variance
Receipts								
Sale of goods and services	209 970	207 000	(96 500)	110 500	112 674	2 174	2%	Lockdown, limited services
Sale of redundant assets	2 180	5 000	(5 000)	-	-	-	-	No sale took place
Interest	105 255	120 000	(45 000)	75 000	73 921	(1 079)	-1%	
Grants from national government	**13 136 000**	**13 641 000**	**(865 000)**	**12 776 000**	**12 776 000**	**-**	**-**	
DSAC subsidy	11 186 000	11 582 000	(500 000)	11 082 000	11 082 000	-	-	Subsidy reduction
DSAC subsidy baseline increase	1 000 000	1 056 000	(365 000)	691 000	691 000	-	-	Subsidy reduction
DSAC grant cost of compliance	789 000	833 000	-	833 000	833 000	-	-	
DSAC municipal charges allocation	161 000	170 000	-	170 000	170 000	-	-	
Grants from local government	**-**	**201 000**	**(11 000)**	**190 000**	**-**	**(190 000)**	**-100%**	
Inxuba Yethemba Municipality	-	201 000	(11 000)	190 000	-	(190 000)	-100%	Transferred to payables
Unclassified revenue, incl. donations	148 767	80 000	90 000	**170 000**	169 989	(11)	<1%	Income from event partners
Other revenue, incl. use of surplus	230 000	137 000	(137 000)	-	-	-	-	No need for withdrawals
Total	**13 832 171**	**14 391 000**	**(1 069 500)**	**13 321 500**	**13 132 584**	**(188 916)**	**-1%**	

	2020 R	Original budget R	Adjustments R	Final approved budget R	Actual (cash) R	Variance R	Variance %	Reason for adjustment/ variance
Payments								
Compensation of employees	**9 494 701**	**11 366 236**	**(2 139 236)**	**9 227 000**	**9 226 719**	**281**	<1%	Vacant posts
Salaries and wages	7 877 880	9 441 643	(1 772 000)	7 669 643	7 669 515	128	<1%	
Social contributions	1 616 821	1 924 593	(367 236)	1 557 357	1 557 204	153	<1%	
Goods and services	**3 738 804**	**2 783 764**	**(735 139)**	**2 048 625**	**2 039 829**	**8 796**	<1%	
Inventory for sale	164 460	42 000	(24 100)	17 900	17 818	82	<1%	Slow turnover of stock
Administrative fees	84 128	66 327	(3 427)	62 900	62 351	549	<1%	
Advertising	33 869	77 000	83 250	160 250	160 309	(59)	<1%	Opportunity online events
Minor assets	12 311	6 000	540	6 540	6 484	56	1%	
Audit costs (external)	162 397	170 000	(20 000)	150 000	147 419	2 581	2%	
Bursaries (employees)	3 126	20 000	(20 000)	-	-	-	<1%	No demand from staff
Catering (internal activities)	156 181	99 123	(72 123)	27 000	26 829	171	1%	No in-person events
Communication	62 894	53 500	-	53 500	53 257	243	<1%	
Computer services	125 468	196 875	(17 500)	179 375	179 014	361	<1%	Lockdown
Consultants: business services	588 445	328 765	260 235	589 000	588 234	766	<1%	Job evaluation, valuations
Legal services	1 102	10 000	(3 000)	7 000	6 783	217	3%	Limited need of services
Contractors	164 229	47 500	37 400	84 900	84 899	1	<1%	Design digital exhibitions
Agency and outsourced services	173 768	222 000	(60 000)	162 000	161 500	500	<1%	Lockdown, limited services
Entertainment	1 875	3 000	(2 350)	650	661	(11)	<1%	Limited opportunity
Fleet services	36 338	44 796	(28 526)	16 270	16 061	209	1%	Lockdown, limited services
Consumables: cleaning and safety	66 088	57 460	(25 100)	32 360	31 950	410	1%	Lockdown, limited services

	2020 R	Original budget R	Adjustments R	Final approved budget R	Actual (cash) R	Variance R	Variance %	Reason for adjustment/ variance
Consumables: stationery supplies	132 661	87 879	(8 879)	79 000	78 747	253	<1%	Lockdown, limited services
Rental and hiring	-	-	-	-	-	-	-	
Property payments	65 846	259 267	(218 987)	40 280	40 272	8	<1%	Conditional grant retained
Transport for internal activities	12 125	40 000	(30 000)	10 000	9 667	333	3%	Lockdown, limited services
Travel and subsistence	854 939	518 059	(473 059)	45 000	44 177	823	2%	Lockdown restrictions
Training and staff development	15 308	30 000	(24 500)	5 500	5 538	(38)	1%	Free training opportunities
Operating payments	669 997	228 369	(74 369)	154 000	152 719	1 281	1%	Lockdown, limited services
Venues and facilities	-	6 731	(6 731)	-	-	-	-	No need for service
Transfers to households	151 248	169 113	(3 913)	165 200	165 140	60	<1%	
Post-retirement benefits	151 248	169 113	(3 913)	165 200	165 140	60	<1%	
	13 233 505	**14 150 000**	**(2 874 375)**	**11 275 625**	**11 266 548**	**9 077**	<1%	

Payments for property, plant and equipment

Vehicles	-	-	-	-	-	-	-	
Machinery, furniture and equipment	102 689	33 000	(13 800)	19 200	19 049	151	1%	No new exhibition
Computer equipment	42 559	55 000	500	55 500	55 047	453	1%	
Library resources	4 613	16 000	(13 500)	2 500	2 309	191	8%	Few available publications
	149 861	**104 000**	**(26 800)**	**77 200**	**76 405**	**795**	**1%**	

	2020 R	Original budget R	Adjustments R	Final approved budget R	Actual (cash) R	Variance R	Variance %	Reason for adjustment/ variance
Payments for heritage assets								
Museum collections	24 227	122 000	(109 200)	12 800	11 880	920	7%	Lockdown, limited market
Additions to land and buildings	20 844	15 000	2 500	17 500	17 293	207	1%	
	45 071	**137 000**	**(106 700)**	**30 300**	**29 173**	**1 127**	**4%**	
Total payments	**13 428 438**	**14 391 000**	**(3 007 875)**	**11 383 125**	**11 372 127**	**10 998**	<1%	
Total receipts less total payments	**403 733**	**-**		**1 938 375**	**1 760 457**	**(199 913)**	**-10%**	Refer to payables

Capital Works Projects

	2020 R	Original budget R	Adjustments R	Final approved budget R	Actual (cash) R	Variance R	Variance %	Reason for adjustment/ variance
Receipts								
Schreiner House development	**2 065 893**	**1 065 000**	35 000	**1 100 000**	**100 643**	**(999 357)**		
Department of Arts and Culture	2 000 000	1 000 000	-	1 000 000	-	(1 000 000)	-100%	Deposit after year-end
Interest on accounts	65 893	65 000	35 000	100 000	100 643	643		
25A Worcester Street	**171 296**	**170 000**	(85 000)	85 000	85 573	573		
Department of Arts and Culture	-	-	-	-	-	-		
Interest on accounts	171 296	170 000	(85 000)	85 000	85 573	573		
	2 237 189	**1 235 000**	**(50 000)**	**1 185 000**	**186 216**	**(998 784)**		

	2020 R	Original budget R	Adjustments R	Final approved budget R	Actual (cash) R	Variance R	Variance %	Reason for adjustment/ variance
Payments								
Schreiner House development	44 689	750 000	(750 000)	-	-	-	-	Major disruptions due to Covid-19 shut down
25A Worcester Street	877 557	1 000 000	(720 000)	280 000	273 508	(6 492)	-2.3%	
	922 246	**1 750 000**	**(1 470 000)**	**280 000**	**273 508**	**(6 492)**	**-2.3%**	

1. Accounting policies

1.1 Legislation

Amazwi South African Museum of Literature is governed by the Cultural Institutions Act, Act No. 119 of 1998, as amended, and operates under the jurisdiction of a Council appointed by the Minister of Arts and Culture.

1.2 Basis of presentation

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise. The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as issued by the Accounting Standards Board (ASB), in accordance with Section 91(1) of the Public Finance Management Act, Act No. 1 of 1999.

The Annual Financial Statements are presented in South African Rands.

1.3 Going concern

The Annual Financial Statements have been prepared on a going concern basis.

1.4 Taxation

As from 1 April 2005, the then National English Literary Museum was deregistered as a value added tax (VAT) vendor due to changes in the VAT Act, Section 24(1) of Act No. 45 of 2003 and Act No. 32 of 2004. Amazwi South African Museum of Literature has been exempted from taxation.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of Annual Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant judgements include:

Trade and other receivables

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

Useful lives of property, plant and equipment

Amazwi determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on the condition and use of the individual asset in order to determine the remaining period over which the asset can and will be used.

Heritage assets

Heritage assets are culturally significant resources and are shown at cost and are not depreciated due to the uncertainty regarding their estimated useful lives. The valuation of heritage assets is dependent on the type of the asset and the availability of reliable information. Amazwi makes estimates and assumptions about factors such as the restoration cost, replacement cost and cash flow generating ability in estimating fair value.

1.6. Revenue recognition

1.6.1 Revenue from exchange transactions

Exchange transactions are transactions in which Amazwi receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another party in exchange.

Measurement

Revenue is recognised on the statement of financial performance when it is probable that future economic benefits will flow to Amazwi and these benefits can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of discounts. The following specific recognition criteria must be met before revenue is recognised:

Sale of goods and rendering of services

Revenue from the sale of goods is recognised when the significant risks or rewards of ownership are transferred to the buyer. Amazwi as a rule does not charge an entry fee, however where services are rendered to another party, fees may be charged dependent on a variety of cost factors.

Interest

Interest earned on investments is recognised in the Statement of Financial Performance on the time-proportionate basis that takes into account the effective yield on the investment.

1.6.2 Revenue from non-exchange transactions

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

Stipulations on transferred assets are in terms of laws and regulations or a binding arrangement imposed upon the use of a transferred asset by entities external to Amazwi.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but does not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Recognition

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

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

Measurement

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

Gifts and donations, including goods and services in kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to Amazwi and the fair value of the assets can be measured reliably. Services in kind are not recognised.

Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as received to the extent that Amazwi has complied with any of the conditions embodied in the agreement. To the extent that the conditions have not been met a liability is recognised. Interest earned on these investments is invested in accordance with the grant conditions. Revenue is recognised when all conditions associated with the contribution have been met or when the property, plant and equipment is brought into use.

Government transfer payments

Government transfer payments are recognised once the income has been received.

1.7 Property, plant and equipment

Initial recognition and measurement

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

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to Amazwi and the cost of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by Amazwi. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at cost.

Subsequent measurement
Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure
Where Amazwi replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

Depreciation
Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset's residual value, where applicable.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Annual depreciation rates are reviewed annually, by management, per class of asset to ensure that any asset is written off over its useful life.

Impairments
Amazwi tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition
Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the

difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Heritage assets

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

1.8.1 Recognition

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

The museum will assess the degree of certainty attached to the flow of future service potential or economic benefits:

(a) If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.

(b) For recognition of heritage assets, the asset needs to be controlled by the museum as a result of past events. Such events may include purchase, donation, bequest, loan or transfer.

(c) The research required to identify, analyse and classify heritage items is often a collaborative effort between local and international experts that span several months, even years. These items cannot be recognised in the Financial Statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the Notes to the Financial Statements.

1.8.2 Measurement

The values of assets have been determined using either cost or fair value.

Values have been assigned to the heritage assets which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of 'open market' principles in determining value, however values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation.

1.8.3 Directive 7: Use of deemed cost for heritage assets upon initial recognition and adoption of a standard

The following terms are used in this Directive with the meanings specified:

Acquisition cost

When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.

Deemed cost

Deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP (measurement date).

Measurement date (for the purposes of this Directive)

Measurement date is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information in its first Financial Statements prepared using Standards of GRAP.

For the purposes of this Directive, the measurement of assets at fair value on the adoption of the Standards of GRAP, does not constitute:

(a) a revaluation in accordance with the Standards of GRAP on property, plant and equipment, intangible assets or heritage assets; or
(b) the application of the fair value model in the Standard of GRAP on investment property, paragraph A4, which states that subsequent depreciation, if applicable, is based on that deemed cost and starts from the measurement date.

1.8.4 Initial entries using deemed cost

When an entity initially measures assets using the deemed cost approach in this Directive, it recognises the effect:

(a) as an adjustment to the opening balance of accumulated surpluses or deficits in the opening Statement of Financial Position prepared using Standards of GRAP; or
(b) in revaluation surplus if an entity adopts the revaluation model in the Standards of GRAP on property, plant and equipment, intangible assets or heritage assets.

The museum has adopted the cost model for heritage assets.

Heritage assets shall not be depreciated but the museum shall assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

1.8.5 Valuation of heritage assets

The existence of published price quotations in an active market is the best evidence of fair value, such as the quoted price from recent auctions published in local newspapers, however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market, the fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.46).

The valuation of Amazwi's heritage assets was performed by a member of the valuation profession.

1.8.6 Valuation of heritage assets

Valuation techniques

Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset, a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity may use that technique in determining the fair value (GRAP 103.47).

Inability to value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall is disclosed in the Notes to the Financial Statements. These items are controlled in the asset register.

Valuing an entire collection

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection. Under such circumstances, the carrying value of the entire collection may need to be reassessed when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed (GRAP 103.45).

1.8.7 Heritage asset classification

The museum houses a comprehensive collection of resources relating to South African literature in English. Primary resources include authors' manuscripts, printers' proofs, diaries, correspondence, publishers' archives, photographs, posters, play-scripts, theatre programmes and cultural artefacts.

A class of heritage assets is a grouping of heritage assets of a similar nature or function in the museum's operations that is shown as a single item for the purpose of disclosure in the Financial Statements. The museum has recognised the following classes of heritage assets:

(a) Literary artefacts
(b) Published works
(c) 3-Dimensional objects
(d) Contents of house museum (Schreiner House)

1.8.8 Heritage assets on loan to other institutions

The financial statement shall also disclose information on heritage assets that are borrowed from, or on loan to, other museums.

1.8.9 Retrospective application

Although Amazwi adopted the accounting standard on 1 April 2012, it has taken advantage of the transitional period of three (3) years to fully implement GRAP 103 in terms of Directive 2. The three-year period in which organizations were not required to measure heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Heritage Assets has ended.

Where organizations have not yet determined the deemed cost of those assets within the scope of Directive 7, they should consider GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors, and consider whether this change in accounting policy can be applied retrospectively from this date, or whether it is impracticable to do so.

GRAP 3 states that "When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the organization shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable…."

It may be impracticable to determine the deemed cost retrospectively if, for example, the following circumstances exist:

(a) Relevant data may not have been collected in the prior period and cannot be obtained by alternative means that allows for retrospective application.
(b) The entity is required to make significant estimates and assumptions about conditions that existed at a point in time in the past and cannot do so objectively without using hindsight.

1.8.10 Impairment

At each reporting date, the entity assesses whether there is an indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

1.8.11 Transfers

Transfers from heritage assets are made when, and only when, the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are made when, and only when, the particular asset meets the definition of a heritage asset.

1.8.12 De-recognition

The carrying amount of a heritage asset is de-recognised:

(a) on disposal, or
(b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is de-recognised.

1.9 Impairment of non-financial assets

Amazwi assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, Amazwi estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. 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. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets on a pro rata basis of the carrying amount of each asset in the unit.

Amazwi assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

1.10 Financial instruments

Financial instruments are recognised when Amazwi becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not subsequently measured at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are de-recognised when the rights to receive cash flows from the assets have expired or have been transferred, and Amazwi has transferred substantially all risks and rewards of ownership or when Amazwi loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

Cash and cash equivalents are measured at amortised cost.

Financial assets

Amazwi classifies its financial assets according to the following categories:

(a) held to maturity, or
(b) loans and receivables.

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

(c) Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where Amazwi has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
(d) Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

Impairment of financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance. Financial assets consist of:

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. A provision for impairment of other receivables is established when there is objective evidence that Amazwi will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for doubtful debts based on past default experience of all outstanding amounts at year-end.

Investments at amortised cost

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Financial liabilities

Amazwi measures all financial liabilities, including trade and other payables, at amortised costs, using the effective interest rate method (excluding provisions). Amounts payable within 12 months from the reporting date are classified as current. Financial liabilities consist of:

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.

1.11 Inventory

Inventory is initially recognised at cost. Inventory is subsequently valued at the lower of cost or net realisable value. The basis of determining cost is the first-in, first-out (fifo) method.

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

Redundant and slow-moving inventories are identified at year end and written down from cost to net realisable value with regard to their estimated economic or realisable values.

1.12 Employee benefits

Short term employee benefits

Short term employee benefits encompass all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services that are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

Post-retirement benefits

Amazwi provides post-retirement medical aid benefits for employees who remain in service up to retirement age, except for employees who joined Amazwi after 31 October 2011, who are not entitled to post-employment medical benefits. These benefits are provided as defined benefit plans.

Defined benefit plans

Amazwi belongs to a defined benefit plan which is a post-employment benefit plan under which Amazwi pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

1.13 Provisions

Provisions are recognised when Amazwi has a present obligation (legal or constructive) as a result of past events, and 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 amount of the obligation. Provisions are reviewed at the Statement of Financial Position reporting date and adjusted to reflect the current best estimate.

1.14 Budget and actual amounts

Amazwi presents its approved budget in the Annual Performance Plan on a cash basis.

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which are given effect through authorising legislation, appropriation or similar. General purpose financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The budget and accounting bases differ. The Financial Statements differ from the budget, which is approved on the cash basis. The Financial Statements are prepared on the accrual basis using a classification on the nature of expenses in the Statement of Financial Performance.

A reconciliation between the actual amounts on a comparable basis is presented in the Statement of Comparison of Budget and Actual Amounts.

The Annual Financial Statements and the budget are not on the same basis of accounting, therefore, a reconciliation between the Statement of Financial Performance and the budget has been included in the Notes to the Financial Statements. See note 15.

1.15 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for or expenditure that is not in terms of the conditions of an allocation received from another sphere of government. Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Unauthorised expenditure is disclosed in the Notes to the Financial Statements.

1.16 Irregular expenditure

Irregular expenditure is incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation, including the Public Finance Management Act, Act No.1 of 1999 (as amended), or any regulation made in terms of this Act. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed in the Notes to the Financial Statements.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Fruitless and wasteful expenditure is disclosed in the Notes to the Financial Statements.

1.18 Recovery of irregular, fruitless and wasteful expenditure

The recovery of irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable. The recovery of irregular, fruitless and wasteful expenditure is treated as other income.

1.19 Related parties

Individuals as well as their close family members, and/or entities, are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

The Department of Arts and Culture is the controlling entity and has ownership control of Amazwi.

Key management personnel are defined as the Director, Chief Financial Officer and all other managers reporting directly to the Director or as designated by the Director.

1.20 Post balance sheet events

Events after the 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:

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

Amazwi will adjust the amounts recognised in the Financial Statements to reflect adjusting events after the reporting date once the event occurred.

Amazwi 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.

1.21 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified and restated. The nature and reasons for the reclassification and restatement are disclosed in the Notes to the Financial Statements.

1.22 Public Finance Management Act, 1999 (Act No. 1 of 1999)

Section 54(2)

In terms of the PFMA and Treasury Regulation 28.1.5 the Council has developed and agreed to a framework of acceptable levels of materiality and significance.

Section 55(2)

No material losses through criminal conduct or fruitless or wasteful expenditure were incurred during the year. Irregular expenditure has been disclosed in Note 17.

Section 55(3)

Council may not accumulate surpluses unless written approval of the National Treasury has been obtained. Approval for the retention of the accumulated surplus as at 31 March 2020 was obtained.

1.23 New and amended standards and interpretations

The following Standards of GRAP became effective for financial periods commencing on or after 1 April 2019:

GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents.

Amendments to the following Standard of GRAP will become effective for financial periods commencing on or after 1 April 2020:

GRAP 17	Property, Plant and Equipment.

Management has considered all of the above mentioned GRAP standards approved but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance and cash flow of the entity.

Approved Standards of GRAP that entities are not required to apply:

GRAP 18	Segment Reporting.

2. **Property, plant and equipment**

	Motor vehicles R	Computer equipment R	Furniture and fittings R	Tools and equipment R	Library resources R	Audio-visual equipment R	Collections' furniture and fittings R	Exhibition furniture R	Office furniture and fittings R	Outdoor furniture and fittings R	Total R
Net carrying amount at 31 March 2019											
Net book value 1 April 2019	**62 400**	**450 181**	**90 861**	**130 486**	**238 819**	**329 828**	**4 099 054**	**140 362**	**1 324 444**	**34 788**	**6 901 223**
Cost	208 982	889 413	165 800	219 888	469 833	454 936	5 359 049	190 000	1 790 264	49 000	9 797 165
Accumulated depreciation	(146 582)	(439 232)	(74 939)	(89 402)	(231 014)	(125 108)	(1 259 995)	(49 638)	(465 820)	(14 212)	(2 895 942)
Additions: cash	-	47 137	80 716	21 974	4 613	-	-	-	-	-	154 440
Additions: assets that came with building and donations	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfer to/(from)	-	-	-	-	-	-	-	-	-	-	-
Disposals/scrapped: cost	-	-	-	-	-	-	-	-	-	-	-
Transfers/disposals/scrapped: accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(9 055)	(102 109)	(14 585)	(25 888)	(18 886)	(45 494)	(509 110)	(18 050)	(169 593)	(4 900)	(917 670)
Net carrying amount at 31 March 2020	**53 345**	**395 209**	**156 992**	**126 572**	**224 546**	**284 334**	**3 589 944**	**122 312**	**1 154 851**	**29 888**	**6 137 993**
Cost	208 982	936 550	246 516	241 862	474 446	454 936	5 359 049	190 000	1 790 264	49 000	9 951 605
Accumulated depreciation	(155 637)	(541 341)	(89 524)	(115 290)	(249 900)	(170 602)	(1 769 105)	(67 688)	(635 413)	(19 112)	(3 813 612)

	Motor vehicles R	Computer equipment R	Furniture and fittings R	Tools and equipment R	Library resources R	Audio-visual equipment R	Collections' furniture and fittings R	Exhibition furniture R	Office furniture and fittings R	Outdoor furniture and fittings R	Total R
Year ended 31 March 2021											
Net book value 1 April 2020	**53 345**	**395 209**	**156 992**	**126 572**	**224 546**	**284 334**	**3 589 944**	**122 312**	**1 154 851**	**29 888**	**6 137 993**
Cost	208 982	936 550	246 516	241 862	474 446	454 936	5 359 049	190 000	1 790 264	49 000	9 951 605
Accumulated depreciation	(155 637)	(541 341)	(89 524)	(115 290)	(249 900)	(170 602)	(1 769 105)	(67 688)	(635 413)	(19 112)	(3 813 612)
Additions: cash	-	57 159	1 996	30 479	3 817	-	-	-	-	-	93 451
Additions: assets that came with building and donations	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Transfer to/(from)	-	-	-	-	-	-	-	-	-	-	-
Disposals/scrapped: cost	-	(64 994)	-	-	-	-	-	-	-	-	(64 994)
Transfers/disposals/scrapped: accumulated depreciation	-	37 596	-	-	-	-	-	-	-	-	37 596
Depreciation charge	(9 055)	(100 415)	(21 618)	(26 683)	(18 988)	(45 494)	(509 110)	(18 050)	(169 593)	(4 900)	(923 906)
Net carrying amount at 31 March 2021[1]	**44 290**	**324 555**	**137 370**	**130 368**	**209 375**	**238 840**	**3 080 834**	**104 262**	**985 258**	**24 988**	**5 280 140**
Cost	208 982	928 715	248 512	272 341	478 263	454 936	5 359 049	190 000	1 790 264	49 000	9 980 062
Accumulated depreciation	(164 692)	(604 160)	(111 142)	(141 973)	(268 888)	(216 096)	(2 278 215)	(85 738)	(805 006)	(24 012)	(4 699 922)

[1] Some property, plant and equipment still in use has been fully depreciated.

	Cost R	Accumulated depreciation R	Carrying amount R
Carrying amount at 31 March 2020			
Motor vehicles	208 982	(155 637)	53 345
Electronic and computer equipment	936 550	(541 341)	395 209
Furniture and fittings	246 516	(89 524)	156 992
Tools and equipment	241 862	(115 290)	126 572
Library resources	474 446	(249 900)	224 546
Audio-visual equipment	454 936	(170 602)	284 334
Collections' furniture and fittings	5 359 049	(1 769 105)	3 589 944
Exhibition furniture and fittings	190 000	(67 688)	122 312
Office furniture and fittings	1 790 264	(635 413)	1 154 851
Outdoor furniture and fittings	49 000	(19 112)	29 888
Total	**9 951 605**	**(3 813 612)**	**6 137 993**

	Cost R	Accumulated depreciation R	Carrying amount R
Carrying amount at 31 March 2021			
Motor vehicles	208 982	(164 692)	44 290
Electronic and computer equipment	928 715	(604 160)	324 555
Furniture and fittings	248 512	(111 142)	137 370
Tools and equipment	272 341	(141 973)	130 368
Library resources	478 263	(268 888)	209 375
Audio-visual equipment	454 936	(216 096)	238 840
Collections' furniture and fittings	5 359 049	(2 278 215)	3 080 834
Exhibition furniture and fittings	190 000	(85 738)	104 262
Office furniture and fittings	1 790 264	(805 006)	985 258
Outdoor furniture and fittings	49 000	(24 012)	24 988
Total	**9 980 062**	**(4 699 922)**	**5 280 140**

3. Heritage assets

Moveable heritage assets

Additions

For recognition of heritage assets, the asset needs to be controlled by the museum as a result of past events. Such events may include purchase, donation, bequest, loan or transfer. Additions disclosed in respect of the 2020/21 financial period are items purchased and donated.

As a result of the extended lockdown fewer donations were received than is usual. 14 published works were donated, all relatively modern publications with no old or rare items. In the literary artefacts, 6 items were donated and catalogued. The remaining donations were not able to be processed in the year under review and were added to the backlog which is yet to be catalogued and valued.

Management is of the view that the items will have a nominal value and it is, therefore, not economically viable to have these 20 items valued by professional valuators so these items will be held aside and valued alongside donations received in the 2021/22 financial year.

Loans

Valid and duly authorised loan agreements have been concluded with all entities in accordance with the Amazwi's Heritage Asset Management Policy. Amazwi entered into a loan agreement in 2020 with the Harry Ransom Center, University of Texas at Austin, for a portion of their J.M. Coetzee collection for the exhibition 'Scenes from the South'. As a result of the international travel ban, it was not possible to return the collection and it remains in safe custody at Amazwi until it can be returned.

Impairment

At each reporting date, the entity assesses its heritage assets to determine whether there is an indication that they may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset:

(a) Where acquisitions have been fair valued and assessed, the valuation surplus/loss has been disclosed accordingly.

(b) Where acquisitions have been assessed with no significant change in fair value for the period under review, they are disclosed at cost or fair value.

(c) All remaining items valued and disclosed have been assessed and fair valued as at the date of recognition.

Inability to value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the museum holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the Notes to the Financial Statements.

Assets not valued and not affecting the Annual Financial Statements

The nature of the museum library collection is diverse in its composition. Some of its collection items meet the definition of a heritage asset and some do not. The museum has identified reference material which is held for the purpose of research and which was not valued as part of the valuation of heritage assets project. These include annual publications, theses, reports etc.

Inability to determine service potential

The museum has assessed the degree of certainty attached to the flow of future service potential or economic benefits. The service potential of the following heritage items are undetermined until they are subjected to evaluation and research to determine if they conform to the set collection criteria. These items cannot be recognised in the Financial Statements, but will be recorded and controlled in the register. The items below include the items verified, but research is still being undertaken to determine what they are, and if the objects meet the recognition criteria of heritage assets:

- During the 2020/21 year 27 new boxes were added to the backlog and 117 boxes of literary artefacts were catalogued, leaving a total backlog at 31 March 2021 of 649 boxes.

Retrospective application

The values for 31 March 2018, which we deem reliable, have been used as 'rolled back' opening balances for 1 April 2016. Based on the valuation policy, it can then in essence be 'rolled forward' as closing balances. Any retrospective adjustment prior to 1 April 2016 was considered impracticable.

Immovable heritage assets

Amazwi owns two properties, both of which are declared heritage sites. Any costs incurred to enhance or restore these assets to preserve their indefinite useful life are capitalised. Subsequent measurement will be at these costs less accumulated impairments.

Schreiner House

The heritage property on erf 3654 in Cradock, Schreiner House, is legally the property of Amazwi (formerly the National English Literary Museum). In reality, the museum is a joint operation of Amazwi and Inxuba Yethemba Municipality.

The local municipality contributed to the restoration of the building. The municipality contributes 50% of the curator's salary and a municipal staff member is assigned to Schreiner House in a support capacity. The municipality further contributes through the remission of rates and municipal services. Amazwi does not charge an entrance fee at Schreiner House so there is no direct revenue generated at the property.

Based on an interpretation and implementation of the GRAP 103 standard by Inxuba Yethemba Municipality, the municipality shares control of Schreiner House with Amazwi and should carry a *portion* on their heritage asset register. The portion of the erf on which the house museum stands, with a value of R800 000.00 (eight hundred thousand Rand) is accordingly apportioned to the municipality for carrying on their asset register and the hall and adjacent property on erf 2701 is accordingly apportioned to Amazwi for carrying on their asset register. The displays and literary artefacts in the museum, including movables, are not affected.

From a control perspective, neither the South African Heritage Resources Agency nor the Eastern Cape Provincial Heritage Resources Authority have any control over the operations and maintenance of the property.

	Immovable property R	Literary artefacts R	Published works R	Creative serials R	Historical collections/ donations R	Total R
Year ended 31 March 2020						
Net book value 1 April 2019	**2 593 024**	**30 337**	**21 859**	**1 556**	**53 735 505**	**56 382 281**
Cost or valuation	2 593 024	30 337	21 859	1 556	53 735 505	56 382 281
Accumulated impairment	-	-	-	-	-	-
Additions	20 844	6 830	15 750	1 647	-	45 071
Valuation of donations	-	-	-	-	829 456	829 456
Net carrying amount at 31 March 2020	**2 613 868**	**37 167**	**37 609**	**3 203**	**54 564 961**	**57 256 808**
Cost or valuation	2 613 868	37 167	37 609	3 203	54 564 961	57 256 808
Accumulated impairment	-	-	-	-	-	-
Year ended 31 March 2020						
Net book value 1 April 2020	**2 613 868**	**37 167**	**37 609**	**3 203**	**54 564 961**	**57 256 808**
Cost or valuation	2 613 868	37 167	37 609	3 203	54 564 961	57 256 808
Accumulated impairment	-	-	-	-	-	-
Additions	17 293	2 215	8 634	1 060	-	29 202
Valuation of donations	-	-		-	-	-
Transfers out	(800 000)	-	-	-	-	(800 000)
Net carrying amount at 31 March 2021	1 831 161	39 382	46 243	4 263	54 564 961	56 486 010
Cost or valuation	1 831 161	39 382	46 243	4 263	54 564 961	56 486 010
Accumulated impairment	-	-	-	-	-	-

	Cost R	Accumulated depreciation R	Carrying amount R
Carrying amount at 31 March 2020			
Immovable property	2 613 868	-	2 613 868
Literary artefacts	37 167	-	37 167
Published creative works	37 609	-	37 609
Creative serials	3 203	-	3 203
Historical collections/donations	54 564 961	-	54 564 961
	57 256 808	**-**	**57 256 808**

	Cost R	Accumulated depreciation R	Carrying amount R
Carrying amount at 31 March 2021			
Immovable property	1 831 161	-	1 831 161
Literary artefacts	39 382	-	39 382
Published creative works	46 243	-	46 243
Creative serials	4 263	-	4 263
Historical collections/donations	54 564 961	-	54 564 961
Total	**56 486 010**	**-**	**56 486 010**

4. Inventory

	2021 R	2020 R
Books and postcards	157 305	152 945
Less: provision for obsolete stock	-	-
	157 305	**152 945**
The following amounts, related to inventory, were recognised in the Statement of Financial Performance during the year:		
Cost of inventory sold and written off and included in cost of sales	**11 472**	**70 763**

5. Investments

	2021 R	2020 R
Non-current investments		
GBS Mutual Bank		
Fixed deposit: 02537904073	60 000	60 000
Fixed deposit: 02537904132	409 209	377 848
Fixed period shares: 025379020031	250 000	250 000
	719 209	**687 848**
Current investments		
Nedcor Income Fund: 7099687	38	38
Nedcor Prime Linked deposit: 098693-660	-	-
	38	**38**

GBS Fixed deposits: interest is receivable on a monthly basis at an average interest rate of:

Fixed deposit: 02537904073	6.75%
Fixed deposit: 02537904132	6.98%
Fixed period shares: 025379020031	8.25%.

GBS Subscription shares: interest is receivable on a monthly basis at the average rate of 8.25% for the year under review.

Nedcor Income Fund: interest is receivable on a monthly basis at the average rate of 6.2% for the year under review. Nedcor Prime Linked deposit: interest is receivable on a monthly basis at the average rate of 6.2% for the year under review.

6. Trade and other receivables

	2021 R	2020 (Restated) R
Trade receivables	211 055	113 495
Sundry debtors	109 977	100 736
Less: provision for impairments	-	-
	321 032	**214 231**
Trade receivables: aging		
Current	1 053	-
30 days	64 202	-
60 days and more	145 800	113 495
	211 055	**113 495**
Provision for impairments		
Opening balance	-	-
Contribution (to)/reversal of provision	-	-
Closing balance	**-**	**-**

The fair value of trade and other receivables approximates their carrying value. The credit quality of the trade debtors is fair.

7. Cash and cash equivalents

Amazwi operates a current account with the Standard Bank of South Africa with no overdraft facility. The details are as follows:

Bank:	Standard Bank of South Africa
Account number:	082 000 956
Branch:	Grahamstown
Branch code:	05 09 17

Amazwi operates a call account with the Standard Bank of South Africa. The details are as follows:

Bank:	Standard Bank of South Africa
Account number:	088 808 114
Branch:	Grahamstown
Branch code:	05 09 17

	2021 **R**	**2020** **R**
Cash book balance at bank at beginning of the year	1 285 105	1 071 367
Cash book balance on hand at beginning of the year	7 400	6 701
Cash book balance on call accounts at beginning of the year	493 621	1 126 884
Cash book balance on money market fund at beginning of the year	5 422 925	4 183 137
	7 209 051	6 388 090
Cash book balance at bank at end of the year	2 917 055	1 285 105
Cash book balance on hand at end of the year	9 400	7 400
Cash book balance on call accounts at end of the year	532 885	493 621
Cash book balance on money market fund at end of the year	5 334 133	5 422 925
	8 793 473	7 209 051
Total bank balances and cash included in the Cash Flow Statement comprise the following Statement of Financial Position amounts		
Cash book balances and cash at end of the year	8 793 473	7 209 051
Cash book balances and cash as previously reported	(7 209 051)	(6 388 090)
Bank balances and cash movement	**1 584 422**	**820 961**
Accounts making up the Cash book balances		
Standard Bank current account	2 951 763	1 288 523
Stanlib	70 410	68 171
Standard Bank call accounts	5 334 133	5 422 924
Standard Bank corporate card	(34 708)	(3 418)
Petty cash	8 800	6 800
GBS call account	462 475	425 451
Deposit	600	600
Cash book balances and cash at end of the year	**8 793 473**	**7 209 051**

8. Revenue

	2021 R	2020 R
Non-exchange activities	15 106 479	15 509 819
State subsidy: Department of Sport, Arts and Culture	12 606 000	12 975 000
DSAC non-exchange transaction: payment of municipal account	536 173	594 711
DSAC conditional grants: funds utilised	275 008	910 693
Non-exchange transaction: audit fees defrayed from NT's vote	1 493 639	-
Inxuba Yethemba Municipality	189 677	151 782
Donations	5 982	877 633
Exchange activities	134 667	265 851
Research services	5 539	12 469
Educational services	-	56 120
Royalties and permission rights	87 285	87 170
Facilities hire	19 850	54 210
Bookshop sales	21 993	55 882
	15 241 146	**15 775 670**

9. Other income

	2021 R	2020 R
Profit on sale of property, plant and equipment	-	2 180
Sundry income	142 014	44 707
	142 014	**46 887**

10. Expenditure

	2021 R	2020 (Restated) R
Administration expenses	4 401 505	5 874 851
Agency and support/outsourced services	327 905	1 082 639
Audit fees paid	147 419	162 397
Audit fees in excess of 1% of expenditure defrayed from NT's vote	733 456	760 183
Board costs	253 996	319 804
Consultants	530 806	282 761
Repairs and maintenance	236 150	495 858
Travel and subsistence	11 014	253 707
Loss on assets written off (property, plant and equipment)	398	-
Loss on assets written off (heritage assests: immovable property)	800 000	-
Other	1 360 361	2 517 502
Bookshop costs	11 473	70 763
Opening inventories	152 945	59 248
Purchases	15 833	164 460
Add back closing inventories	(157 305)	(152 945)
Depreciation	923 906	917 670
Compensation of employees	9 230 111	9 494 702
Basic salaries	6 850 198	6 985 331
Bonuses	561 489	555 769
Housing allowances	159 729	177 600
Cellphone and other allowances	13 200	13 200
Overtime	6 912	62 303
Long service and other awards	6 000	37 600
Pension fund contributions	965 500	991 187
Medical aid contributions	528 053	557 223
Other employer contributions	67 043	68 413
Students and casuals	12 597	39 883
Leave pay-outs	59 390	6 193
Post-retirement benefits paid	165 140	151 248
Finance costs	460 000	417 000
Actuarial loss/(gain) in provision for post-retirement medical benefits	369 000	(865 000)
Leave pay accrual/(reversal)	(2 365)	143 275
	15 558 770	**16 204 510**

11. Revaluation reserve

Revaluation reserve was created as a result of the valuation of heritage assets to comply with GRAP 103 and other property, plant and equipment.

	2021 R	2020 R
Opening balances	52 142 210	52 142 210
Heritage assets' valuation (GRAP 103)	-	-
Motor vehicle re-valuation	-	-
Closing balance	**52 142 210**	**52 142 210**

12. Provision for post-retirement medical benefits

	2021 R	2020 R
Opening balances: beginning of year 1 April	**3 773 000**	**4 221 000**
Provision for post-retirement medical benefits	3 773 000	4 221 000
Additional provisions and (adjustments)	**829 000**	**(448 000)**
Provision for post-retirement medical benefits	829 000	(448 000)
Closing balances: end of year 31 March	**4 602 000**	**3 773 000**
Provision for post-retirement medical benefits	4 602 000	3 773 000

12.1 Provision for post-retirement medical benefits

The provision for post-retirement medical benefits has been created in line with the accounting policy GRAP 25 and is based on an actuarial valuation carried out in 2021.

According to the rules of the medical aid fund with which Amazwi is associated, a member, on retirement, is entitled to remain a continued member of the medical aid fund. Amazwi will continue to contribute two-thirds towards the medical aid membership fees of its existing retirees and all staff employed before 31 October 2011. Staff employed after this date will not be entitled to the two-thirds subsidy.

The most recent actuarial valuation of the present value of the unfunded defined benefit obligation was carried out as at 31 March 2021 by ZAQ Consultants and Actuaries.

The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

The post-retirement health care benefit plan is a defined benefit plan, of which the members are made up as follows:

	2021	2020
In-service members (employees)	13	13
Continuation members (retirees, widows and orphans)	6	5
Total	**19**	**18**

The liability in respect of past service has been estimated to be as follows:

	R	R
In-service members	2 444 000	2 410 000
Continuation members	2 158 000	1 363 000
Total liability	**4 602 000**	**3 773 000**

Amazwi makes monthly contributions for health care arrangements to the following medical aid scheme: Rhodes University Medical Aid Scheme.

The current service cost for the year ending 31 March 2021 is estimated to be R165 140 (2020: R151 248) whereas the interest cost for the ensuing year is estimated to be R460 000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

		2021	2020
(i)	**Rate of interest**		
	Discount rate	Yield curve	Yield curve
	Health care cost inflation rate	CPI+2%	CPI+1.5%
	Expected retirement age – females	65	65
	Expected retirement age – males	65	65

(ii) Mortality rates

Pre-retirement	SA 85-90
Post-retirement	PA (90)

(iii) Normal retirement age

The normal retirement age for employees of the museum was assumed to be 65 years.

	2021 R	2020 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	4 602 000	3 773 000
Fair value of plan assets	-	-
	4 602 000	**3 773 000**
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	4 602 000	3 773 000
Net liability	**4 602 000**	**3 773 000**

	2021 R	2020 R
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	3 773 000	4 221 000
Recognised past service cost		
Current service cost – included under employee related costs	165 140	155 000
Interest cost – included under finance costs	460 000	417 000
Benefits paid – included under employee related costs	(165 140)	(151 248)
Actuarial (gain)/loss on the obligation	369 000	(868 752)
Balance at end of year	**4 602 000**	**3 773 000**

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:		
Increase		
Effect on the current cost and the interest cost	600 000	626 000
Effect on the defined benefit obligation	5 070 000	4 234 000
Decrease		
Effect on the current cost and the interest cost	(499 000)	(491 000)
Effect on the defined benefit obligation	4 229 000	3 384 000

12.2 Defined benefit plan

All Amazwi's permanent staff, except one person, who belongs to the GEPF, belong to the Rhodes University Pension Fund.

	2021 R	2020 R
Pension fund contributions	965 500	991 187

13. Trade and other payables

13.1 Trade and other payables

	2021 R	2020 (Restated) R
Sundry creditors – accruals	99 882	47 561
Auditor-General – audit fee provision	-	760 183
Leave pay accrual	281 724	284 089
	381 606	**1 091 833**

Management of Amazwi is of the opinion that the carrying value of trade payables approximates their fair values.

Leave pay accrual

The leave pay accrual relates to Amazwi's estimated liabilities arising as a result of services rendered by employees. This accrual represents the total number of days of capped leave due to employees 54 years and older plus the balance of current leave for all employees on 31 March 2021 calculated at the current salary rates.

13.2 Unspent conditional receipts

	2021 R	2020 R
DSAC capital works allocation (Schreiner House development)	3 186 794	3 086 151
DSAC special grant maintenance and project management	2 175 094	2 364 528
DSAC municipal services allocation	626 000	456 000
	5 987 888	**5 906 679**

Progress on the Schreiner House project has been slow due to a stressed capacity in the museum management structure, and the prolonged shutdown in 2020. At the beginning of 2019, Amazwi appointed a consultant project manager to oversee the Schreiner House project and highly technical maintenance matters at 25A Worcester Street. This arrangement is progressing satisfactorily. Amazwi is still dealing with defects on the new building at 25A Worcester Street. Maintenance agreements have been concluded with many of the original service providers.

14. Reconciliation of surplus to cash utilised in/generated from operations

14.1 Cash flows from operating activities

	2021 R	2020 (Restated) R
(Deficit)/surplus for the year	(101 689)	(276 697)
Adjusted for:		
Increase/(decrease) in provisions	829 000	(448 000)
Interest received	(73 921)	(105 255)
Interest received on unspent conditional receipts	(186 220)	(241 674)
Depreciation	923 906	917 670
Loss on sale/scrapping of property, plant and equipment	800 398	(2 180)
Donations received heritage assets	-	(829 456)
Donations received library assets	-	-
Grant: equipment received with the building	-	-
Operating cash flows before working capital changes	2 191 474	(985 592)

	2021 R	2020 (Restated) R
Changes in working capital		
Decrease in inventories	(4 361)	(93 697)
Decrease/(increase) in trade and other receivables	(106 801)	(85 744)
Increase/(decrease) in trade and other payables	(710 226)	158 645
Increase/(decrease) in unspent conditional grant funding	81 209	1 475 942
	(1 740 179)	694 962
Cash generated/(utilised) by operations	**1 451 295**	**469 553**

14.2 Cash flows from investing activities

	2021 R	2020 R
Acquisition of property, plant and equipment	(93 451)	(154 440)
Acquisition of heritage assets	(29 202)	(45 071)
Proceeds on property, plant and equipment sold	27 000	2 180
Disposal/(additions) of investment in securities	(31 361)	201 810
Net cash flows to/(from) investing activities	**(127 014)**	**4 479**

15. Reconciliation of original/adjusted budget and actual expenditure

The approved budget covers the period from 1 April 2020 to 31 March 2021. The budget is approved by functional or programme classification in line with Amazwi's strategic objectives. The Financial Statements and budget documents are prepared for the same period.

The amounts in the Financial Statements were recalculated from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget.

	Operating R	Financing R	Investing R	Total R
Actual amount on comparable basis as presented in the budget and actual comparative statement	1 760 457	-	-	1 760 457
Basis difference	(49 021)	-	(127 014)	(176 035)
Actual amount in the cash flow statement	1 711 436	-	(127 014)	1 584 422

15.1 Budget adjustments

Revenue

Amazwi's subsidy from Department of Sport, Arts and Culture was cut by R865 000 as a result of government reprioritisation because of the Covid-19 pandemic.

Furthermore, the extended lockdown limited Amazwi's ability to generate income from bookshop sales, education services etc. The usual donation from the Babette Taute Trust was not received in the year under review.

Expenditure

Amazwi was able to absorb the reduction in its subsidy as almost no travel was undertaken in the year under review. Exhibition production and printing was substituted by the development of virtual and online exhibitions and participation in virtual festivals and events to increase the geographic footprint of the museum. No catered events and very few in-person meetings were hosted. Compliance reports were submitted electronically, saving on printing costs. The prolonged shutdown allowed for savings on consumables like stationery and cleaning materials.

Underspending on employee costs was the result of not filling vacant posts for fear of further budget cuts and the tragic loss of two staff members in 2020.

Schreiner House capital works project was severely disrupted by the shutdown. Expenditure incurred on the 25A Worcester Street maintenance project funded by a capital works grant from the DSAC is expensed.

16. Irregular expenditure

Reconciliation of irregular expenditure

	2021 R	**2020** R
Opening balance	2 465 891	2 386 932
Irregular expenditure current year	-	78 959
Irregular expenditure previous year discovered in current year	249 625	-
Condoned or written off by relevant authority	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonation	2 715 516	2 465 891

At the behest of Council, a detailed submission was made to National Treasury for the condonation of irregular expenditure (supply chain shortcomings) in the previous year. There has been a delay in the approval/rejection by National Treasury because of changes in the Regulations during the submission process. Amazwi's application, amongst others, was rejected on a technicality and DSAC intervened with training on preparing irregular expenditure approval in cooperation with National Treasury.

17. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

	2021 R	2020 R
Opening balance	11 952	11 952
Fruitless and wasteful expenditure current year	-	9 000
Fruitless and wasteful expenditure previous year, discovered current year	-	-
Written off by relevant authority	-	-
Transfer to receivables for recovery	-	(9 000)
Recovered during the year	-	-
Fruitless and wasteful expenditure closing balance	**11 952**	**11 952**

Management of Amazwi is still attempting to recover R9 073 fruitless and wasteful expenditure incurred in the 2011/12 financial year and R2 879 from the 2016/17 financial year.

18. Related party disclosure

Relationships

The Department of Sport, Arts and Culture is Amazwi's controlling department and the main funders of the museum.

18.1 Related party transactions

	2021 R	2020 R
DSAC: Subsidy	12 606 000	12 975 000
DSAC: Utilities	170 000	161 000
DSAC: Schreiner House development	-	2 000 000
DSAC: 25A Worcester Street maintenance project	-	-
	12 776 000	**15 136 000**

18.2 Related party balances

	2021 R	2020 R
DSAC: Utilities	626 000	456 000
DSAC: Schreiner House development	3 186 794	3 086 151
DSAC: 25A Worcester Street maintenance project	2 175 094	2 364 529
	5 987 888	**5 906 680**

Part of the agreement with the Department is that they cover the costs of utilities on the buildings occupied by the museum. The costs for the year were R536 173 (2019: R594 711).

There were no other related party transactions with the Department.

19. Remuneration of Council and Audit Committee members and museum management

	2021 R	2020 R
Council members' remuneration	148 032	67 675
Audit Committee members' remuneration	33 759	27 744
Management remuneration	2 729 935	2 781 358
	2 911 726	**2 876 777**

19.1 Council

		2021 R	2020 R
Members until 30 November 2020	Ms S. Nhlabatsi (chair)	10 545	14 763
	Mr T. Lungile (deputy chair)	-	-
	Ms E. Dido	3 484	13 936
	Mr M.S. Ditlhake	6 968	8 285
	Dr W. Langeveldt	8 710	8 710
	Mr B. Mgijima	5 226	13 071
	Dr M. Rall	8 710	8 910
Members from 1 December 2020	Dr L. Masuku (chair)	10 545	-
	Dr W. Langeveldt (deputy chair)	15 454	-
	Mr M.S. Ditlhake	12 194	-
	Ms H. Erdmann	12 194	-
	Mr T. Lungile	-	-
	Mr J. Matlou	13 936	-
	Ms L. Mvanana	17 420	-
	Dr N. Rasana	15 678	-
	Ms E. Sisulu	6 968	-
		148 032	**67 675**

19.2 Audit Committee

	2021 R	2020 R
Mr H. Harnett (chair)	25 902	17 268
Mr S. Mabaso	5 238	7 857
Mr M.S. Ditlhake (Council representative)	2 619	2 619
Mr J. Matlou (alternate Council representative)	-	-
	33 759	**27 744**

19.3 Senior management

	2021 R	2020 R
Director	960 259	913 174
Basic salary	750 851	711 707
Bonus	62 571	59 309
Housing allowance	7 200	7 200
Pension fund contribution	112 628	106 756
Medical aid contribution	22 701	21 520
Other employer contributions	4 308	6 682
Chief Financial Officer (1 Apr 2020-31 Dec 2020)	599 478	755 738
Basic salary	449 588	568 200
Bonus	37 465	47 350
Housing allowance	5 400	7 200
Pension fund contribution	67 438	85 230
Medical aid contribution	33 722	43 041
Other employer contributions	5 865	4 717
Manager: Curatorial Division	585 099	557 073
Basic salary	447 464	424 136
Bonus	37 289	35 345
Housing allowance	7 200	7 200
Pension fund contribution	67 120	63 620
Medical aid contribution	22 701	21 520
Other employer contributions	3 325	5 252
Manager: Education and Public Programmes	585 099	555 373
Basic salary	447 464	424 136
Bonus	37 289	35 345
Housing allowance	7 200	7 200
Pension fund contribution	67 120	63 620
Medical aid contribution	22 701	21 820
Other employer contributions	3 325	3 252
	2 729 935	**2 781 358**

The following key managers of the museum held positions in the entity where they may have had significant influence over the financial or operating policies of the museum as follows:

Ms B.A. Thomas, Director
Mr C.W. Malan, Chief Financial Officer (1 Apr 2020-31 Dec 2020)
Ms C.A. Warren, Manager Curatorial Division
Mr T.Z. Matshoba, Manager Education and Public Programmes.

No related party transactions were entered into with any of the above managers.

20. Capital commitments

There were no capital commitments at year end.

21. Events subsequent to balance sheet

On 7 April 2021 Amazwi received R1 000 000 for DSAC: Schreiner House development. This receipt was received after the reporting date and has been classified as a Non-Adjusting Event.

22. Financial risk management

Amazwi's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Amazwi has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. Internal Audit reports quarterly to the Audit Committee, an independent body charged with the responsibility for financial risk management that monitors risks and policies implemented to mitigate risk exposure. The risk management process relating to each of these risks is discussed below:

Liquidity risk

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

Interest rate risk

As Amazwi has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

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

Trade receivables are not material. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Council of Amazwi. The utilisation of credit limits is regularly monitored.

Foreign exchange risk

Amazwi does not have foreign currency exposure.

23. Restatement of prior year balances

During the current year audit, it was noted that the Makana Municipality had corrected the over charges on water and electricity for the Eastern Star Gallery property in the previous year. The effect of the credit is as follows:

	R
Accumulated funds at 31 March 2019 – previously stated	9 013 248
Restatement of municipal charges	8 641
Accumulated funds at 31 March 2019 – restated	9 021 889
2020 Municipal charges restated by an amount of	7 016
2020 Sundry debtors increased by	15 657

In terms of section 23(5)-(6) of the Public Audit Act, Act No. 25 of 2004, as amended, if the audit fee of an auditee, other than a national department, exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year and National Treasury was consulted and is of the opinion that the auditee has financial difficulty to pay, the excess is to be defrayed as a direct charge against the National Revenue Fund. During the current year audit, it was noted that National Treasury had paid Amazwi's audit fees for the 2019 and 2020 audits during the 2021 financial year. The audit fees incurred during the 2020 financial year was R760 183. The effect of this expense is as follows:

	R
Increase in audit fees	760 183
Decrease in surplus	760 183
Increase in trade and other payables	760 183

Notes

Materiality and Significance Framework

In terms of the Public Finance Management Act and National Treasury Regulation 29.1.1 (f), the Council of Amazwi has developed and agreed to a framework of acceptable levels of materiality and significance.

Section of PFMA	Description of Materiality and Significance	Levels of Materiality and Significance
55 (2)	The Annual Report and Financial Statements must include particulars of:	
	(a) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	All instances will be included in the Accounting Authority's Annual Report – amount greater than 1% of the total value of assets per Audited Financial Statements.
	(b) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	All instances will be included in the Accounting Authority's Annual Report.
	(c) any losses recovered or written off; and	All instances will be included in the Accounting Authority's Annual Report – amount greater than 1% of the total value of assets per AFS.
	(d) any financial assistance received from the state and commitments made by the state on the Accounting Authority's behalf.	All instances will be included in the Accounting Authority's Annual Report.
54 (2)	Before a public entity concludes any of the following transactions, the Accounting Authority for the entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction:	
	(a) establishment or participation in the establishment of a company;	Each and every instance.
	(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	Each and every instance.
	(c) acquisition or disposal of a significant shareholding in a company;	Each and every instance.
	(d) acquisition or disposal of a significant asset;	Above R500 000.
	(e) commencement or cessation of a significant business activity;	Each and every instance.
	(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Each and every instance.

Notes