ANNUAL REPORT
2021 | 2022

"Revisit and Reimagine your Museum."

NATIONAL MUSEUM
BLOEMFONTEIN

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PART A:
GENERAL INFORMATION

NATIONAL MUSEUM
GENERAL INFORMATION

The National Museum* is a Declared Cultural Institution with framework autonomy which resorts under the Department of Arts and Culture and is governed by a Council. The Museum is a natural history, cultural history and art museum which systematically and selectively collects examples and information relevant to these fields over the whole spectrum of prehistory up to the present. It is its task to document, preserve, conserve, restore, make available, study and promote such items, specimens, examples, collections and information.

**Incorporating the satellites: First Raadsaal Museum; Florisbad Research Station; Freshford House Museum; Oliewenhuis Art Museum; Wagon Museum; ArtBank.*

NATIONAL MUSEUM, BLOEMFONTEIN

The National Museum in Bloemfontein was established in 1877 and initially its collections and displays consisted mainly of rarities from around the world. Subsequently the Museum has developed into an omnibus institution with international stature. Intensive research is being done and significant study collections have been assembled in the fields of acarology, arachnology, botany, entomology, herpetology, mammalogy, ornithology, palaeo-ecology, palaeontology, anthropology, archaeology, cultural history, rock art and fine arts. Education is a further core function of the Museum and is embedded in every Museum activity. Through its displays and programmes the Museum renders a public service for its diverse audiences, engaging them in enjoyable and enlightening experiences and enriching the learning opportunities of all individuals.

OLIEWENHUIS ART MUSEUM
(Satellite of the National Museum)

On 19 July 1985 the former State President, Mr P.W. Botha, handed Oliewenhuis to the National Museum to be developed into an art museum. Oliewenhuis was erected in 1941 as residence of the Governor-General of the Union of South Africa. It was also used by the State Presidents of the Republic of South Africa as residence when on official visits to Bloemfontein. Later, however, Oliewenhuis was no longer used and it was thus made available to the National Museum.

Several structural changes had to be made to develop Oliewenhuis into an art museum, which on completion was officially opened on 11 October 1989.

Oliewenhuis Art Museum collects exclusively South African art and its collection consists of paintings, sculpture and graphic art. The pride of the collection are the Pierneef paintings, especially the magnificent Rustenburg Kloof, and the paintings of Bloemfontein done by Thomas Baines in 1851, only five years after the establishment of the town. The Art Museum obtains artworks through donations and acquisitions. The City Council of Bloemfontein made important donations, which were first housed at the A.C. White Gallery, and Mrs Dora Scott donated the F.P. Scott Trust Collection. The latter includes 24 artworks of the Bloemfontein Group.

FLORISBAD QUATERNARY RESEARCH STATION
(Satellite of the National Museum)

Florisbad is an internationally important fossil locality which has produced an archaic modern human skull in addition to valuable archaeological and palaeontological material. It is a key site for information not only on the physical development of modern humans, but also on their environment and subsistence behaviour. In September 1912 an earthquake opened up a new spring at the Florisbad mineral spring, and fossil bones and stone artefacts were brought to the surface with the water. Robert Broom investigated the find and in 1913 published an article on the material.

The discoveries prompted further investigations in the 1920s and 1930s by Prof. T.F. Dreyer from the Grey University College in Bloemfontein. This culminated in the discovery of the Florisbad human cranium in 1932. Dr A.C. Hoffman, Director of the National Museum in Bloemfontein, carried out further work in 1952. In 1980 Florisbad was bought by the South African Government for research purposes and was placed under the administration of the National Museum, Bloemfontein.

WAGON MUSEUM
(Satellite of the National Museum)

The Wagon Museum is situated on the same premises as the First Raadsaal Museum. It houses a collection of historical wagons and carriages, such as a spring wagon, Voortrekker ox wagon, transport wagon, stage coach, mule wagon, spider and Cape cart. In the exhibition area are various panels depicting the development of transport through the ages and the making of a wagon wheel. A miniature diorama gives the visitor an impression of a team of oxen in front of a Voortrekker ox wagon. An exhibit of modes of transport used by black people has recently been included in the Museum.

ART BANK

The Art Bank of South Africa is a national programme of the Department of Arts and Culture as part of the Mzansi Golden Economy (MGE) strategy implementation and is hosted by the National Museum Bloemfontein, an agency of the Department of Arts and Culture. The vision of the Art Bank is to promote, foster and stimulate a vibrant market for the collection of South African contemporary visual art. It is tasked with purchasing artworks from South African artists, particularly that of emerging artists in order to lease and sell the artworks to South African government departments, private companies and private individuals.

FRESHFORD HOUSE MUSEUM

(Satellite of the National Museum)

Freshford is one of the few houses of the upper middle class of the Edwardian period that still exists in Bloemfontein. The house was designed and built by the architect, John Edwin Harrison. Born and trained in England, Harrison immigrated to South Africa in 1894.

Freshford House was completed in 1897, i.e. during a transition between the Late Victorian and Edwardian periods. With its asymmetrical facade, unplastered red brick walls, bay windows, veranda with carved wood and galvanised iron roof with cast-iron finishes, Freshford House is a typical example of a residence during this period in Bloemfontein.

The house was acquired by the National Museum in 1982, restored to its former glory and was opened to the public in 1986.

FIRST RAADSAAL MUSEUM

(Satellite of the National Museum)

The British Resident, Maj. H.D. Warden, built this typical South African pioneer's building in 1849. It was the first school building north of the Orange River. It served as a church until 1852 and it was used by the Legislative Council of the Orange River Sovereignty and, from 1854, by the Orange Free State Republic as Assembly Hall and offices. When the Assembly moved to larger premises in 1856, the building reverted to its use as a school, which it remained until 1877. The little building was put to a different use once again when in that year it housed the newly established National Museum. It was vacated in 1915 when the Museum moved to its present premises, and it was proclaimed a National Monument in 1936. In 1975 the wheel had turned full circle when the old Raadsaal was once again vacated and transferred to the National Museum.

Registered Name:	National Museum Bloemfontein
Physical Address:	36 Aliwal Street, Bloemfontein, 9300
Postal Address:	PO Box 266, Bloemfontein, 9300
Telephone Number/s:	+27 51 447 9609
Fax Number:	+27 51 447 6273
Email Address:	direk@nasmus.co.za
Website Address:	www.nasmus.co.za
External Auditors:	Auditor General of South Africa
Bankers:	ABSA Shop 18, Second Floor Loch Logan Centre C/o First and Henry Street Bloemfontein 9301 South African Reserve Bank 370 Helen Joseph Street Pretoria 0002
Company Secretary:	None

LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
ArtBankSA	Art Bank of South Africa
AU	African Union
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCIFSA	Cultural and Creative Industries Federation of South Africa
CRM	Climate Risk Management
DSAC	Department of Sports, Arts and Culture
EIA	Environmental Impact Assessments Reports
GBV	Gender Based Violence
GRAP	Generally Recognised Accounting Practice
HOD	Head of Department
LGBTQI	Lesbian, gay, bisexual, transgender, queer and intersex
LGBTQA	Lesbian, Gay, Bisexual, Transgender, Queer, Asexual, & Allies
OHS	Occupational Health & Safety
PESP	Presidential Employment Stimulus Programme
PPPFA	Preferential Procurement Policy Framework Act
PFMA	Public Finance Management Act
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers' Union
NM	National Museum
NRF	National Research Fund
SASAWU	South African State and Allied Workers' Union
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
UAMP	User Asset Management Plan
UN	United Nations
UNESCO	United Nations Education, Scientific and Cultural Organisation
UNIDROIT	International Institute for the Unification of Private Law
VANSA	Visual Arts Network South Africa

FOREWORD BY THE CHAIRPERSON OF COUNCIL

"The concept of a museum and its role in society has evolved dramatically over the past 20 years. No longer considered primarily a venue for those seeking to develop their educational and cultural expertise, the most successful museums now offer a wide variety of flexible social spaces that appeal to a broad visitor audience, made up of both transient visitors and members of the local community."

Callum Lumsden

Chairperson of the Council Adv. J E Leshabane

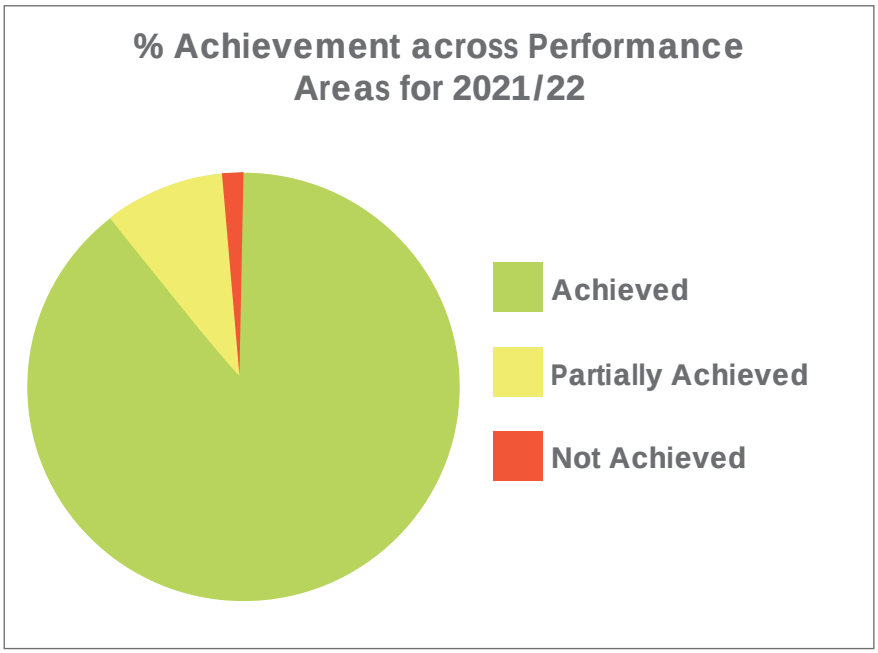
Introduction

This report details the financial and non-financial performance of Year 2 of the Museum's Five-Year Strategic Plan (2020 -2025).

I am pleased to report that out of **66** targets set, our performance reflected either as achieved or exceeded targets **(57 targets)**. Performance in a few areas was hampered by the Covid-19 pandemic. The Museum has put plans in place to address those targets that were partially achieved **(7 targets)** or not achieved **(2 targets)** in the new financial year. Only **3%** of targets were not achieved.

Detailed performance information can be found in Part B of this report. I am further pleased to report that the Museum received a clean audit opinion from the Auditor General.

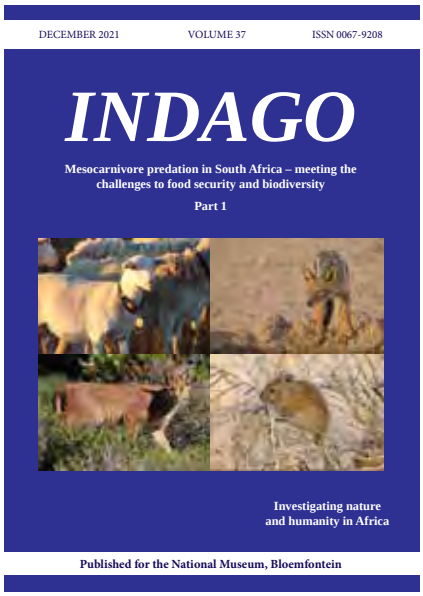
The National Museum and its satellites rely on patrons visiting its facilities and experiencing its collections through permanent and temporary exhibitions. The COVID-19 pandemic and different lockdown levels and restrictions affected the Museum's ability to carry out these functions for most of the financial year.



Research and Conservation highlights

The Museum has a programme in its strategy entitled Research and Information Management, the purpose of which is to undertake research according to ethical standards to produce high quality results relating to the various research disciplines of the National Museum and to communicate the relevance and meaning of these results, including contributing data to current important debates and trends of research, to as broad an audience as possible. All Museum research projects undergo ethical clearance which is conducted by the Ethical Research Committee. Museum scientists undertake and promote research in several natural and human science disciplines. During the financial period, a total of **63** research studies were conducted on existing collections of the Museum. Research output was increased by **45** scientific publications in peer-reviewed journals and **51** in popular journals and magazines in the year. Full details of these publications appear in the Annexures contained in Part B of this Annual Report.

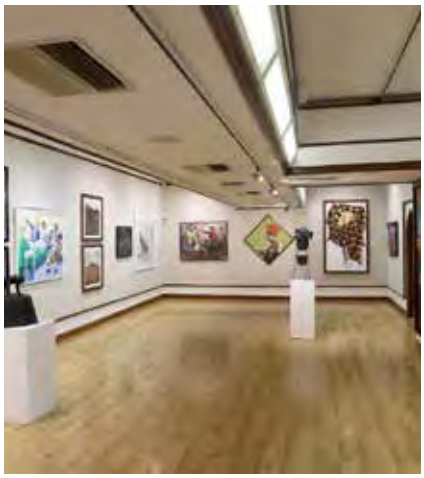
Museum scientists disseminated their research at **22** national and international conferences. Our scientists supervised **6** Doctoral and Masters Students and provided **32** university students with an opportunity to do vacation work at our research station. They also compiled **4** cultural or technical reports. A total of **101** manuscripts were reviewed for international and national scientific publications, research theses, scientific reports and researcher evaluations. Scientists presented **18** academic and **21** public lectures.



Museum scientists were involved in the description of **14 new species** in the last financial year. These new species were described in international journals. Through our collections and research, the Museum is connected to the national and international scientific community. Our scientists participated in a number of collaborative projects, focusing on existing collaborative research projects which were registered in prior period. Edition 76 of **Culna Magazine** was produced and **28** articles were published on line. Volume 37 of the **Indago Journal** was published in hardcopy and online. I am happy to report that the Department of Higher Education and Technology has reaccredited the journal. The Museum engages in conservation by building and curating representative collections of Natural and Human Science, including Fine Arts. The Museum added **40254** new specimens to our natural and **1813** to our human science collections in the year. The **ArtBankSA** purchased **206** artworks during the year. Annually the Collections Department audits the heritage collections for compliance with the Collections Policy and GRAP. It is pleasing to note that an excellent compliance rate was achieved with procedures for conservation, curation and management of collections during the annual collections audit. In the prior period, Council approved a **Policy for the Digitisation of Heritage Collections** which is aligned to the Draft National Policy on the Digitisation of Arts, Culture and heritage. The Museum has purchased equipment for the digitisation of heritage items and was able to exceed the first-year target set for digitisation. The Museum sets annual digitisation targets and these were exceeded. Plans are in place to digitise key heritage collections.

Challenges Faced by Council

Treasury continued to make budget cuts to funding allocated to government entities in response to COVID-19-related demands on the



fiscus. Unfortunately, the Museum's budget was reduced during the year under review. The Museum is increasingly relying on grant funding to deliver its programmes. Council continued to focus on increasing research grant funding during the year and identifying alternative funding sources to supplement our grant from DSAC. **8** researchers received research grants from external agencies for the period under review.

The Year Ahead

Council will focus on the following activities in the coming year:

- Implementing PESP3 projects
- Urgent renovations required at the National Museum and satellites
- Fundraising and sourcing alternative grant funding for research due to ongoing budget cuts imposed by DSAC and Treasury;
- Implement its Employment Equity Plan and Development of Black Scientist programme;
- Digitisation of the collections;
- Addressing declining visitor numbers to the Museum; and
- Strengthening of the governance of the organisation.

Acknowledgements / Appreciation

We extend our thanks and appreciation to the Honourable Minister Mthetwa, for his guidance and support provided to the sector during this challenging year. Council had to adapt to the many changes that we experienced during the year and despite these, we succeeded in playing our governance role with minimal disruptions to our calendar and programme. My appreciation goes out to all Council members of the National Museum for their passion, unwavering support and commitment. Further, to the officials of the Department of Arts and Culture, we appreciate your guidance and support. Congratulations to the CEO, Management and staff of the National Museum on achieving these performance outcomes and a clean audit report. It wouldn't be possible without your hard work.

Conclusion

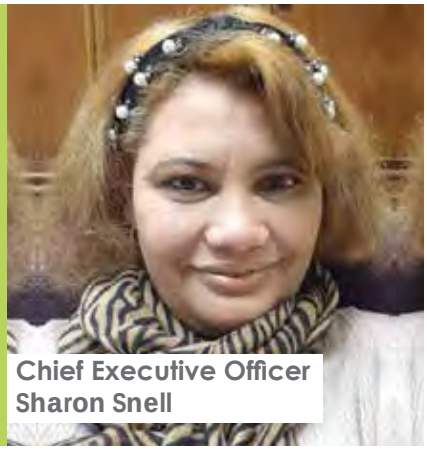
The funding crisis and the pandemic has had a negative effect on museums, spurring them to make rapid changes to remain sustainable. We have reimagined what a museum space is and looked at ways to make the space more accessible and inclusive; and to take the museum to our communities. The National Museum has started a process of making aesthetic improvements to make the various spaces more social and accommodating the needs of families. Our efforts to improve the demographic profile of patrons visiting Oliewenhuis Art Museum have paid off. Council has approved the launching of a mobile art museum where we take the art museum to schools throughout the province to supplement the visual arts curriculum with curriculum-based lessons. We have chosen the theme **"Revisit and Reimagine your Museum."**

Adv. J E Leshabane
National Museum
31 July 2022

CHIEF EXECUTIVE OFFICER'S OVERVIEW

"Museums have the potential to embrace and lead the change in this pivotal moment for our society. The time is now to rethink the museum's relationship with the communities they serve, to experiment with new and hybrid models of cultural fruition and to strongly reaffirm the essential value of museums for the construction of a just and sustainable future. Museums must advocate for the creative potential of culture as a driver for recovery and innovation in the post COVID era."

International Council of Museums 2021



Chief Executive Officer
Sharon Snell

Introduction

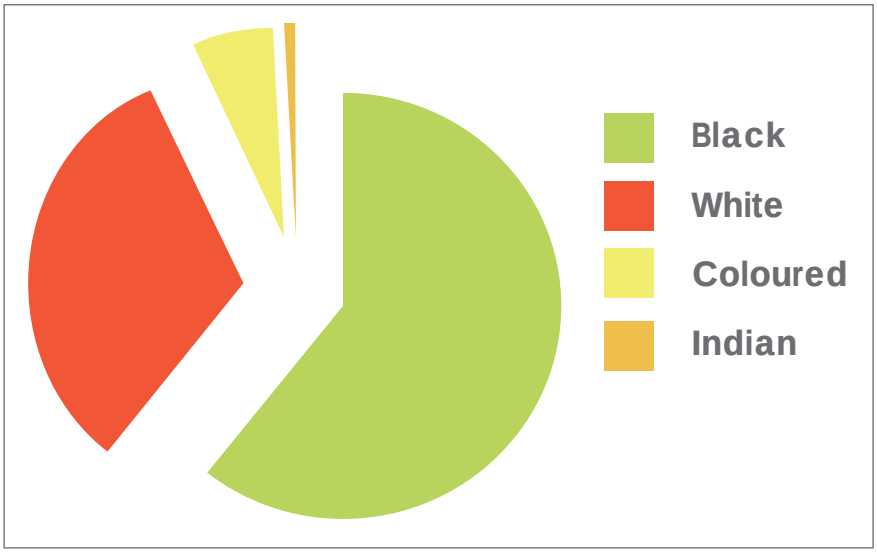
As expected, the COVID-19 pandemic had long-lasting effects on both the form and function of museums. Physical visits to museums are still the primary means by which our patrons, especially children, engage with our collections and science knowledge. The Museum has an **Ethical Research Policy** which recognises that the National Museum was established during colonial times and that its collections, exhibitions and research have been influenced by European social and cultural paradigms. The policy provides that research conducted at the Museum will be expressed with due and fair consideration of the sensitivities of others, including those in minority communities of all kinds, incorporating all religions, cultures and genders. New research outcomes will contribute to creating exciting multicultural exhibition spaces: spaces where open dialogue about our painful past is encouraged and new ideas about our shared future are catalysed.

The **Digitisation Policy** has been approved and annual targets have been set for digitisation of Museum collections which have been met. Digitisation strengthens the Museum's ability to curate physical and virtual exhibitions using new technologies. Digitisation will also allow for the storage of information and research on collections together with the digital representation of the heritage item, improving access. Collaborations have been established with national and international partners to work on our collections and shared exhibitions spaces.

General Review

The Museum's income was severely affected by unplanned budget cuts during the financial year as a result of Treasury reprioritising funding due to the pandemic. The Museum's primary income consisted of grant funding received from DSAC in an amount of **R 60.8** million. Other significant income received was from interest **(R 2, 9 million)**. An amount of **R326K** was received as research grants. Income from Museum entrance fees and rentals dropped considerably as the Museum was closed to the public for a significant part of the year. Spending trends were also affected and the Museum only managed to spend **95%** of its operational budget. Budget savings were realised due to a moratorium being implemented on the physical attendance of national and international Research Conferences and Workshops. The Museum is happy to report that no irregular or fruitless and wasteful expenditure was incurred for the period.

The Museum's staff demographics comprise 58%



female and 42% male. African staff make up 62.1%, White staff 33%, Coloured staff 6.3% and Indian staff 0.9% of the staff complement. The Museum has an Employment Equity Plan and has established equity targets which guide the recruitment of staff.

The Museum did not experience capacity constraints or challenges in the reporting period. No activities were discontinued and no new or proposed activities were introduced. There were no events after the reporting date to report on.

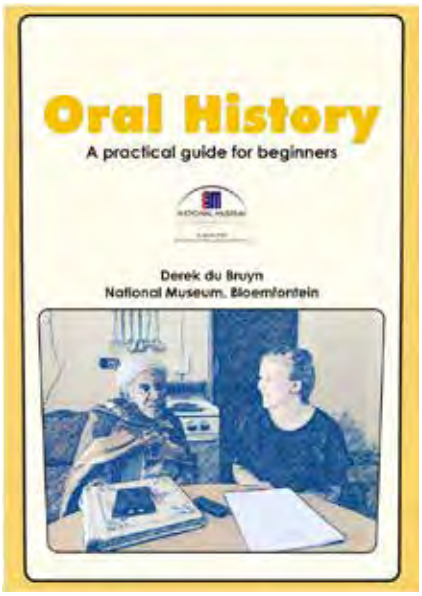
Research Highlights

Florisbad Quaternary Research Station and Mammalogy Departments collaborated to host a field school that included fieldwork in the quiet Soutpan environment, interesting lectures, stimulating discussions around the excavation areas, a visit to the unique research collection, as well as plenty of healthy student fun. A group of 16 students from the **University of Pretoria's Geography and Environmental Sciences Honours class** and two of their lecturers travelled 500km to put their long weekend to good use at this exclusive heritage and active research site, 40km north of Bloemfontein.

Dr Michael Bates, Museum herpetologist, continued to serve as a member of the **Skink Specialist Group**, part of the International Union for the Conservation of Nature's Species Survival Commission. Michael was a co-author of the group's first publication, led by Prof. David Chapple, titled 'Conservation status of the world's skinks (Scincidae): Taxonomic and geographic patterns in extinction risk'. The article was published earlier this year in the reputable scientific journal Biological Conservation. It was determined that about 20% of the world's skink species are threatened with extinction, and nine species are either fully extinct or extinct in the wild. As much as 61% of all skink species are currently not protected in nature reserves.

Oral history guide developed

National Museum has published an oral history guide for beginners. This simplified step-by-step guide is aimed at the general public and it is meant to guide you through the process of conducting and processing interviews. In May 2021 a virtual introductory workshop on oral history theory and methodology was presented to postgraduate students of the Centre for Gender & Africa Studies at the University of the Free State. Museum historian **Dr Derek du Bruyn** compiled the training manual for all people who are interested in the basics of oral history interviewing.



Celebrating Special Days

Special Days were mostly celebrated virtually and the Museum curated content-rich experiences focusing on promoting nation building and social cohesion. The Museum celebrated the following special days during the financial period:

Youth Day June 16 - Free State Young Artists Awards

The National Museum hosts the Free State Young Artists Awards in celebration of Youth Month annually. The art competition was open to all learners in the Free State under the theme "Restoring damaged ecosystems." The Museum joined the international community in celebrating World Environment Day 2021 by placing emphasis on restoring our ecosystems. Ecosystems support all life on Earth. The

healthier our ecosystems are, the healthier the planet – and its people. With this competition the museum highlights the importance of creative activities within arts and culture to children's cognitive and emotional development. Children who are given opportunities to create and appreciate visual aesthetics often show improved academic performance, motor skills, language development, problem solving capabilities and decision-making processes. Art also promotes cultural awareness and an openness to understanding others, as they are taught to recognize the choices an artist will make when deciding how to portray a subject and why. This competition has become an annual event that celebrates and encourages the creativity of our budding Free State artists. Children view art from a unique perspective which broadens their horizons and develops their innate curiosity about our world. This special ability should be nurtured and developed from a young age.

"Containment: stitched aesthetics to cultural constraints"- – A Women's Month virtual exhibition

This exhibition reflected on notions of cultural constraints, by utilising artworks from the Permanent Collection of Oliewenhuis Art Museum, and century-old artifacts: garments (corsets, gloves and Chinese Lotus shoes) that are treasured at the National Museum's History Department's collection. The exhibition also mirrorored concepts such as a masquerade of femininity, femicide, and 'stitched aesthetics' by means of deceivingly beautiful garments like the corset that caused the body physical harm. A special focus is given to artists such as Leora Farber, Lebo Thoka, Majak Bredell, Nandipha Mntambo and Nomusa Makhubu. Both the artworks and garments on display were handpicked to relate to physical pain and suffering the female body endured to fit a societal norm (from the early 1900s until today), and are used as metaphors for the emotional pain and humiliation that resulted in the pivotal moment in history where black females just had enough of the patronizing and derogative era of apartheid and marched in the streets of Pretoria demanding freedom.

Heritage Month Celebrations

The theme under which the 2021 Heritage Month was celebrated was ***"The Year of Charlotte Mannya Maxeke: Celebrating South Africa's intangible cultural heritage".*** The Museum exhibited a virtual showcase of South African cultures and their fashions, highlighting some of the traditional clothing worn by South Africans in order to celebrate our cultural diversity

The Rock Art Department of the National Museum showcased our country's rich rock art heritage on social media. The virtual showcase covered the rock art of the **San, the Khoekhoen and the Korana**. Heritage Month is celebrated annually in September. It is celebrated to mark our nation's diverse culture and heritage. South Africans are urged to use Heritage Month to foster greater social cohesion, nation building and a shared national identity. The celebration of Heritage Month has created a conducive environment for all people to embrace and celebrate what was inherited or bequeathed to us by our forebears.

"The Art of storytelling" **–** a living heritage event was hosted at Oliewenhuis Art Museum in celebration of Heritage Day. The event focused on the use of art as a tool for storytelling. Visual art and storytelling are important aspects of South Africa's living heritage. Thirty-five learners from the **Tswellang Special Needs School** located in Bochabela participated in the event. The group of Grade 7, 8 and 9 school learners were taught how to use art and creative expression as tools to construct a unique story. The learners were divided into five groups consisting of seven learners each. Each group had to 1) conceive a story, 2) write it out on a piece of paper, and 3) create a matching artwork with materials that were provided for them. First, second and third prizes were awarded to the best story and artwork combinations.

International Day of Persons with Disabilities

Members of the **Aganang Support Group of the Free State Society for the Blind** visited the National Museum for a memorable experience in our exhibition halls. Guides from the Museum's Mammalogy and Education Departments treated guests to a touch, sound and truly educational experience. Our visitors were divided into smaller groups, allowing each person to "see" a number of animals and objects from up close, while the guides shared interesting information and answered questions. Hands were sanitized before and after touching objects. Following feedback from the Society for the Blind, a visit to the National Museum is always one of the highlights on their support group's annual calendars. For the Museum, on the other hand, such visits encourage the continuous upgrade

of our exhibitions to give a unique experience to persons with a variety of disabilities. Upgrades typically include the development of exciting new objects in our exhibitions (such as the enlarged and skilfully painted 3D prints of minute organisms), making use of more easily readable fonts in accompanying texts, and improving lighting to enhance the experience of partially sighted persons. Detailed feedback from visitors is, therefore, always highly valued.

Celebrating Excellence in Art

The 2021 **New Breed Art Competition**, presented by Phatshoane Henney Attorneys, was run in association with Oliewenhuis Art Museum and the Art Bank of South Africa. The three independent judges of the 2021 New Breed Art Competition were Wessel van Huyssteen, Nonto Msomi and Usha Seejarim. They had a tough task in determining the winners of this year's competition. In deciding on the overall winner, the conversation between the judges highlighted the artist's bravery, boldness, and conceptual skill in fearlessly exploring the topic of gender and sexuality, and in particular, how the female body is often sexualised and commoditised. With instances of sexual transgressions against women dominating global headlines in recent times, the judges couldn't agree more on the relevance and timeliness of Baitumetse Moloabi's series of thought-provoking works entitled ***"Ntho tse snaXXX"***, and were unanimous that she deserved the highest accolade in this year's competition. She was awarded R50, 000 in prize money.

Discontinued key activities
The National Museum, like many other organisations, had developed its APP based on certain assumptions and a clearly-defined programme of action, there were no discontinued key activities and the managed to achieve an overall performance of 86%

New or Proposed key activities

The National Museums ensured fast tracking of the implementation of digitization. Digitisation strengthens the Museum's ability to curate physical and virtual exhibitions using new technologies. Digitisation will also allow for the storage of information and research on collections together with the digital representation of the heritage item, improving accessibility.

Economic viability

The Annual Financial Statements (AFS) were prepared according to the Generally Recognised Accounting Practice (GRAP) Standards, taking into consideration that the National Museum is a going concern.

Image: Baitumetse Moloabi the 2021 winner of the New Breed Art Competition.

Request for Rollover of Funds

The Museum applied for rollover of surplus funds from the 20.21 financial period and this was granted by Treasury. Treasury approval was granted in terms of PFMA section 53(3) and National Treasury Instruction 6 for the Museum to retain the cash surplus to be used to fund post-retirement medical obligations, upgrading of the Museum's security, server and file storage, replacement of old computers, furniture older than 20 years, auditorium seats, vehicles for staff site visits, and the organizational review process.

Employee Benefits

The FSCA has confirmed the appointment of Ms G Simelane as the Principal Officer with effect from 01 May 2020.
The National Museum had three categories of Pension Memberships which were converted on 01 November 2020 to Defined Contribution Membership.
Defined Benefit Membership: with 7 members
Defined Contribution Membership With Underpin (Minimum Guarantee): with 13 members
Defined Contribution Membership: with 84 members.
Council agreed that the Museum should explore converting to an Umbrella Fund to save costs. Following a competitive process, the trustees appointed an Umbrella Fund. On 21 May 2021 the Trustees elected to appoint Old Mutual as the administrator with Hollard and Sanlam being the administrators for the Group Life and Disability benefits respectively. The Trustees unanimously agreed to the appointment of Old Mutual as the preferred Umbrella Fund provider from 01 September 2021.

All new contributions as from 01 September 2021 was paid toward the Old Mutual Superfund Umbrella fund: Participating employer: National Museum Bloemfontein Pension Fund. All the assets which was previously administered by Sanlam under the stand-alone fund arrangement must still be transferred to the Old Mutual Superfund on approval from the FSCA. Members continued to receive growth and interest (whichever was applicable) until such time the transfer of the assets is approved. This process is referred to as a Section 14 transfer and require the approval of the FSCA. The termination of the Museum Pension Fund can only start once the Section 14 values (member values) have been transferred out by Sanlam. The trustees of the Pension Fund approved new group life cover as a lump sum benefit equal to 4 x the member's annual pensionable salary and this was renewed for the financial year.

Supply Chain Management

There were no SCM- related findings in the year under review. The SCM environment at the Museum is mature and adequate policies and procedures are in place to guide procurement. The SCM Manager, who reports to the CFO, supports and guides the Museum management and staff on SCM. The Museum did not conclude any unsolicited bid proposals for the year under review. A supplier was appointed to prepare Standard Operating Procedures for all areas of SCM and this activity was completed in the financial period.

Audit Report Matters from the prior period

The Museum received a clean audit report in the prior period and had in place an Audit Tracking Register to track the resolution of all findings. This was reported on quarterly to the Audit and Risk Committee. Currently all findings have been resolved.

The National Museum in the Triennium

The cost of employment currently consumes more than 80**%** of the budget. The salary budget was further increased as the Museum had to employ additional staff to perform the functions of COVID-19 compliance assistants. At the end of the financial period 2022 to 2025, the National Museum will have in its employ about 120 staff members. This poses a budgetary challenge that will need attention if the Museum is to continue attracting top research talent, including NRF-rated researchers. However, the Museum remains an economically viable entity.

The Museum has embedded Enterprise-Wide Risk Management into its strategy and operations. Important to note is that significant strides have been made over the five-year period in the management of risks at the Museum, and this has translated into tangible improvements in the Museum's overall performance and audit and governance outcomes.

Acknowledgements

The Museum has made significant strides in achieving the objectives and targets set out in its Five-Year Strategic Plan. These successes can be attributed to hard work by the Heads of Departments and staff of the Museum, some of whom are foremost experts in their field. I would like to thank them for their commitment, passion and unwavering support.

Our Council Chairperson, Advocate Leshabane, provides strategic leadership and guidance in her role. I am indebted to her for this support, especially during the difficult year we experienced. She helped us successfully navigate the unchartered waters of operating a Museum during a pandemic. I would like also to extend my thanks to the Council of the National Museum and the committees for their support and counsel.

S Snell
Chief Executive Officer
National Museum
31 July 2022

STATEMENT OF RESPONSIBILITY & CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor General.

The Annual Report is complete, accurate and is free from any omissions.

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

The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control which has been 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.

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

Yours faithfully

Chief Executive Officer
Name: S Snell
Date: 31 July 2022

Chairperson of the Board
Name: Adv. J. E. Leshabane
Date: 31 July 2022

STRATEGIC OVERVIEW

The National Museum is a PFMA schedule 3A entity, the Museum is a Natural History Museum, a Cultural History Museum and an Art Museum. Against the background of the international definition of a museum as a non-profit-making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment, the National Museum performs its conservation, research and educational functions in a broad spectrum of disciplines in the Natural Sciences, Human Sciences and Fine Arts.

Vision

To be known as the best heritage centre in Africa.

Mission

To provide heritage information, an enjoyable experience and an invaluable tourism resource to all people through quality research, conservation, education and exhibitions. The Museum's functions are:

- *Conservation*: To build and curate representative collections of natural science, human science and art objects which are consistent with the objectives and activities of the Museum.
- *Research:* To undertake and promote research in the approved disciplines of the Museum.
- *Education*: To disseminate information on nature, culture and art, through publications, exhibitions and a variety of educational programmes.
- *Tourism*: To provide an invaluable tourism resource in the central interior of South Africa.

Values

The National Museum is driven by the following values:

- Excellence
- Professionalism
- Respect
- Co-operation
- Teamwork
- Commitment & Passion
- Innovation
- Community empowerment

LEGISLATIVE AND OTHER MANDATES

Cultural Institutions Act

The National Museum was established in terms of section 3 of the Cultural Institutions Act (Act 119 of 1998) and in terms of section 5 is governed by a Council appointed by the Minister of Arts and Culture.

Parliament has the power to conduct oversight of all organs of state, including those at provincial and local government level. Portfolio committees exercise oversight over a particular government department or "portfolio" and deal with bills within that portfolio.
Parliamentary committees are established as instruments of the Houses in terms of the Constitution to facilitate oversight and monitor the government. These committees are the "engine rooms" of Parliament's oversight and legislative work. Committees scrutinise legislation, oversee government action, and interact with the public. One of the most important aspects of the oversight function is the consideration by committees of annual reports of organs of State, and reports of the Auditor-General. Depending on the purpose of the oversight, the Committee will either request a briefing from the organ of State or visit it for fact-finding.

National Living Heritage Policy

The DSAC has developed the National Living Heritage Policy with the objective of the safeguarding of living heritage and ensuring compliance with the 2003 UNESCO Convention on Intangible Cultural Heritage Convention.

National Policy on Digitisation of Heritage Resources

The Policy recognises and takes account of the implications of the rapid advances in the evolution of Information and Communication Technologies for "notions and practices of collective memory and heritage". The Policy identifies the key risks to the future preservation of collections, including the fragmented character of current digitisation initiatives; the financial resources available to support digitisation; the lack of consistency in the standards and guidelines; and the threat of the proliferation of digital archives containing important national content that is largely uncontrolled and unconnected to the national memory systems. The Policy seeks to address these risks.

Ratification / Accession to International Conventions

Various international conventions and protocols govern the culture and heritage landscape. The DAC has developed policies in line with the applicable conventions and initiated the ratification/ accession process by submitting the following international conventions to Parliament for tabling:

a) UNESCO Convention (2001) on the Protection of the Underwater Cultural Heritage;
b) Second Protocol to the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict (1999);
c) UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects (1995).

The Use of Official Languages Act

The Use of Official Languages Act, which seeks to regulate and monitor the use of official languages by government, came into operation with effect from 2 May 2013.

Review of the White Paper on Arts and Culture

The Revised White Paper seeks to align the Arts Culture and Heritage space with the broader shifts in government policy and priorities and to elevate the contribution that arts, culture and heritage might make towards social cohesion, nation-building and economic empowerment. It also seeks to address the challenges that the Sector faces, to remove duplication and overlaps in mandate, and to rationalise the number of entities falling under the DAC and their associated institutional activities.

The Revised White Paper recommends a substantial restructuring of institutional support for the Sector. Key questions arising from this approach include the detailed programming of these institutions and how they will be able to meet their mandates with the available financial and human resources.

National Development Plan

The *National Development Plan* – Vision 2030 (2011) outlines a vision for the country, aiming, *inter alia*, to eliminate poverty and reduce inequality by 2030. Chapter 15 of this plan asserts that the Arts, Culture and Heritage Sector is viewed as a potentially powerful driver for creating a sense of inclusiveness and for encouraging interaction between South Africans from different social backgrounds. Importantly, too, it is viewed as capable of contributing to the mobilisation of active and responsible citizenry. Furthermore, the NDP highlights that the economic value and contribution of the Sport, Arts, Culture and Heritage Sector is increasingly recognised, and that strategies must be developed and implemented to exploit its potential on a global scale.

The NDP aspires to arrive at a situation in which South Africans will be more conscious of that which they have in common, rather than the differences that separate people. This implies that interventions need to facilitate an experience by all South Africans that cuts across the divisions of race, gender, and class. Accordingly, a central focus of the NDP is on creating opportunities that equalise the life chances of South Africans. The NDP further emphasises the importance of redress through measures such as employment equity and black economic empowerment as a means to righting the wrongs of the past as part of this process of equalising opportunities. The NDP calls for the promotion of social cohesion across society that is based on respect and appreciation for constitutional values enshrined in the Constitution.

Sustainable Developmental Goals

The UN has emphasised that arts and culture will play an important role in pursuing each of the 17 Sustainable Development Goals. The safeguarding and promotion of culture is an end in itself, and at the same time it contributes directly to many of the SDGs — safe and sustainable cities, decent work and economic growth, reduced inequalities, the environment, promoting gender equality and peaceful and inclusive societies. The indirect benefits of culture are accrued through the culturally-informed and effective implementations of the development goals.

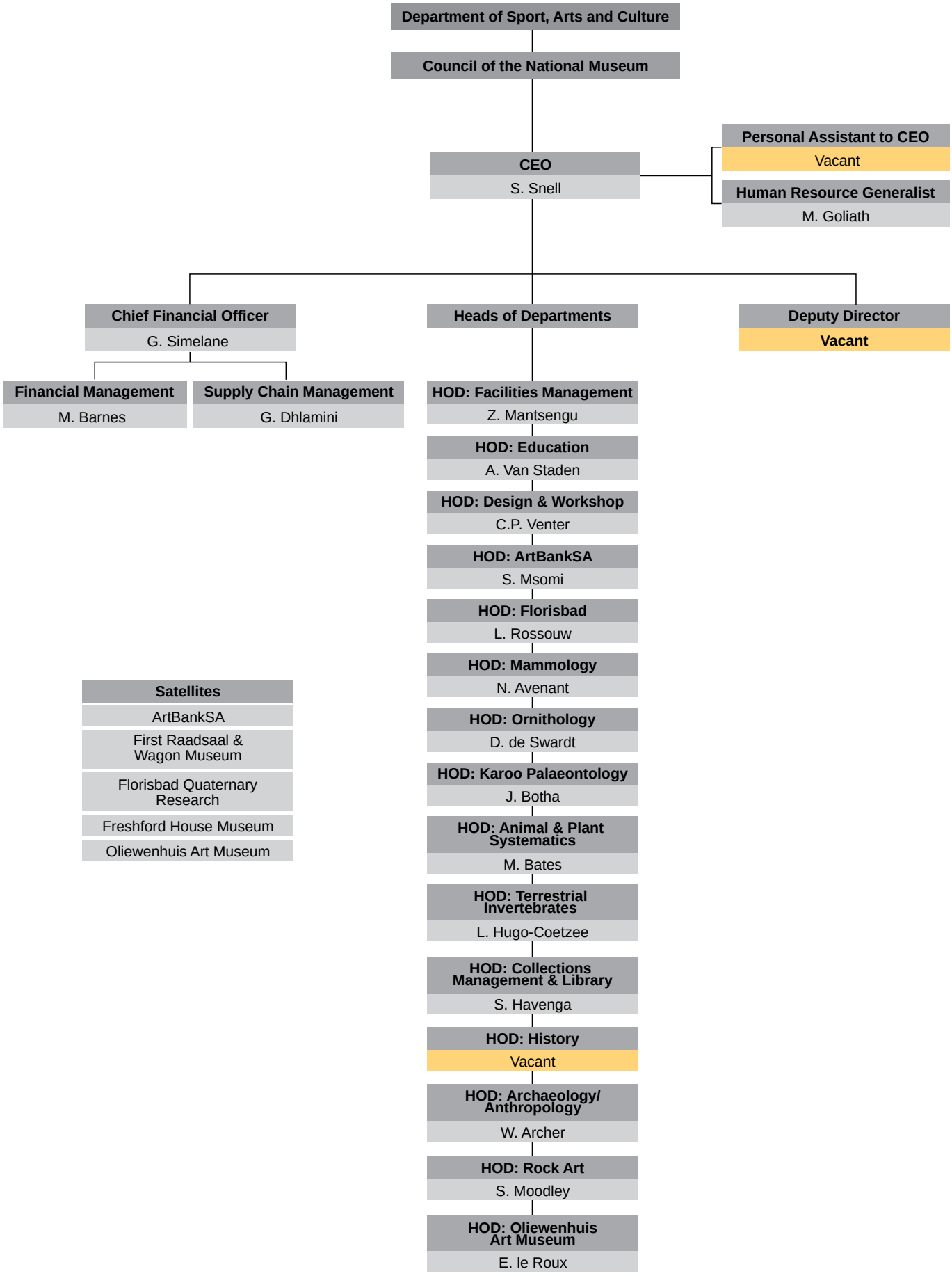
Cultural diversity is necessary for sustainable development for two reasons: the first is human survival as a means of cultural existence. The coexistence of various cultures leads to humans being able to better adapt to the environment. It is because of the coexistence of diverse cultures that the human race has overcome change and continued to survive. The emergence of differing cultures and maintenance of cultural diversity has raised the possibility of the human race adapting to environmental change in the future. Furthermore, in order for culture itself to retain its creativity and vitality, the existence of other cultures is a must. New ideas are born from other cultures, and the source of cultural creativity lies within constant encounters between different cultures.

Agenda 2063

At a continental level, sport, arts and culture contribute to the **Agenda 2063**, a forward-looking continental framework. Agenda 2063 is anchored on the AU vision of "a shared strategic framework for inclusive growth and sustainable development "and based on 7 aspirations derived from consultations. Three of the aspiration have particular relevance to the Museum:

a) An Africa with a strong cultural identity, common heritage, shared values and ethics;
b) An Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children and
c) An Africa of good governance, democracy, respect for human rights, justice and the rule of law.

ORGANISATIONAL STRUCTURE



PART B:
PERFORMANCE INFORMATION

AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor 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 performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the Auditor's Report.

Refer to page 61 of the Auditors Report, published as Part E: Financial Information.

SITUATIONAL ANALYSIS

Service Delivery Environment

The National Museum provides professional services in the curation and conservation of heritage-based collections, in research and education, of benefit to a broad spectrum of the community. Outputs and standards have either been maintained or improved upon by the Museum. Where targets have not been achieved, measures will be considered in future to address these aspects. The Museum strives to address transformation, in a broad sense, across the range of its processes and activities, from policy development and recruitment, through to its collections, research, education and community outreach programmes. There is an ongoing emphasis on the important role the Museum must play in contributing to the transformation of the heritage sector.

The 2021/22 financial year presented a number of challenges to various sectors of society and that the Arts, Culture and Heritage sector was not spared. Covid-19 which led to the declaration of the national state of disaster in terms of the national state of disaster in terms of the Disaster Management Act (Act 57 of 2002) drastically changed the manner in which the Arts, Culture and Heritage sector operates. The movement and gatherings of people were highly restricted and institutions including museums were closed to the public for a significant part of the year.

Even though economic sectors were later allowed to open as the spread of the virus slowed down, this remains under strict conditions which include limitations to the number of people allowed inside museums

Organisational environment

The closure of museums for the significant part of the year and imposition of travel restrictions and social distancing measures continued to have an impact in the National Museum's ability to generate revenue in traditional ways. Income from some of the traditional sources, such as entrance fees, rental income, shop sales were negatively affected.

Management reviewed the 2021/22 Annual Performance Plan to assess the impact of the national lockdown and expected precautionary measures post lockdown on the service delivery mandate, as articulated in the Strategic Performance Plan and the Annual Performance Plan. However after consultation with DSAC, no amendments were made to the Annual Performance Plan and no targets were revised. Despite the challenges, the National Museum managed to meet or exceed 86% (57 out of 66) of their annual targets. 11% (7 out of 66) was partially achieved and only 3% (2 out of 66) of the targets were not achieved.

The National Museum has developed and implemented a digitization policy. Digitisation strengthens the Museum's ability to curate physical and virtual exhibitions using new technologies. Digitisation will also allow for the storage of information and research on collections together with the digital representation of the heritage item, improving accessibility.

Key policy developments and legislative changes

There were no significant changes to the National Museum's legislative and other mandates. The pending White Paper on Arts, Culture and Heritage, as well as the National Museum's policy, the draft versions of which are still under discussion, will doubtless impact on the Museum's operations.

Strategic Objectives

Below are the approved Strategic Objectives:

PROGRAMME 1: BUSINESS DEVELOPMENT

Programme 1: Business Development	
Purpose	**Programme purpose**: • To properly manage and maintain the natural and cultural heritage and art collections; • Serve as centres for promotion of research and development; • Ensure that the Museum remains a centre of research excellence by publishing research output in accredited scientific journals, often collaborating with other national or international researchers; and • Building human and research capacity.
Sub Programmes (if Applicable)	**Sub – Programme Purpose**
Curation and Conservation of Collections	Programme purpose: To collect and conserve materials and objects of natural and cultural heritage relevant to the disciplines of the National Museum, which represent an important part of the collective national estate. In addition, to give attention to expanding collections where appropriate to include materials, objects and information to promote an enhanced sense of national pride in the diverse cultural and natural heritage shared by all South Africans.
Research and Information Management	Programme purpose: To undertake research according to ethical standards to produce high quality results relating to the various research disciplines of the National Museum and to communicate the relevance and meaning of these results, including contributing data to current important debates and trends of research, to as broad an audience as possible. Research programmes will incorporate aspects relevant to promoting a greater awareness of the importance and role of previously marginalized communities in contributing to South Africa as a nation.

PROGRAMME 2: PUBLIC ENGAGEMENT

Programme 2: Public Engagement	
Purpose	Programme purpose: to inform, consult, involve, collaborate with and empower the Museum's stakeholders in the diverse cultural and natural heritage.

Sub Programmes (if Applicable)	Sub- Programme Purpose
1. Marketing	To promote a greater awareness and better understanding of South Africa's diverse cultural and natural heritage through relevant formal and informal activities and exhibitions.
2. Public Educational Programmes	To provide informative and enjoyable educational experiences through relevant formal and informal activities and public outreach programmes, thereby contributing to promoting a greater awareness and better understanding of South Africa's diverse cultural and natural heritage.

PROGRAMME 3: COMPLIANCE AND ADMINISTRATION

Programme 3: Compliance and Administration	
Purpose	To provide the necessary professional support and compliance services to ensure the achievement of the Museum's primary objectives of carrying out quality research, expanding and managing diverse heritage collections and communicating this to all, through educational programmes, exhibitions and publications, to emphasise the importance of this diverse heritage to the South African nation.

Sub Programmes (if Applicable)	Sub – Programme Purpose
Support Services	To provide support through human resources, information technology, security, risk management, and supply chain management to enable the Museum to achieve its mandate.
Compliance Services	To provide support to the Museum to ensure compliance with legislation, guidelines, frameworks to avoid audit findings.

PERFORMANCE INFORMATION BY PROGRAMME/ ACTIVITY/ OBJECTIVE

ANNUAL PERFORMANCE REPORT OF NATIONAL MUSEUM 2021.22

PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: BUSINESS DEVELOPMENT

Programme 1: Business Development	
Purpose	**Programme purpose**: o To properly manage and maintain the natural and cultural heritage and art collections; o Serve as centres for promotion of research and development; o Ensure that the Museum remains a centre of research excellence by publishing research output in accredited scientific journals, often collaborating with other national or international researchers; and o Building human and research capacity.
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Curation and Conservation of Collections	To collect and conserve materials and objects of natural and cultural heritage relevant to the disciplines of the National Museum, which represent an important part of the collective national estate. In addition, to give attention to expanding collections where appropriate to include materials, objects and information to promote an enhanced sense of national pride in the diverse cultural and natural heritage shared by all South Africans.
Research and Information Management	To undertake research according to ethical standards to produce high quality results relating to the various research disciplines of the National Museum and to communicate the relevance and meaning of these results, including contributing data to current important debates and trends of research, to as broad an audience as possible. Research programmes will incorporate aspects relevant to promoting a greater awareness of the importance and role of previously marginalized communities in contributing to South Africa as a nation.

Key performance indicators, planned targets and actual achievements

Output indicator	Planned Target 2020/2021	Actual Achievement 2020/2021	Planned Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement for 2021/2022	Comment on deviations
No of new heritage items added to the collection and digitised	5000 new heritage items added to natural science collections	27363	10 000 new heritage items added to natural science collections	40254	(+ 30254)	Over-achieved, fieldtrips yielded more items than anticipated
	500 new heritage items added to human science collections	748	1000 new heritage items added to human science collections	1813	(+813)	
	2 new heritage items added to Oliewenhuis Art Museum	18	2 new heritage items added to Oliewenhuis Art Museum	5	(+3)	Overachievement occasioned by a donation and an opportunity to purchase 2 artworks from 1 artist

2.1.2. % compliance with Conservation Policy and GRAP	Collections Department audit Heritage Collection for compliance with Collections Policy	100%	Collections Department audit Heritage Collection for compliance with Collections Policy	Audit conducted	None	No deviation
	Digitisation Policy finalised	100%	n/a	n/a	None	No deviation
	New target	New Target	1000 Digitized items	1729	(+729)	Overachievement occasioned because this is a new target and the Museum is still establishing a baseline.
No of loans of collections items	10 new outgoing loans	49	10 new outgoing loans	12	(+2)	Two more external institutions applied for loans than anticipated.
No of research studies conducted on existing collections	5 research studies on existing collections	21	5 Research studies on existing collections	63	(+58)	This is a new target where the baseline is being established. The Museum Collections are being used far more than anticipated.
No of popular research articles published	30 popular research articles published	45	30 popular research articles published	51	(+21)	More research activities during lockdown periods published.
Develop a policy for ethical research at the Museum	Develop a policy for ethical research at the Museum	100%	n/a	n/a	n/a	No target set
	When needed research projects have ethical clearance	100%	When needed research projects have ethical clearance	100%	None	No deviation
No of research grants awarded to Museum Scientists	5 research grants awarded to Museum scientists	6	5 research grants awarded to Museum scientists	8	(+3)	More researchers were successful in their applications for grants

No of NRF rated scientists	2 NRF rated scientists	2	2 NRF rated scientists at the Museum	2	None	No deviation
No of research fieldtrips conducted	5 per annum	21	15 per annum research field trips conducted	39	(+24)	Overachieved, more sites were accessible due to less stringent lockdown regulations and previously cancelled trips could resume.
No of research papers of posters delivered at research conferences	5 research papers or posters delivered at research conferences	11	30 research papers or posters delivered at research conferences	22	(-8)	COVID 19 restrictions resulted in conferences being postponed
No of public lectures delivered	5 per annum of public lectures	9	15 per annum of public lectures	21	(+6)	Interventions to increase lectures were more successful than anticipated in quarter 4 as only a partial achievement was met during the rest of the year due to a hesitancy for public gatherings.
No of lectures delivered to students registered at Higher Education Institutions	5 per annum public lectures/ practicals	9	20 per annum public lectures/ practicals delivered (Higher Education Institutions)	18	(-2)	Slight underachievement, due to COVID.
No of articles published in peer reviewed journals	30 per annum articles published in peer reviewed journals	44	30 per annum articles published in peer reviewed journals	45	(+15)	Targets were initially reduced due to COVID-19 and work resumed as normal, thus reduced targets were easily exceeded. More species discovered than anticipated
No of new animal or plant or fossil species described	5 new species described	20	5 new species described	14	(+9)	More external requests received than anticipated
Reviews conducted of research articles, proposals, reports and management plans	50 reviews conducted	74	50 reviews conducted	101	(+51)	

No of Technical Reports/ Impact Assessments conducted by Museum Scientists.	5 CRM/ EIA/Bio monitoring and site reports	2	5 CRM/ EIA/Bio monitoring and site reports.	4	(-1)	The museum is not able to predict the requests received and this target reduced for 22/23
No of new international and national collaborative projects	4 new international and national collaborative projects	7	4 new international and national collaborative projects	0	(-4)	No new collaborative projects were registered.
Production of CULNA	CULNA 1 hardcopy issue	1	CULNA 1 hardcopy issue	1	None	No deviation
	20 online CULNA articles	37	12 online CULNA articles	28	(+16)	More submissions received from authors than anticipated.
Production of INDAGO	Indago 2 online articles	1	Indago 2 online articles	6	(+4)	More submissions received from authors than anticipated for a Special Mammalogy issue.
Staff serving on the Executive of Professional bodies	5 professional staff serving on committees of professional bodies	6	5 professional staff serving on committees of professional bodies	7	(+2)	More staff than anticipated were invited to serve on committees.
Progress on research projects during the year	Progress on 70% of research projects per annum.	90.8%	Progress on 70% of research projects per annum	71%	(+1)	More scientists finished deliverables than anticipated.

The targets that have been significantly achieved propel the museum to exceedingly achieve its strategic objectives and these will invariably impact on the strategic priorities of government.

The National Museum has prioritised women, youth and persons with disabilities on its programmes and no challenges were encountered when prioritising delivery for these designated groups.

Linking performance with budgets

The links between the Museum's budget and its core programmes are indicated in the table below:

	2020.2021			2021.2022		
Programme/activity/ objective	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Business Development	12 831	20 862	(8 031)	1 537	1 023	514
Total	12 831	20 862	(8 031)	1 537	1 023	514

PROGRAMME 2: PUBLIC ENGAGEMENT

Programme 2: Public Engagement	
Purpose	Programme purpose: to inform, consult, involve, collaborate and empower the Museum's stakeholders in the diverse cultural and natural heritage.
Sub Programmes	**Sub- Programme Purpose**
1. **Marketing**	To promote a greater awareness and better understanding of South Africa's diverse cultural and natural heritage through relevant formal and informal activities and exhibitions.
2. **Public Educational Programmes**	To provide informative and enjoyable educational experiences through relevant formal and informal activities and public outreach programmes, thereby contributing to promoting a greater awareness and better understanding of South Africa's diverse cultural and natural heritage.

Key performance indicators, planned targets and actual achievements

Outcomes 1: Museum Exhibitions are inclusive, interactive, educational and entertaining						
Output indicator	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Actual Achievement 2021/2022**	**Deviation from planned target to Actual Achievement for 2021/2022**	**Comment on deviations**
Permanent Exhibition Plan is reviewed	Permanent Exhibition Plan is reviewed and approved by CEO and Council	1	Permanent Exhibition Plan is reviewed and approved by CEO and Council	1	None	No deviation
No of inclusive permanent exhibitions	1 inclusive permanent exhibition at the National Museum	1	1 inclusive permanent exhibition at the National Museum	1	None	No deviation
	2 Rotation of inclusive permanent exhibition artworks at Oliewenhuis	New Target	2 Rotation of inclusive permanent exhibition artworks at Oliewenhuis	2	None	No deviation
	Text of Exhibitions at NM IN 3 languages	100%	Text of Exhibitions at NM IN 3 languages	100%	None	No deviation
	4 temporary internal exhibitions per year (including virtual exhibitions during lockdown)	No Target	4 temporary internal exhibitions per year (including virtual exhibitions during lockdown)	15	(+11)	More virtual exhibitions held
	2 temporary external exhibitions	No Target	2 temporary external exhibitions	2	n/a	Not applicable

	Temporary Art Exhibitions at Oliewenhuis and the Reservoir of which 80% of solo exhibits shall be Black artist and 50 % women	No Target	12 Temporary Art Exhibitions (including virtual during lockdown) at Oliewenhuis and the Reservoir of which 80% of solo exhibits shall be Black artist and 50 % women	13	(+1)	An opportunity presented for an additional exhibition to be held.
No of Special Days celebrated with communities	Hosting of celebrations for: -Womens Day - Youth Day -International Day of Persons with Disabilities (including virtual celebrations during lockdown)	11	Hosting of celebrations for: -Womens Day - Youth Day -International Day of Persons with Disabilities (including virtual celebrations during lockdown)	7	(+4)	More Special days were celebrated
Conduct a facilities audit	Conduct a facilities audit with DPW/DSAC	1	Conduct a facilities audit with DPW/DSAC	1	None	No deviation
	50% implementation of UAMP projects funded by DSAC and DPW	70%	50% implementation of UAMP projects funded by DSAC and DPW	51%	(+1%)	The Museum's implementation was marginally better than planned
No of visitors to the National Museum and satellites	1000 to Oliewenhuis (lockdown)	4815	50 000 to Oliewenhuis	26229	(- 23 771)	COVID-19 affected visitor numbers
	1000 to National Museum and balance of satellites (lockdown)	1489	100 000 to National Museum and balance of satellites	14590	(- 85 410)	COVID-19 affected visitor numbers
Celebrate excellence in the Heritage Sector	Host Free State Young Artist Competition	1	Host Free State Young Artist Competition	1	None	No deviation
	Host New Breed Competition	New target	1 New Breed Competition	1	None	No deviation
	Artbank SA Competition	New target	1 ArtBank SA Competition	1	None	No deviation

Key performance indicators, planned targets and actual achievements

Outcomes 2: Opportunities created for unemployed learners to gain workplace skills and provision of curriculum based learning support to schools.						
Output indicator	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Actual Achievement 2021/2022**	**Deviation from planned target to Actual Achievement for 2021/2022**	**Comment on deviations**
No of PHDs and Masters students supervised	2 per annum PHDs and Masters students supervised	6	2 per annum PHDs or Masters students supervised	6	(+4)	More researchers chosen as academic supervisors by universities and students
No of post doc opportunities provided	1 per annum of post doc opportunities provided	0	1 per annum of post doc opportunities provided	0	(-1)	Applicant withdrew
No of internships provided	10 internships provided per annum.	14	10 internships provided per annum	12	(+2)	Additional COVID-19 compliance internships were made available.
No of vacation work experience opportunities provided for learners	5 per annum vacation work experience opportunities provided for learners	3	5 per annum vacation work experience opportunities provided for learners	32	(+27 students)	2 universities participated to accommodate two vacation opportunities and more students were interested than expected
No of schools groups receive curriculum based lessons	50 schools receive lessons and guided tours (curriculum based) by National Museum and 10 by Oliewenhuis	28 by National Museum	400 lessons and guided tours (curriculum based) by National Museum	327	(-73)	Partial Achievement due to Schools less likely to participate due to covid levels. Schools are more interested in mobile museum
	5 educator training workshops	13 by Oliewenhuis	100 by Oliewenhuis	98	(-2)	
		5	5 educator training workshops (including virtual workshops)	5	None	No deviation
	500 educational brochures distributed by Oliewenhuis	937.	500 educational brochures distributed by Oliewenhuis	2220	(+1720)	Increased opportunity to distribute more brochures.
	Participation in 0 career guidance initiatives	0	Participation in 2 career guidance initiatives	3	(+1)	An additional external opportunity arose.

No of Mobile museum trips including rural schools Oliewenhuis to conduct 0 mobile museum trips including rural schools	NM to conduct 0 mobile museum trips including rural schools	0	NM to conduct 20 mobile museum trips including rural schools	28	(+8)	Higher demand from schools (schools can`t travel to museum as often now and request more mobile museum trips)
	0	Oliewenhuis to conduct 5 mobile museum trips including rural schools	5	None	No deviation	
No of school holiday workshops provided	2 school holiday workshops provided	2	8 school holiday workshops provided	10	(+2)	Slight overachievement, due to increased interest from learners
Outcome: ArtBank becomes financially sustainable to support the visual arts economy						
Output indicator	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Actual Achievement 2021/2022**	**Deviation from planned target to Actual Achievement for 2021/2022**	**Comment on deviations**
No of artworks purchased, leased and sold	100 artworks purchased	210	100 artworks purchased	206	(+106)	The target was exceeded due to the PESP programme (additional funding). These artworks were added to collection in May 2021
	5 artworks leased and / or sold per annum	6	5 artworks leased and /or sold per annum	25	(+5)	Targets were reduced due to COVID and the Museum managed to exceed these revised targets by a small margin
No of ArtBank Exhibitions held	1 ArtBank Exhibition to be held annually.	1	1 ArtBank Exhibition to be held annually.	6	(+5)	A minimum target of 1 is set, however ArtBank has an internal target of 5. It is thus encouraged to hold more exhibitions for the sake of the longevity of ArtBankSA
	500 people attend ArtBank exhibitions per annum	1428	500 people attend ArtBank exhibitions per annum	13318	(+12818)	The exhibition attracted more than expected number of people and more exhibitions held

No of research or popular articles published about ArtBank collections	5 research or popular articles published about the ArtBankSA collections	5	5 research or popu-lar articles published about the ArtBankSA collections	7	(+2)	Slight overachievement, more submissions received
Amount of income generated by the ArtBankSA	R 50k per annum income generated.	R 10 800	R 50k per an-num income generated.	R 112 654	(R 62 654)	More leases signed than anticipated.
ArtBank Sales and Marketing Strategy and MOU with DSAC	ArtBank Sales and Marketing Strategy by April 2020	0	n/a	n/a	None	No deviation

The targets that have been significantly achieved propel the museum to exceedingly achieve its strategic objectives and these will invariably impact on the strategic priorities of government.

The National Museum has prioritised women, youth and persons with disabilities on its programmes and no challenges were encountered when prioritising delivery for these designated groups.

Linking performance with budgets

The links between the Museum's budget and its core programmes are indicated in the table below:

	2020.2021			2021/2022		
Programme/ activity/objective	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Programme 2: Public Engagement	1 623	802	821	942	834	108
Total	1 623	802	821	942	834	108

PROGRAMME 3: COMPLIANCE AND ADMINISTRATION

Programme 3: Compliance and Administration	
Purpose	To provide the necessary professional support and compliance services to ensure the achievement of the Museum's Primary objectives of carrying out quality research, expanding and managing diverse heritage collections and communicating this to all, through educational programmes, exhibitions and publications, to emphasise the importance of this diverse heritage to the South African nation.
Sub Programmes (if Applicable)	**Sub – Programme Purpose**
Support Services	To provide support through Human resources, information technology, security, risk management, supply chain management to enable the Museum to achieve its mandate
Compliance Services	To provide support to the Museum to ensure compliance with Legislation, guidelines, frameworks to avoid audit Findings

Key performance indicators, planned targets and actual achievements

Outcomes: Improved governance of the Museum						
Output indicator	**Planned Target 2020/2021**	**Actual Achievement 2020/2021**	**Planned Target 2021/2022**	**Actual Achievement 2021/2022**	**Deviation from planned target to Actual Achievement for 2021/2022**	**Comment on deviations**
Achieve an unqualified audit report	Unqualified audit report achieved for 2019.20 financial year	Unqualified audit report for 2019.2020 financial year	Unqualified audit report achieved for 2020.21	Achieved clean audit for the 20.21 financial year	Improved audit opinion	Improved governance and compliance
No of staff training opportunities to support governance	3 staff training opportunities to support governance (including virtual)	3	3 staff training opportunities to support governance (including virtual)	11	(+8)	A need arose for more training
No of policies reviewed	All policies reviewed in a 3 year cycle.	100%	All policies reviewed in a 3 year cycle.	100%	None	No deviation
Information technology governance enhanced with investment in IT infrastructure and relevant policies	Investment in new IT infrastructure	1	n/a	n/a	None	No target
	New IT policies to be drafted by 31 March 2021 1	n/a	n/a	None	No target	
Performance and Financial reporting Annual report submitted on time including lockdown revised dates	Quarterly performance reports submitted on time including lockdown revised dates	100%	Quarterly performance reports submitted on time including lockdown revised dates	100%	None	No deviation
	1	Annual report submitted on time	Annual report submitted on time.	None	No deviation	
No of disciplinary actions taken for non-compliance with PFMA and policy	100% on all matters identified to implement consequence management		100% on all matters identified to implement consequence management	100%	None	No deviation

Risk Management is implemented Annual Risk Treatment Plan Combined Assurance Plan in Place	Risk Management Registers (Operational, Strategic and Fraud Risk Registers) updated quarterly	100%	Risk Management Registers (Operational, Strategic and Fraud Risk Registers) updated quarterly	100%	None	No deviation
	1	Annual Risk Treatment Plan	1	None	No deviation	
	1	Combined Assurance Plan in Place	1	None	No deviation	

The targets that have been significantly achieved propel the museum to exceedingly achieve its strategic objectives and these will invariably impact on the strategic priorities of government.

The National Museum has prioritised women, youth and persons with disabilities on its programmes and no challenges were encountered when prioritising delivery for these designated groups.

Linking performance with budgets

The links between the Museum's budget and its core p rogrammes are indicated in the table below:

	2020.2021			2021.2022		
Programme/ activity/objective	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Programme 3: Compliance and Administration	988	789	199	15 310	11 561	3 749
Total	988	789	199	15 310	11 561	3 749

Summary:

Achievement Status	No of Indicators	%
Achieved/ Overachieved	57	87,5%
Partially Achieved	7	9.375%
Not achieved	2	3,125%
Total	**66**	**100%**

Graphic representation of % achievement for the financial year 2021/2022

ANNEXURES

MUSEUM PUBLICATIONS 2021/2022

PEER-REVIEWED ARTICLES BY MUSEUM SCIENTISTS 2021/2022

Research Department	Peer- reviewed publications
Archaeology and Anthropology Author: **Dr Will Archer**	BANDINI, E., MOTES-RODRIGO, A., **ARCHER, W.** et al. Naïve, unenculturated chimpanzees fail to make and use flaked stone tools [version 1; peer review: 3 approved]. Open Research Europe 2021, 1:20 (https://doi.org/10.12688/openreseurope.13186.1) BOBE, R., ALDEIAS, V., ALEMSEGED, Z., **ARCHER, W.,** et al. (2021). The First Miocene Fossils from Coastal Woodlands in the Southern East African Rift. [online] papers.ssrn.com. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3941489 [Accessed 20 May 2022]. MARTINÓN-TORRES, M., D'ERRICO, F., SANTOS, E., ÁLVARO GALLO, A., AMANO, N., **ARCHER, W.**, et al. 2021. Earliest known human burial in Africa. Nature 593: 95-100 MCPHERRON, S.P., **ARCHER, W.,** OTÁROLA-CASTILLO, E.R., TORQUATO, M.G. and KEEVIL, T.L., 2021. Machine learning, bootstrapping, null models, and why we are still not 100% sure which bone surface modifications were made by crocodiles. Journal of Human Evolution, p.103071. MOTES-RODRIGO, A., MCPHERRON, S.P., **ARCHER, W.,** HERNANDEZ-AGUILAR, R.A. and TENNIE, C. 2022. Experimental investigation of orangutans' lithic percussive and sharp stone tool behaviours. PLOS ONE, 17(2), p.e0263343. doi:10.1371/journal.pone.0263343
Florisbad Quaternary Research Station Authors: **Dr Lloyd Rossouw** **Dr Sharon Holt**	CODRON, D., **HOLT, S.**, WILSON, B. and Horwitz, L.K. (2021). Skeletal allometries in the leopard tortoise (Stigmochelys pardalis): Predicting chelonian body size and mass distributions in archaeozoological assemblages. Quaternary International. doi:10.1016/j.quaint.2021.07.021. GRINE, F.E, GONZALVO, E., **ROSSOUW, L., HOLT, S.,** BLACK, W., BRAGA, J. Variation in Middle Stone Age mandibular molar enamel-dentine junction topography at Klasies River Main Site assessed by diffeomorphic surface matching. Journal of Human Evolution" WROTH, K., TRIBOLO, C., BOUSMAN, C.B., HORWITZ, L.K., **ROSSOUW, L.,** MILLER, C.E. AND TOFFOLO, M.B. (2022). Human occupation of the semi-arid grasslands of South Africa during MIS 4: New archaeological and paleoecological evidence from Lovedale, Free State. Quaternary Science Reviews, [online] 283, p.107455. doi:10.1016/j.quascirev.2022.107455. **ROSSOUW, L.** 2022. Morphological variation in the distal phalanges of the springbok, *Antidorcas marsupialis* (Zimmermann 1780) (Mammalia: Bovidae). *South African Journal of Science*, 118(3/4)

History

Authors:

Dr Hendrik Snyders

Dr Derek Du Bruyn

Dr Mariaan Botes

BOTES, M. 2022. Bloemfontein as militêre setel in die tweede helfte van die 19de eeu, met spesiale verwysing na die Reitz-tydperk, 1889–1895. LitNet Akademies 18(2)

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DU BRUYN, D. 2021. Clipped hedges and topiary in South African gardens, 1652–1939: the Africanization of a European garden art, Garden History 49(2) Winter

SNYDERS, H. (2021): 'In the Interest of Reporting the Facts, and Not the Fiction, of South African Sport': Race, Netball, and the Struggle for Social Justice in South Africa.The International Journal of the History of Sport, DOI: 10.1080/09523367.2021.1999231"

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Mammology

Author:

Dr Nico Avenant

C1 NRF Rated Researcher

AVENANT, N.L & MORWE, J.B. 2021. Black-backed Jackal diet in the Maria Moroka Nature Reserve, Free State Province: Implications for managing depredation on small stock farms. Indago 37: 55–66. ISSN 0067-9208.

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Palaeontology

Author:

Dr Jennifer Botha

B1 NRF rated Researcher

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Plant and Animal Systematics

Authors:

Dr Michael Bates

Dr Cora Stobie

BATES, M.F. & **STOBIE, C.S**. 2022. Current-day distribution of the rinkhals (*Hemachatus haemachatus*) in central South Africa and Lesotho: An evaluation based mainly on photographic and videographic records from social media. African Journal of Herpetology 71(1): 94-100.

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Terrestrial Invertebrates

Authors:

Dr Lizel Hugo- Coetzee

Dr Gimo Daniel

Mr Burgert Muller

Mr Jan- Andries Neethling

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ERMILOV, S.G., **HUGO-COETZEE, E.A**., KHAUSTOV, A.A. 2021. Contribution to the knowledge of *Geminoppia* (*Acari, Oribatida, Oppiidae*) with description of a new species from South Africa. Acta Zoologica Academiae Scientarum Hungaricae 67(3), 211-222.

ERMILOV, S.G., **HUGO-COETZEE, E.A**., KHAUSTOV, A.A. 2021. *Malgacheliodes martensi* spec.nov. (*Acari, Oribatida, Licnodamaeidae*) from South Africa. Zootaxa 4984(1):357-367

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MULLER, B.S. (2021) *Piophilidae* (Skipper Flies) 68. In: Kirk-Spriggs, A.H. & Sinclair, B.J. (eds) Manual of Afrotropical *Diptera*. Volume 3. *Brachycera-Cyclorrhapha*, excluding *Calyptratae*. Suricata 8. South African Biodiversity Institute, Pretoria: pp. 1597-1606

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EXHIBITIONS HOSTED AT OLIEWENHUIS ART MUSEUM 2021/22

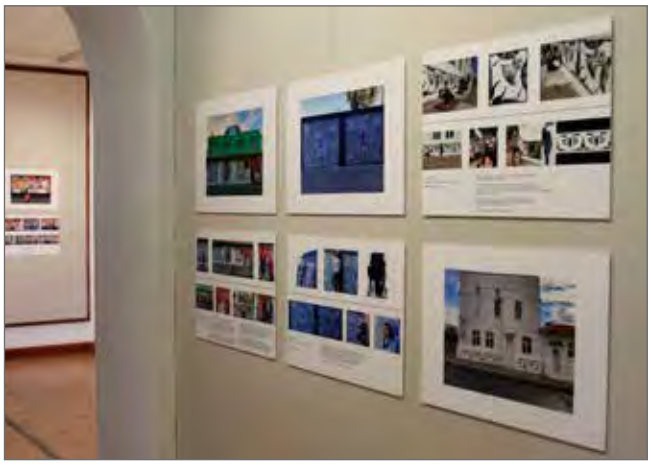
TEMPORARY EXHIBITIONS AT OLIEWENHUIS ART MUSEUM 2021/2022

1. ***Site, Materiality and Ritual; Constructively Engaging with Death and Loss***
A solo-exhibition by Adelheid von Maltitz, 13 May – 20 June 2021, Main Building

2. ***2020 Lockdown Art Quilts: An exhibition of quilts by members of the Oranje Quilters' Guild,*** 21 May – 21 June 2021, Annex Gallery

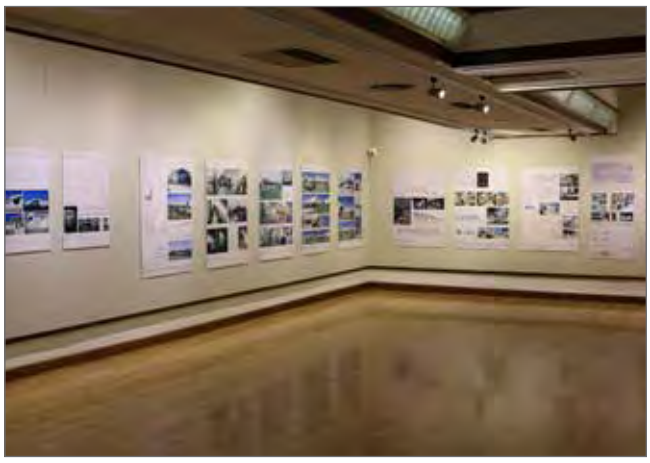
3. ***Tripe*, Installation artwork,** 5 June – 20 June 2021, outside of balcony Main Building

4. ***Life Line: Art in the time of COVID - PESP Projects,*** 26 July - 22 August 2021, Main Building. Oliewenhuis Art Museum and ArtBankSA celebrated the success PESP projects with an exhibition showcasing a selection of artworks from the ArtBankSA *Banking with Art – Connecting Lives Art Bank Commissioning Programme* and images of murals created for the *Public Arts Programme – Towards a People's Culture.*



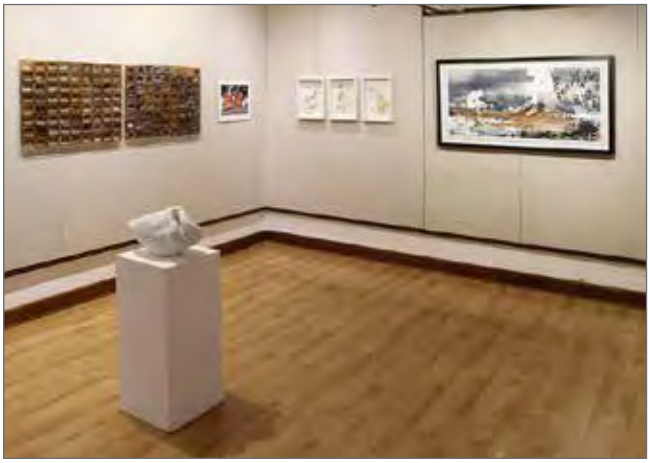
5. ***The language of visual art: a curriculum based exhibition,*** 26 July - 5 September 2021**,** Annex Gallery**.** Curated from the Permanent Collection of Oliewenhuis Art Museum. The language of visual art was an exhibition based on the Grade 10 visual art curriculum with a special focus on the formal elements of art.

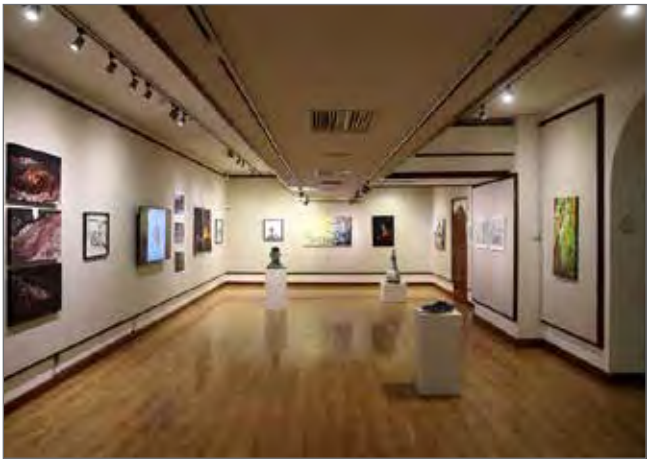
6. ***32nd Sophia Gray Memorial Lecture and Exhibition*****,** 26 August – 26 September 2021, Main Building. Lucien le Grange was the presenting architect.



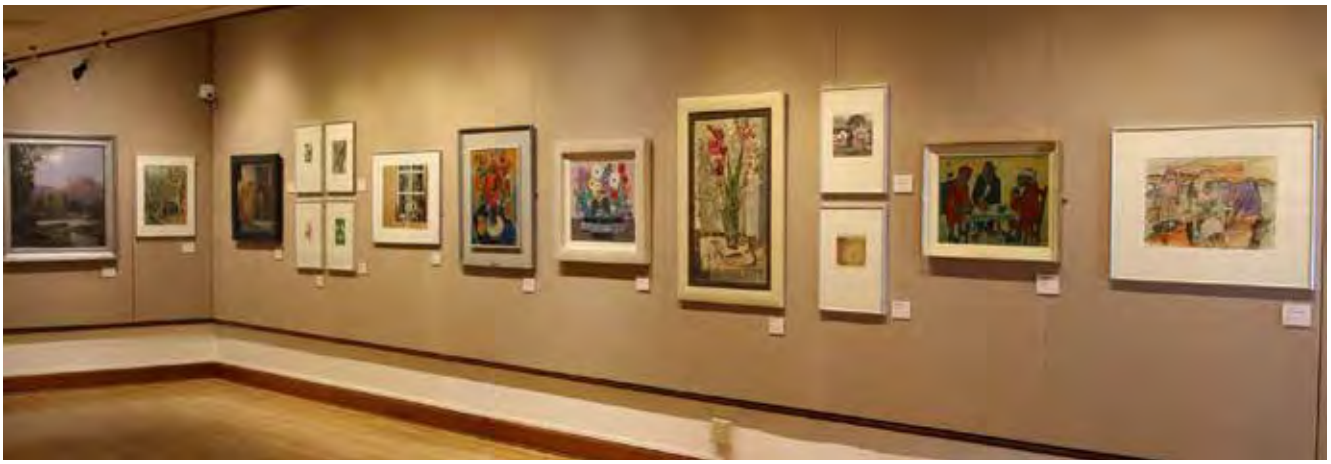
7. ***Āvāhana – Invocation,* a solo-exhibition by Amita Makan,** 5 October – 24 January 2022, Reservoir. Celebrated internationally for fabric constructions with embroidery and collage, Makan infuses her work with identity, memory and history by using vintage saris, and intuits the contemporary by integrating found materials.

8. ***New Breed Art Competition Exhibition*,** 5 October – 14 November 2021, Main Building.
A total of 48 artworks by 40 new and upcoming Free State artists were showcased as part of the 2021 New Breed Art Competition Exhibition at Oliewenhuis Art Museum in Bloemfontein.





9. ***Hope:*** An exhibition curated from the Permanent Collection by retiring Principal Conservator at Oliewenhuis Art Museum, Linda Wheeler, 4 October – 21 November 2021, Annex Gallery

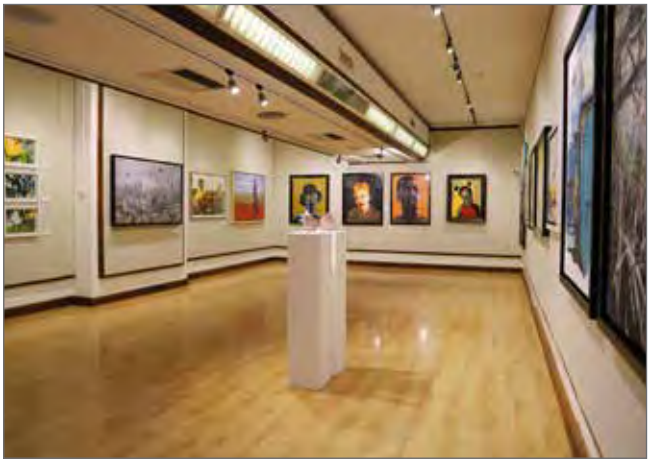


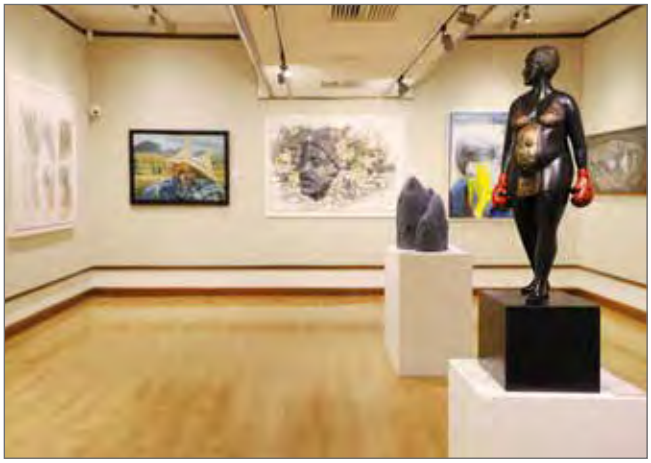
10. ***From desolated recollections to anticipated festivities,*** 25 November 2021 – 20 February 2022, Main Building. Curated from Oliewenhuis Art Museum's Permanent Collection and ArtbankSA's Collection by Education Officer, Yolanda de Kock.

11. ***Are you game?*** 2 December 2021 – 13 February 2022, Annex Gallery. An exhibition curated by the Art Museum Guides at Oliewenhuis Art Museum. This annual project forms part of the extensive training and experience provided to the guides during their contract period.

12. ***Walking on a rim of light***, a solo exhibition by Diana Page, 24 February – 10 April 2022, Reservoir

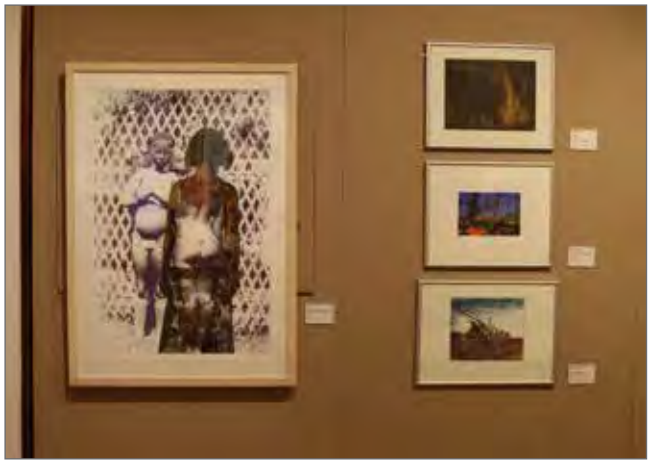
13. ***IN STRANGER TIMES: The Art Bank of South Africa 2021 New Acquisitions Exhibition*****,** 3 March – 24 April 2022, Main Building

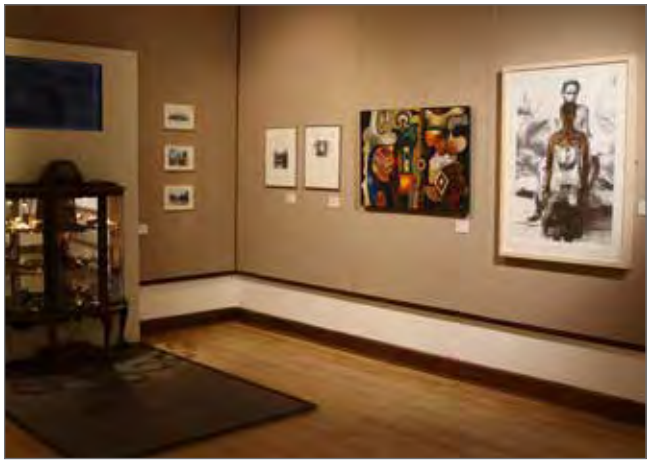




Rotation of artworks in Permanent Collection Exhibition Area, 1st Floor

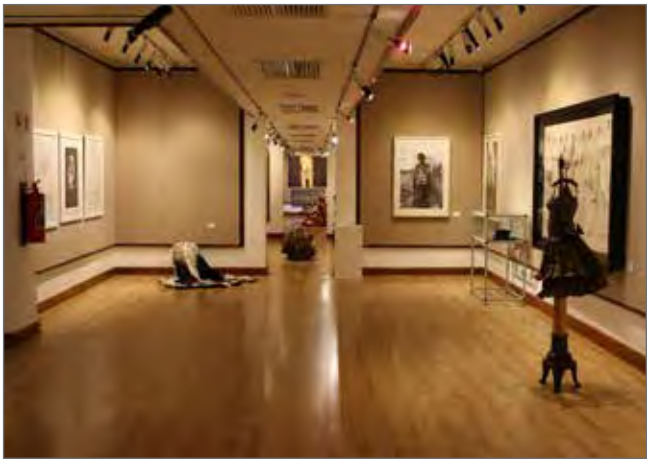
1. ***Reflections: An Africa Day exhibition***, 25 May- 22 August 2022, Permanent Collection Exhibition Area. To celebrate Africa day 2021 the Education Assistant, Boitumelo Moloabi, set up a reflective exhibition that commemorates Africa through art. The exhibition touched on topics like monuments to emphasize the thought of land in relation with time, people and creation and recreation of history.



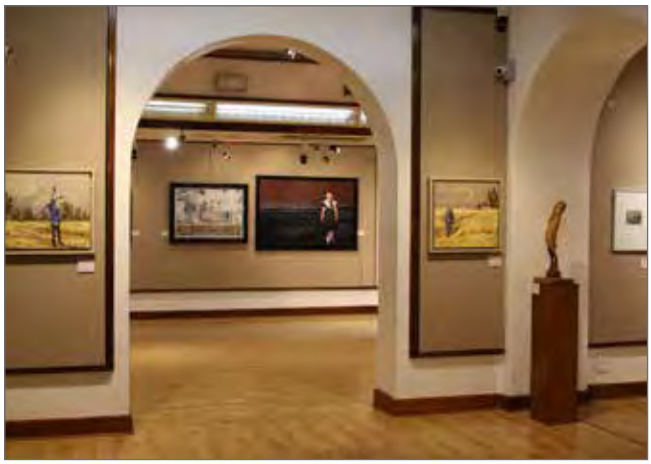


2. ***Landscape. Nature. Elements*****,** 1 June 2021 – 1 August 2021, Permanent Collection Exhibition Area. An exhibition with a small selection of artworks from Oliewenhuis Art Museum's Permanent Collection was curated to serve as inspiration for the annual Free State Young Artists Award Competition. The National Museum is hosting this competition, with the theme 'Restoring damaged ecosystems', in celebration of Youth Day 2021.

3. ***Containment: stitched aesthetics to cultural constraint,*** 6 August 2021- 30 April 2022, Permanent Collection Exhibition Area. This exhibition reflected on notions of cultural constraints, by utilising artworks from the Permanent Collection of Oliewenhuis Art Museum, and century old artifacts: garments (corsets, gloves and Chinese Lotus shoes) that are treasured at the National Museum, Bloemfontein's History Department's collection.



4. ***PESP Projects Revisited,*** 16 December 2021- 31 March 2022, Permanent Collection Exhibition Area. Oliewenhuis Art Museum and ArtBankSA showcased a selection of artworks from the ArtBankSA *Banking with Art – Connecting Lives Art Bank Commissioning Programme* and images of murals created for the *Public Arts Programme – Towards a People's Culture.*



EXHIBITIONS HOSTED BY THE ART BANK OF SOUTH AFRICA 2021/2022

EXHIBITIONS HOSTED BY THE ART BANK OF SOUTH AFRICA 2021/2022

Tiyo ya diatla: New Acquisitions of the Art Bank of South Africa Exhibition, 11 March – 18 April 2021, Oliewenhuis Art Museum. The questions asked by artists in this exhibition reflect their individual proclivities whilst engendering a notion of resilience and the spirit of humanity that has come to characterise how the world.

Tla o le jaalo/Kom net soos jy is: Northern Cape Provincial Launch, 28 May – 24 August 2021, William Humphreys Art Gallery. This exhibition favours the more figurative works in the ArtbankSA collection with the aim of exploring issues of identity in contemporary South Africa.

Once We Were Heroes: North-West Provincial Launch, 23 June – 5 August 2021, NWU Art Gallery and Klerksdorp Museum. In recognising the complexities of the times, *Once We Were Heroes* attempts to acknowledge and celebrate the artists who have persevered and continued to produce artworks without the certainty of what will become of their produce, as the old normal would have "given" them.

Lifeline: Art in the time of COVID - PESP Projects, 26 July - 22 August 2021, Oliewenhuis Art Museum. ArtbankSA and Oliewenhuis Art Museum celebrated the success PESP1 projects with an exhibition showcasing a selection of artworks from the ArtbankSA *Banking with Art – Connecting Lives Art Bank Commissioning Programme* and images of murals created for the *Public Arts Programme – Towards a People's Culture.*

Making: Photography of emerging female artists, 26 August - 30 September 2021**,** National Museum Bloemfontein. In 2021, the ArtbankSA marked Women's Month with the "*MAKING: PHOTOGRAPHY OF EMERGING FEMALE ARTISTS*" exhibition.

IN STRANGER TIMES: 2021 New Acquisitions exhibition, 3 March – 19 June 2022, Oliewenhuis Art Museum. With the many threats to the future of humanity such a global pandemic, anthropogenic climate change, and the developments in technology, *IN STRANGER TIMES* explored what constitutes life; biophilic and human, the relationship between individuals and technologies, the connection between bodies and the earth.

PART C:
GOVERNANCE

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, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King Report on Corporate Governance. Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

The National Museum strives to be committed to sound corporate governance and is primarily guided by generally accepted corporate governance practices, as well as Corporate Governance in the public sector. These seek to ensure that the Museum's mandate is fulfilled with due consideration to responsive decision making, accountability, effective and ethical leadership, as well as fairness and transparency whilst monitoring performance and compliance with statutory requirements.

PORTFOLIO COMMITTEES

The Museum did not attend any meetings for the period.

EXECUTIVE AUTHORITY

All compliance reports were submitted to DSAC by the due date. No issues have been raised.

THE ACCOUNTING AUTHORITY/ BOARD

The full report is tabled in the Annual Financial Statements.

RISK MANAGEMENT

The National Museum is required to maintain an effective, efficient and transparent system of financial, risk management and internal control measures in accordance with the provisions of the PFMA. Council has identified risk management as a focus area and its current practices were enhanced by the strengthening of the policy environment and risk reporting. The Council approved a Risk Management Framework and Policy in 2019.

Risks are continuously identified, assessed, evaluated, mitigated, monitored and reviewed. As each risk was identified it was allocated to a relevant person in the respective Department responsible for the day-to-day management thereof and recorded in a risk register that contains the descriptions, causes, controls in place, assessments and mitigating actions of all risks identified. The identification was both at operational and strategic levels and regular assessments were performed to determine the effectiveness of the risk management and to identify emerging risks.

The Audit and Risk Committee advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. They also advise the Council on risk management and independently monitor the effectiveness of the system of risk management.

Enterprise-Wide Risk Management has been fully implemented at the Museum. There has been significant progress in the reporting period in the management of risks, and this has translated into improvements in the Museum's performance.

INTERNAL CONTROL UNIT

There is no separate Internal Control Unit. Management is responsible for the maintenance of internal controls.

INTERNAL AUDIT AND AUDIT COMMITTEES

Objectives of Internal audit

The objectives of internal audit are to provide independent, objective assurance and consulting activities designed to add value and improve operations of the Museum.

Key Activities of Internal Audit

A risk-based strategic approach is adopted which takes into account the results of the formal risk assessment conducted by management. This was used to develop a risk-based three- year internal audit plan. This is revised annually and the annual internal audit plan based on updated risk assessment is submitted to the audit committee for approval at the start of the financial year. The Internal Audit Plan was implemented for 2021.22 and was within budget.

Key activities and objectives of the audit committee

The Audit and Risk Committee's scope of work is determined by the requirements of the Treasury Regulations 3.1.10 accordingly and in line with this regulation, the committee's objectives were to assess and advise among other things, on the following matters:

- Effectiveness of the internal control systems;
- Effectiveness of the internal audit function;
- Risk areas of the Museum's operations to be covered in the scope of internal and external audits;
- Adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audit
- The Museum's compliance with legal and regulatory provisions;
- Activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, reports of the significant investigations and responses of management to specific recommendations

The table below discloses relevant information of the Audit and Risk Committee members

Name	Qualifications	Internal or External	If internal, position in the public entity	Date Appointed	Date Resigned	No of meetings attended
Mr MR Mothapo (Chairperson)	B. Compt	External	N/A	01 June 2021	N/A	5
Mr M Noge	CA (SA)	External	N/A	08 October 2021	N/A	4
Ms FS Tshikhudo	Masters in Business Administration (MBA) B.Com (Honours) Postgraduate Diploma in Risk Management B.Com Accounting	External	N/A	01 June 2021	N/A	4

Mr TK Mothudi	B.Compt Post Graduate Diploma in Forensic auditing Post Graduate Diploma in Risk Management B.Com Law	External	N/A	01 June 2021	N/A	3
Adv M Zulu	LLB & Certificate in Legislative Drafting	External	N/A	08 October 2021	N/A	2
Dr L Munsamy	Masters Degree in Public Administration (MPA). Occupational Based ETD-Human Resource Management. ETD-Inclusive Education. Occupational Based ETD-Public Sector (Budget & General Financial Management, Occupationally Based ETD-Public Sector (Manage Expenditure against Budget)	External	N/A	07 November 2018	31 August 2021	3
Mr M Mphi	B.Com (Accounting)	External	N/A	14 June 2018	30 June 2021	2

COMPLIANCE WITH LAWS AND REGULATIONS

The National Museum has developed policies and procedures aligned to laws and regulations that govern the industry in which the Museum operates, in order to ensure compliance. The policies and procedures were reviewed and approved by Council. The National Museum complied with laws and regulations and no material non-compliance was identified by the AGSA during the audit. Compliance is reported on quarterly through the Audit Committee.

FRAUD AND CORRUPTION

The National Museum developed a Fraud Prevention Plan. Training and sensitisation of reporting fraud was highlighted to the staff and how to make use of the DAC Fraud hotline. No cases were reported. Management and the Audit and Risk Committee held a scheduled Fraud Risk Workshop and identified fraud risks. A Fraud Risk Register is maintained and tabled to Council on a quarterly basis.

MINIMISING CONFLICT OF INTEREST

Service providers depending on the threshold as determined in the Museum's Supply Chain Management Policy, are required to declare their interest and knowledge of Museum's officials that are or could be involved in the respective procurement process in an SBD4 form in accordance with National Treasury Practise Note 7 of 2009/2010.

CODE OF CONDUCT

As a public entity the Museum subscribes to both the Code of Conduct for Public Servants and the International Council of Museums (ICOM) Code of Ethics for Museums. The reason for adopting these two Codes is to help Museum employees to understand the standards of personal and professional behaviour required to enable the Museum to fulfil its public mandate in terms of the Cultural Institutions Act of 1998 and the Public Service Act of 1994.

HEALTH SAFETY AND ENVIRONMENTAL ISSUES

A special Health and Safety Report was procured to review the Museum's fire hazards. The OHS committee was active in the financial period and systematically attended to all the recommendations from this report. OHS first responders received refresher training in First Aid and Fire. OHS Committee members received OHS Supervisor Training.

AUDIT COMMITTEE REPORT

Full report is tabled in the Annual Financial Statements

BBBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	**Response Yes / No**	**Discussion (*include a discussion on your response and indicate what measures have been taken to comply*)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate
Developing and implementing a preferential procurement policy?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate, however the Museum has developed and is currently implementing an SCM policy that applies 80/20 preferential point system that is based on PPPFA
Determining qualification criteria for the sale of state-owned enterprises?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate
Developing criteria for entering into partnerships with the private sector?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The entity was assessed for BBBEE status and obtained Non-compliant BBBEE certificate

PART D:
HUMAN RESOURCE MANAGEMENT

INTRODUCTION

In the prior period the Council approved an **Employment Equity Policy and Plan**. The Employment Equity Plan considered national and regional demographics and targets were accordingly set. The Museum is in the process of transformation and endeavours to attract black scientists to our team. Transformation is a key imperative and the Museum is lagging behind when it comes to the number of black scientists and Heads of Research departments employed. These challenges can be addressed when vacancies arise. During the financial period, the Museum was successful in employing a skilled black staff to join the team, improving its demographical representation.

The Museum has improved its demographic representation in line with Employment Equity plan targets:

- The NM equity targets set in the plan were in line with the South African demographics.

- The Museum realised an improvement in the overall gender breakdown in the 22.23 financial period reflecting an increased bias towards females. The gender breakdown is **58% (20.21: 55%) female** and **42% (20.21: 45%) male**. The equity targets for gender have been achieved and exceeded through the over representation of White Females in the professionally qualified and skilled categories.

- The female category is broken down as follows **59.3% African; 32.8% White; 6.25% Coloured and 1.5 % Indian.** From an equity point of view Black females (African, Coloured, and Indian) are under-represented in proportion to the national demographics. In order to improve employment equity, the NM set a target to improve its representation of black females in the professional and skilled categories by 10% in year 1 (21/22) should vacancies arise.

- The male category representation is broken down as follows **65.9 % Black; 27.6% White; 6.38% Coloured and 0% Indian.** From an equity point of view Black males (African, Indian and Coloured) are under-represented in proportion to the national demographics. In order to improve employment equity, the NM set a target of improving its representation of black males in professional and skilled category by 10% in year 1 (2021/22) should vacancies arise.

The Museum has a **Programme to Develop Black Scientists**. Treasury approved the use of surplus funds to implement this development programme during 20.21 financial period. The Museum self-funded the programme in 21.22. Two black aspiring scientists were provided with development plans to develop them into museum scientists in the short term and they are being mentored by the HOD. Further, an internship appointment in Terrestrial Invertebrates is providing workplace experience for one black aspiring museum scientist. The Museum also has a target to attract a black scientist to complete his/her post-doctoral research in one of our research disciplines. In the current period, the position remained vacant as the Museum was not successful in its recruitment drive.

The Museum's competitive edge in research is maintained by the calibre of researchers appointed. We unfortunately compete for a small pool of highly skilled scientists with universities and other institutions which have much larger budgets. Year on year budget cuts that have been imposed on the Museum, exacerbate the situation and we find that top scientists are mostly unaffordable for the Museum.

The Museum implemented its performance management policy during the year. Special focus was placed on ensuring that targets set were aligned to job descriptions the Annual Performance Plan of the Museum.

Unionisation at the workplace

The Museum has a formalised unionised environment. There are 2 (two) unions that enjoy the support of 33 staff members at the Museum. These unions are NEHAWU with 31 members and PSA 2 members. The Council formally recognised NEHAWU in 2019, and in terms thereof a signed Recognition Agreement was concluded between the employer and the Union. Pursuant to this agreement, 2 (two) shop stewards have been appointed at the Museum workplace to represent staff in their dealings with management. Further in terms of the agreement, NEHAWU and Management meet to discuss staff issues that the union wants to raise. The Council is apprised on a quarterly basis of union issues which are raised.

HUMAN RESOURCE OVERSIGHT STATISTICS

Below are our key Human Resource Oversight Statistics:

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Programme 1. Business development: Curation and Conservation of Collections, Research and Information Management	21,341	20,354	95%	37	550
Programme 2. Public engagement: Marketing, Public Educational Programmes	8,434	8,308	99%	29	286
Programme 3: Administration: Support services	29,283	15,144	52%	45	337

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	1,672	4	1	1,672
Senior Manager	1,317	3	1	1,317
Professional qualified	12,377	28	18	688
Skilled	18,209	42	31	587
Semi-skilled	2,900	7	17	171
Unskilled	7,331	17	43	170
TOTAL	**43,806**	**100**	**111**	**4,605**

*The above figure includes temporary and fixed term staff that are not on the organogram.

Performance Rewards

Programme/activity/objective	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	0*	1,672	0 *
Senior Management	9	1,317	0.68
Professional qualified	42	12,377	0.34
Skilled	183	18,209	1.00
Semi-skilled	19	2,900	0.66
Unskilled	46	7,331	0.63
TOTAL	**299**	**43,806**	**0.68**

Due to the budget cuts effected during pandemic, Top Management elected not to receive bonus payments in the prior period.

Training Costs

EXTERNAL TRAINING CONDUCTED 21.22		
Course	**No. of staff**	**Per unit cost R**
Rifle training	3	500
MS Office	1	1,990
POPIA Training	20	950
OHS training	61	309
Online caseware training	1	6,307

Employment and vacancies

Programme/activity/objective	2020/2021 No. of Employees	2020/2021 Vacancies	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Permanent	100	3	92	6	6.52%
Fixed Term	5	0	10	0	0%
Casuals (Relief Staff)	1	0	1	0	0%
Interns	11	1	8	0	0%

Programme/activity/objective	2020/21 No. of Employees	2020/21 Vacancies	2021/22 No. of Employees	2021/22 Vacancies	% of vacancies
Top Management	1	0	1	0	0%
Senior Management	1	1	1	0	0%
Professional qualified	17	0	17	1	5.88%
Skilled	41	0	41	2	4.88%
Semi-skilled	12	1	18	0	0.00%
Unskilled	36	0	33	0	0.00%
TOTAL	**108**	**2**	**111**	3	2.70%

Employment changes

Table below reflects information on changes in employment over the financial year.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	1	0	0	1
Professional qualified	17	1	1	17
Skilled	41	4	4	41
Semi-skilled	12	6	0	18
Unskilled	36	3	5	33
Total	**108**	**14**	**10**	**111**

*The above table excludes interns and casual staff not on the organogram.

Reasons for staff leaving

Reason	Number
Death	0
Resignation	5
Dismissal	0
Retirement	5
Ill health	0
Expiry of contract	1
Other	0
Total	11

Staff turnover is very low at the Museum.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	0
Final Written warning	1
Dismissal	0

Equity Target and Employment Equity Status

The Museum's staff demographics comprise 58% female and 42% male. African staff make up 62.1%, White staff 33%, Coloured staff 6.3% and Indian staff 0.9% of the staff complement. The Museum has an Employment Equity Plan and has established equity targets which guide the recruitment of staff.

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	1	2	0	1	0	1	6	3
Skilled	10	10	0	0	0	0	5	5
Semi-skilled	6	6	1	1	0	0	1	0
Unskilled	14	12	2	2	0	1	1	2
SUB TOTALS	**31**	**30**	**3**	**4**	**0**	**2**	**13**	**10**
TOTAL MALES	**47**							

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0
Professional qualified	1	4	0	1	1	1	6	2
Skilled	11	12	2	2	0	1	13	10
Semi-skilled	4	4	1	1	0	0	2	2
Unskilled	21	18	0	1	0	1	0	1
SUB TOTAL	**38**	**39**	**4**	**6**	**1**	**3**	**21**	**15**
TOTAL								**64**

Levels	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	1
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**0**	**1**

PART E:
FINANCIAL INFORMATION

REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to Parliament on the National Museum Bloemfontein

Report on the audit of the financial statements Opinion

1. I have audited the financial statements of the National Museum set out on pages 65 to 136, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Museum as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

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

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2022.

Responsibilities of the accounting authority for the financial statements

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

9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report Introduction and scope

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

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public 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 public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 1 - business development	**26-36**

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

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 1 - business development

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 26 to 36 for information on the achievement of planned targets for the year and management's explanations provided for the under/ overachievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These

material misstatements were in the reported performance information of programme 1 - business development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual 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.

23. My opinion on the financial statements, 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.

24. 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.

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

Internal control deficiencies

26. 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. I did not identify any significant deficiencies in internal control.

Auditor-General

Bloemfontein

31 July 2022

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure - Auditor-general's responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

4. I also 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.

ANNUAL FINANCIAL STATEMENTS

National Museum Bloemfontein Financial statements
for the year ended March 31, 2022

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

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Abbreviations:

PFMA	Public Finance Management Act
GRAP	Generally Recognised Accounting Practice

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3 Entity
Nature of business and principal activities	To collect, preserve, interpret and display objects of artistic, cultural or scientific significance for the education of the public.
Members	Adv J Leshabane (Chairperson of Council) Dr E Mohatlane (Deputy Chairperson of Council) Mrs M De Roche-Holmes Mr M Noge Mr M Mabalane Adv M Zulu Mr M Makhweyane Ms N Mbonambi Ms T Mosala Ms T Jimana Mrs E Nzimande Dr D Morris (term ended 31 August 2021) Dr L Munsamy (term ended 31 August 2021) Mrs G Ritchie (term ended 31 August 2021) Mr C Fortune (term ended 31 August 2021)
Registered office	36 Aliwal Street Bloemfontein Central Bloemfontein 9301
Business address	36 Aliwal Street Bloemfontein Central Bloemfontein 9301
Bankers	ABSA South African Reserve Bank
Auditors	Auditor General of South Africa
Relevant Legislation	Generally Recognised Accounting Practice (GRAP) Public Finance Management Act (PFMA) (Act No. 1 of 1999) Employment Equity Act (No. 55 of 1999) Skills Development Levies Act (Act No. 9 of 1999) Unemployment Insurance Act (Act No. 30 of 1966) Basic Conditions of Employment (Act No. 75 of 1997)
Chief Executive Officer	Ms. S. Snell (Appointed 1 April 2018)
Chief Financial Officer	Ms. Gabisile Simelane CA(SA) (Appointed 01 January 2020)

REPORT OF THE ACCOUNTING OFFICER

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the financial statements fairly present the state of affairs of the Museum as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and have been given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Museum and all employees are required to maintain the highest ethical standards in ensuring the Museum's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Museum is on identifying, assessing, managing and monitoring all known forms of risk across the Museum. While operating risk cannot be fully eliminated, the Museum endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the Museum's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, she is satisfied that the National Museum has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the National Museum's financial statements. The financial statements have been examined by the Museum's external auditors and their report is presented on page 61-64.

The financial statements set out on page 70, which have been prepared on the going concern basis, were approved by the National Museum on 31 July 2022 and were signed on its behalf by:

Sharon Snell
Chief Executive Officer
National Museum, Bloemfontein

AUDIT COMMITTEE REPORT

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

Audit committee members and attendance

The Audit Committee consists of the external members listed hereunder and the Committee is required to meet a minimum of two times per annum as per the provisions of the Public Finance Management Act (PFMA). In terms of the approved Audit Committee Charter, four meetings were held during the year. i.e. four meetings to consider the Quarterly Performance Reporting (financial and non-financial), one special audit committee to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Name of member	Number of meetings attended
Mr MR Mothapo (Chairperson)	5 (3-Year term appointed as an independent member)
Mr M Noge	4 (3-year term appointed as a non-independent member)
Ms FS Tshikhudo	4 (3-year term appointed as an independent member)
Mr TK Mothudi	3 (3-year term appointed as an independent member)
Adv M Zulu	2 (3-year term appointed as a non-independent member)
Dr L Munsamy (Contract ended 31 August 2021)	3 (3-year term appointed as a non-independent member)
Mr M Mphi (Contract ended 30 June 2021)	2 (3-year term appointed as an independent member)

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1. The audit 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.

The Committee has performed the following key responsibilities:

- Adopted the audit and Risk Management Charter and proposed approved to Council.
- Reconfirmed the appropriateness of the Internal Audit Charter and methodology.
- Approved the Internal Audit Plan for the financial year and monitored the implementation of the plan.
- Evaluated the findings raised by internal and external audit and made recommendations on ad dressing those matters.
- Performed a review of financial information submitted to the committee and commented specifically on concerns raised based on year-to-date information and accuracy of projections.
- Liaised with the Auditor General on matters relating to communication with those charged with governance.

The effectiveness of internal control

The Committee acknowledges management's effort to maintain controls within the Organisation.

Management is responsible for the Organisation's system of internal controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Financial Statements and to adequately safeguard, verify and maintain accountability of assets, and prevent and detect misstatement and losses. Nothing has come to the attention of Management and the Committee to indicate that any material breakdown in the functioning of these controls, procedure and systems has occurred during the year under review, internal auditors reported instances of non-compliance or weakness in internal controls. The Committee assessed Management's comments on the findings and are satisfied with the adequacy thereof and the remedial steps Management has proposed to deal with the findings. The Committee will receive a quarterly tracking register where from they will track Management's progress in resolving the findings.

The Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the financial year under review.

Internal audit

In terms of the PFMA, the Accounting Officer needs to ensure that the department has a system of internal audit under control and direction of the Committee. The internal audit function has been outsourced.

The Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity. The Committee is satisfied that the internal audit function maintains an effective internal quality assurance and programme that covers all aspects of the internal audit activities.

Mr MR Mothapo
Chairperson of the Audit Committee
31 May2022

Statement of Financial Position as at March 31, 2022

Figures in Rand thousand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	7	91	109
Receivables from exchange transactions	8	691	693
Receivables from non-exchange transactions	9	-	1,000
Cash and cash equivalents	10	115,783	130,088
		116,565	**131,890**
Non-Current Assets			
Property, plant and equipment	3	21,059	13,431
Heritage assets	4	138,999	148,872
Employee benefit asset	5	5,197	5,197
		165,255	**167,500**
Total Assets		**281,820**	**299,390**
Liabilities			
Current Liabilities			
Finance lease obligation	15	41	37
Payables from exchange transactions	11	5,655	4,562
Unspent conditional grants and receipts	14	61,875	65,556
Provisions	12	1,145	1,724
Payables from non-exchange transactions	13	-	18,000
		68,716	**89,879**
Non-Current Liabilities			
Finance lease obligation	15	41	82
Employee benefit obligation	5	32,889	30,848
		32,930	**30,930**
Total Liabilities		**101,646**	**120,809**
Net Assets		**180,174**	**178,581**
Reserves			
Capital replacement reserves		2,641	2,543
Accumulated surplus		177,530	175,953
Total Net Assets		**180,171**	**178,496**

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Artbank Income	6	168	72
Rental income		70	2
Projects income		170	241
Trading revenue	18	84	34
Interest received	19	2,998	3,173
Actuarial gains	5	826	-
Total revenue from exchange transactions		**4,316**	**3,522**
Revenue from non-exchange transactions			
External funding		326	165
Free use of buildings	36	3,157	3,994
Presidential employment stimulus programme	17	15	5,147
Transfers and subsidies received	20	71,840	57,958
Total revenue from non-exchange transactions		**75,338**	**67,264**
Total revenue received	16	**79,654**	**70,786**
Expenditure			
Staff costs	21	(45,610)	(46,532)
Remuneration of councillors and audit & risk committee	29	(573)	(384)
Depreciation	3	(2,158)	(2,488)
Finance costs	22	(160)	(35)
Bad debts		-	(9)
Fair value adjustments	39	(10,085)	-
Actuarial losses		-	(12,637)
Other operating expenses	23	(19,490)	(20,632)
Total expenditure		**(78,076)**	**(82,717)**
Surplus (Deficit) for the year		**1,578**	**(11,931)**

Statement of Changes in Net Assets

Figures in Rand thousand	Other NDR	Accumulated surplus	Total net assets
Balance at April 1, 2020	**2,448**	**187,884**	**190,332**
Changes in net assets			
Surplus for the year	-	(11,931)	(11,931)
Movement in accumulated reserves	95	-	95
Total changes	95	(11,931)	(11,836)
Balance at 01 April 2021 as restated*	**2,543**	**175,953**	**178,496**
Changes in net assets			
Surplus for the year	-	1,577	1,577
Movement in accumulated reserves	98	-	98
Total changes	98	1,577	1,675
Balance at March 31, 2022	**2,641**	**177,530**	**180,171**

Cash Flow Statement

Figures in Rand thousand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from customers		4,651	4,497
Grants received		68,500	65,382
Interest received		2,998	3,173
		76,149	73,052
Payments			
Employee costs		(43,595)	(45,441)
Suppliers		(36,664)	(214)
Finance costs		(160)	(35)
		(80,419)	(45,690)
Net cash flows from operating activities	26	**(4,270)**	**27,362**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(9,794)	(3,900)
Proceeds from sale of property, plant and equipment	3	8	7
Purchase of heritage assets	4	(212)	(232)
Net cash flows from investing activities		**(9,998)**	**(4,125)**
Cash flows from financing activities			
Finance lease payments		(37)	(33)
Net increase/(decrease) in cash and cash equivalents		**(14,305)**	**23,204**
Cash and cash equivalents at the beginning of the year		130,088	106,884
Cash and cash equivalents at the end of the year	10	**115,783**	**130,088**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Artbank income	177	-	**177**	168	**(9)**	1
Rental income	55	-	**55**	70	**15**	2
Projects income	100	-	**100**	170	**70**	3
Trading revenue	36	-	**36**	84	**48**	4
Interest received - investment	2,136	-	**2,136**	2,998	**862**	5
Total revenue from exchange transactions	**2,504**	**-**	**2,504**	**3,490**	**986**	
Revenue from non-exchange transactions						
Transfer revenue						
Grants received	60,857	-	**60,857**	71,840	**10,983**	6
Free Use of Building	4,193	-	**4,193**	3,157	**(1,036)**	7
Local and foreign aid assistance	-	-	**-**	15	**15**	8
External funding	206	-	**206**	326	**120**	9
Total revenue from non-exchange transactions	**65,256**	**-**	**65,256**	**75,338**	**10,082**	
Total revenue	**67,760**	**-**	**67,760**	**78,828**	**11,068**	
Expenditure						
Staff costs	(45,776)	-	**(45,776)**	(45,610)	**166**	10
Remuneration of councillors	(410)	-	**(410)**	(573)	**(163)**	11
Depreciation and amortisation	(2,488)	-	**(2,488)**	(2,159)	**329**	12
Finance costs	-	-	**-**	(160)	**(160)**	13
General Expenses	(17,381)	-	**(17,381)**	(19,490)	**(2,109)**	15
Total expenditure	**(66,055)**	**-**	**(66,055)**	**(67,992)**	**(1,937)**	
Operating surplus	**1,705**	**-**	**1,705**	**10,836**	**9,131**	
Fair value adjustments	-	-	**-**	(10,085)	**(10,085)**	21
Actuarial gains/losses	-	-	**-**	826	**826**	16
	-	**-**	**-**	**(9,259)**	**(9,259)**	
Surplus before taxation	**1,705**	**-**	**1,705**	**1,577**	**(128)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**1,705**	**-**	**1,705**	**1,577**	**(128)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	109	-	**109**	91	**(18)**	17
Receivables from exchange transactions	1,953	-	**1,953**	691	**(1,262)**	18
Cash and cash equivalents	130,088	-	**130,088**	115,783	**(14,305)**	19
	132,150	**-**	**132,150**	**116,565**	**(15,585)**	
Non-Current Assets						
Property, plant and equipment	12,197	-	**12,197**	21,059	**8,862**	20
Heritage assets	139,422	-	**139,422**	138,999	**(423)**	21
Employee benefit asset	5,197	-	**5,197**	5,197	**-**	
	156,816	**-**	**156,816**	**165,255**	**8,439**	
Total Assets	**288,966**	**-**	**288,966**	**281,820**	**(7,146)**	
Liabilities						
Current Liabilities						
Finance lease obligation	37	-	**37**	41	**4**	25
Payables from exchange transactions	4,840	-	**4,840**	5,655	**815**	23
Unspent conditional grants and receipts	68,939	-	**68,939**	61,875	**(7,064)**	24
Provisions	1,724	-	**1,724**	1,145	**(579)**	26
	75,540	**-**	**75,540**	**68,716**	**(6,824)**	
Non-Current Liabilities						
Finance lease obligation	82	-	**82**	41	**(41)**	25
Employee benefit obligation	30,848	-	**30,848**	32,889	**2,041**	22
	30,930	**-**	**30,930**	**32,930**	**2,000**	
Total Liabilities	**106,470**	**-**	**106,470**	**101,646**	**(4,824)**	
Net Assets	**182,496**	**-**	**182,496**	**180,174**	**(2,322)**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Reserves	2,543	-	**2,543**	2,641	**98**	
Accumulated surplus	161,953	-	**161,953**	177,532	**15,579**	
Total Net Assets	**164,496**	**-**	**164,496**	**180,173**	**15,677**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Reasons for the difference between budgeted and actual

1. **Artbank income**

The variance is due to the deferred revenue which was budgeted for as income for the current year.

2. **Rental income**

The variance in rental income is in relation to lockdown restrictions imposed in some parts of the financial year and the deteriorating National Museum premises which are not maintained by DPWI and therefore becoming less attractive to the public.

3. **Project income**

The variance in the project income is a result of more projects undertaken than initially planned.

4. **Trading revenue**

The variance in trading revenue is attributable to entrance fees for school visits that took place in the third and fourth quarters.

5. **Interest received**

The variance in interest from investment is in line with the financial market performance year ending 31 March 2022.

6. **Grants received**

The increase is attributable to other grants received by the Museum.

7. **Free use of buildings**

The decrease is attributable to the lettable area decrease per square meter and the relatable conditional assessment performed by DPWI

8. **Local and foreign aid assistance**

The variance is due to the fact that the National Museum did not budget for the local and foreign aid assistance.

9. **External funding**

The variance is due to more external funding received than initially budgeted for.

10. **Staff cost**

The saving realised correlates with the critical posts resignations that took place during the year and remained vacant until year end.

11. **Remuneration of Council**

The variance is due to the increased council members appointed by the Minister from 1 September 2021.

12. **Depreciation**

The variance is due to systematic allocation of depreciation and the new assets added.

13. **Finance cost**

The variance is a result of the photocopying machine being a budgeted expenditure and not an item of property, plant and equipment of which contrary to the standard, GRAP 13 requires that we recognise the asset on the substance over form resulting in a finance lease liability.

14. Presidential employment stimulus programme

The variance is due the fact that the PESP programme was not budgeted for as this was a once-off programme hosted by the National Museum (Oliewenhuis) and Art Bank.

15. General expenses

The variance in general expenses is due to urgent maintenance activities that had to be undertaken as DPWI was not maintaining the buildings occupied.

16. Actuarial gains

The variance is due to no budgeting for the actuarial gains that arise from the valuations of employee benefit obligations, as it is unpredictable whether the actuarial valuation will result in actuarial gains or losses.

17. Inventories

The slight decrease in inventories is due to closure of the museum shop for the greater part of the year as the HVAC project was in progress.

18. Receivables from exchange transactions

The significant decrease in receivables from exchange transactions is a result of the DSAC debtor for the PESP programme that was eventually settled in the third quarter of the year.

19. Cash and Cash equivalents

The cash and cash equivalent variance is a result of capital projects that were undertaken during the year.

20. Property, plant and equipment

The variance is due to purchases made during the year being more than initially budgeted.

21. Heritage assets

The variance is due to the valuation on the new acquisitions. This is an area that requires significant judgement and therefore the budgeted figure will likely not equal actual. This has resulted in an unbudgeted fair-value adjustment of R10 084 693.

22. Employee Benefits

The variance is due to the future obligations as determined.

23. Payables from exchange transactions

The increase in the payables from exchange transactions is as of the municipal invoices received late and therefore an increase in accruals.

24. Unspent conditional grants

The variance in unspent conditional grants is a result of the capital projects undertaken during the financial year.

25. Finance lease obligation

The variance is due to the unwinding of the lease component based on the contract concluded with the service provider.

26. Provisions

The variance is due to the decrease in provision value in the current year due to numerous municipal accounts that were taken over from the department of public works and the museum has managed to settle them timeously.

ACCOUNTING POLICIES

1. Presentation of Financial Statements

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

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand and are rounded off to the nearest thousand (R'000).

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

These accounting policies are consistent with the previous period.

11 Going concern assumption

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

Funds were obtained and used in accordance with a legally adopted budget.

12 Comparative figures

Where the presentation or classification of items in the financial statements is amended, prior period comparative amounts are also restated and reclassified. The nature of and reason for the reclassification will be disclosed.

Where accounting errors relating to prior periods have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. The presentation and classification of items in the current year is consistent with prior periods, unless specified otherwise.

13 Critical accounting estimates and judgements in applying policies

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in the future periods.

Judgements

In the process of applying these accounting policies, management has made certain judgements that may have a significant effect on the amounts recognised in the financial statements.

Estimates

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities at date of Financial Position as well as the reported revenue and expenses for the year.

Estimates and judgements are evaluated annually and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Receivables

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

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

Provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in the future to settle the provision management considers the weighted average possibility of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are of a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes that will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Post-retirement benefits

The costs of the benefits and the present value of the post retirement benefit liabilities depend on a number of factors that are determined by an actuarial valuation using a number of assumptions.

These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is hugely sensitive to changes in these assumptions.

Any changes in these assumptions will impact the charge to the Performance Statement and the Position Statement. All assumptions are reviewed at each reporting date.

Effective interest rate

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

Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Value in use of cash generating assets

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

Value in use of non-cash generating assets

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

14 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for Appreciative Artworks which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value except for Appreciative Artworks which have an indefinite useful life.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

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

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

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

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

15 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 the present and future generations.

Classes of Heritage assets

The following are classes of Heritage assets held by the museum:

- Natural History (which includes: Natural Science Collection and Human Science Collection);
- Cultural History (which includes: Firearms, Coins, Objects, textiles, etc.)
- Library Collections (which includes: Library books, Library Science Journals and Other Library Materials); and
- Artwork

i. Natural Science collection

The nature of the collection is unique (all of its categories) and is purely held for its scientific and educational value to advance the objectives of the Museum, also for future generations. Collections include: Acarology, Arachnology, Botany, Entomology, Fossils, Herpetology, Mammalogy, Ornithology, Mineralogy, Geology, Shell collection, etc.

The collection dates back many years and was largely internally developed with no cost records kept as it was standard practice at the time. Therefore the Museum is unable to determine historic cost in line with the cost model.

There is no active market where quoted prices could be sourced to determine fair values in line with the revaluation model. In fact, many of the items have no commercial value at all, only a scientific one. Perhaps the most valuable specimens would be the name-bearing ones (holotypes), but since such specimens are always housed in museums and it is illegal for any museum to sell them, there are no existing data available upon which to base a valuation.

Collections where an active market exists and where value will be determined, have been identified as follows:

- Taxidermy (Mammalogy, Ornithology, Herpetology)
- Geology
- Shell collection

ii. Human Sciences Collection

It is submitted that the Human Sciences collection is held only for its scientific and educational value, to advance the objectives of the Museum. The collection is currently subdivided into four parts: Archaeology, Anthropology, History and Rock Art. The collection dates back many years and no known cost records were kept during its accumulation. Therefore the Museum is unable to determine historic cost in line with the cost model.

The Archaeological collection - there is no legal trade in these items with South Africa and thus their monetary value cannot be reliably measured.

The Anthropology collection - There is potentially commercial value for a few specific items. These items require identification and assessment by independent specialists in the trade (buying and selling) of scientific and cultural materials. Should any assets prove to have a monetary value, they should be valued in terms of the revaluation model.

Rock Art collection - There is no legal trade in these items with South Africa and thus their monetary value cannot be reliably measured.

Items within the History collections do have a monetary value. These items require identification and assessment by independent specialists in the trade (buying and selling) of scientific and cultural materials. These assets should be valued in terms of the revaluation model.

iii. Library Collection

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 Library has conducted an assessment to determine whether various classes of its collection fall within the ambit of GRAP 103: Heritage Assets. In cases where the library material falls outside the definition; appropriate accounting treatment shall be applied.

Library books /materials are held to provide a service to the public and may be used for more than one reporting period; such library books should be classified as property, plant and equipment in accordance with GRAP 17 – Property, Plant and Equipment. If library books/materials meet the definition of heritage assets, they should be accounted in accordance with GRAP 103: Heritage Assets.

Library Scientific Journals

The annual library subscription renewal costs to acquire and /or access scientific journals are expensed in the period in which they are incurred. The scientific journals volumes are published once to four times a year and the publishers would produce a new volume the following year. It is on this basis that library scientific journals are regarded as an expense.

- The Museum shall continue expensing the publication costs.

Library Books

Library Books – Rare Books

The Library houses a collection of rare scientific books which meet the definition of a heritage asset and also the recognition criteria. The rare books are:

- Scarce with limited copies available;
- Available for research purposes; and
- Held for an indefinite period, unless destroyed by circumstances beyond human control.

Library Books – Staff training

This category is comprised of books purchased during the reporting period to serve a particular need; i.e. as part of staff development and training, the Museum sponsors textbook costs for the recipients of the training budget. These books are expensed in the period in which they are incurred.

Library Books – Other

This category comprises books purchased to be used for more than one period. These books should be accounted for in terms of GRAP 17: Property Plant and Equipment.

Other Library Material (Newspaper cuttings, Maps, Photographs, etc.)

The Library houses a variety of newspaper cuttings, maps and photographs as part of its diverse collection. The collection is of research significance and is deemed instrumental in advancing the research objects of the Museum. While commercially not valuable, the collection meets the definition of a heritage asset and also the recognition criteria as it is largely:

- Available for research purposes, and
- Held for an indefinite period, unless destroyed by circumstances beyond human control.

Artwork (Oliewenhuis Art Museum)

- An active market exists, therefore quoted price or fair value will be used.

Recognition

The National 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 the cost or fair value of the asset can be measured reliably.

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

- 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.
- For recognition of heritage assets, the asset needs to be controlled by the National Museum as a result of past events. Such events may include: purchase, donation, bequeath, transfer.
- Particularly within the Natural History/Science Collection, material is often retrieved in a fragmentary state – finding a completely articulated specimen is the exception rather than the rule. A great deal of knowledge is thus required to identify and systematise the collections.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

In accordance GRAP 103, an entity should choose either the cost model or the revaluation model for subsequent measurement of each class of heritage assets.

Cost model

When the cost model is used, heritage assets are subsequently carried at cost less any accumulated impairment losses.

Revaluation Model

For subsequent measurement, if the fair value of a class of heritage assets can be measured reliably, then the Museum should carry that class of heritage assets at a revalued amount. The revalued amount is the fair value less any subsequent impairment losses at the date of the revaluation. The frequency of revaluations depends upon the changes in the fair values of the heritage asset being revalued. When the fair value of a revalued heritage asset differs materially from its carrying amount, a further revaluation is required. Some heritage assets experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary, however, for a heritage asset which shows insignificant changes in fair value. It may then be necessary to revalue the heritage asset only every three years.

If a heritage asset is revalued, the entire class of heritage assets to which that asset belongs shall be revalued. If a class of heritage assets is stated at revalued amounts, the following shall be disclosed:

- the effective date of the revaluation;
- the method used to determine the heritage asset's fair value;
- the significant assumptions applied in estimating the heritage assets' fair values;
- the extent to which the heritage assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms, or were estimated using other valuation techniques; and
- the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to owners of net assets.

The museum has elected the Cost Model and shall apply this policy to the following classes of heritage assets:

- Natural History;
- Cultural History and
- Library books

The museum has elected the Revaluation Model and shall apply the policy to the following class of heritage asset:

- Artwork (An independent revaluation will be conducted after every 3 years)

Heritage assets are carried at cost less accumulated depreciation and any impairment losses except for Artworks which are carried at revaluation amount, being the fair value at the date of revaluation less any subsequent accumulated impairment losses.

Depreciation rates:

Item	Depreciation method	Average useful life
Shell Collection	Straight-line	Indefinite
Minerology	Straight-line	Indefinite
Documents	Straight-line	Indefinite
Firearms	Straight-line	Indefinite
Herpetology Taxidermy	Straight-line	Indefinite
Library books	Straight-line	Indefinite
Coins	Straight-line	Indefinite
Mammalogy Taxidermy	Straight-line	Indefinite
Objects	Straight-line	Indefinite
Ornithology Taxidermy	Straight-line	Indefinite
Anthropology	Straight-line	Indefinite
Photographs	Straight-line	Indefinite
Textiles	Straight-line	Indefinite
Artworks	Straight-line	Indefinite

Impairment

The museum assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

A heritage asset shall not be depreciated but the Museum shall assess at each reporting date whether there is an indication that it may be impaired, this will be reflected as a deficit or surplus in the financial statement.

If any such indication exists, the Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

In assessing whether there is an indication that an asset may be impaired, the Museum shall consider, as a minimum, the following indications:

i. **Internal sources of information**

An asset is considered impaired when:

- There are new indications of physical damage or deterioration on it.
- A decision is made to halt the construction of the heritage asset before it is complete or in a usable form.

ii. **External sources of information**

An asset is considered impaired when:

- During the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal us.

Transfers

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

Derecognition

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

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

16 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

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

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

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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

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

that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amor tised cost or financial instruments at cost.

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Derecognition Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

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

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability are recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability are recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

17 Tax

Tax expenses

The entity is exempt from taxation in terms of section 10(1)(cA)(i) of the Income Tax Act. Donations made to or by the entity are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.

The entity is exempt from payment of Estate Duty in terms of section 4(h) of the Estate Duty Act no. 45 of 1995. The entity is not registered for value added tax in terms of section 24(1) of the Value Added Tax Act of 1991.

18 Leases

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

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

Finance leases - lessor

The entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the entity's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

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

1.9 Inventories

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

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

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

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

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

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

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

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period during which the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Employee benefits

Short-term employee benefits

The costs of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.
Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement

will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

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

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).
If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.12 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.13 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.13 Interest, royalties and dividends

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

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

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

1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

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.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity 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 entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

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

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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

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

Measurement

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

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

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

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

Services in-kind

Except for financial guarantee contracts, the entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. Services in kind are measured at the fair value amount calculated as user charges by the Department of Public Work and approved by National Treasury.

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

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus (deficit) of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write- down of inventories, arising from an

increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

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

1.18 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

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

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or (c)any provincial legislation providing for procurement procedures in that provincial government.
National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant

note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

120 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred. An asset arising from development is recognised when:

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

121 Budget information

The National Museum's budget is compiled on a cash basis with an economic classification. It covers the same period as the Financial Statements, namely 01 April to 31 March of each year.

122 Related parties

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

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

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

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

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

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

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

123 Events after reporting date

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

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

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

The entity 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.

2. New standards and interpretations

21 Standards and interpretations issued, but not yet effective

The entity has not applied any standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after April 1, 2022 or later periods.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	April 1, 2023	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Unlikely there will be a material impact

3. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Fixtures	12,010	(3,915)	8,095	5,574	(3,459)	2,115
Vehicles	5,265	(2,360)	2,905	5,265	(2,038)	3,227
Furniture & fittings	4,020	(3,642)	378	3,893	(3,393)	500
Computers	5,280	(4,415)	865	4,889	(4,055)	834
Appreciative Artworks	7,451	-	7,451	5,081	-	5,081
Equipment	5,819	(4,772)	1,047	5,517	(4,252)	1,265
Library books	3,716	(3,398)	318	3,716	(3,307)	409
Total	**43,561**	**(22,502)**	**21,059**	**33,935**	**(20,504)**	**13,431**

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Fixtures	2,115	6,436	-	(456)	8,095
Vehicles	3,227	-	-	(322)	2,905
Furniture & fittings	500	129	-	(251)	378
Computers	834	505	-	(474)	865
Appreciative Artworks	5,081	2,378	(8)	-	7,451
Equipment	1,265	346	-	(564)	1,047
Library books	409	-	-	(91)	318
	13,431	**9,794**	**(8)**	**(2,158)**	**21,059**

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Fixtures	2,540	33	-	-	(458)	2,115
Vehicles	3,565	-	-	-	(338)	3,227
Furniture & fittings	812	97	-	(2)	(407)	500
Computers	714	706	(7)	(1)	(578)	834
Appreciative Artworks	2,501	2,580	-	-	-	5,081
Equipment	1,401	484	-	(10)	(610)	1,265
Library books	507	-	-	(1)	(97)	409
	12,040	**3,900**	**(7)**	**(14)**	**(2,488)**	**13,431**

Figures in Rand thousand	2022	2021

3. Property, plant and equipment (continued)

Other disclosures

Items of property plant and equipment with R1 book value were disposed of in the financial year ended 31 March 2022, however they are not reflecting in the reconciliation above, as figures are rounded off to thousands.

Rental revenue generated from appreciative artworks	102	36
Expenses that generated rental revenue		
Direct operating expense	31	31
Expenses that did not generate rental revenue		
Cumulative expenditure recognised in the carrying value of appreciative artworks	31	31

Artworks categorised as appreciative artworks are:

All kinds of artworks, art collections or individual pieces, including various paintings and statues, acquired, and are held primarily as a store of wealth.

The primary goal for acquiring these artworks is for investment purposes and for the purpose of storing value. In the period of which the artwork is appreciating in value (usually a period of five years), the entity leases these artworks to obtain rentals in that period.

There are no restrictions on the realisability of Appreciative Artwork or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop Appreciative Artwork or for repairs, maintenance, or enhancements.

After the “ARTBANK” recognises the artwork as an item of Appreciative Artwork, the artwork shall be measured at fair value.

Through consideration of the following the “ARTBANK” considers that the fair value of the Appreciative Artwork cannot reliably be determined on a continuing basis:

• All the artworks are unique, thus not comparable;

• The artworks comprise of emerging South African artists;

• The artworks serve the purpose of providing opportunities;

• No assurance that the artworks will be leased; and

• The artwork is held for the purpose to foster and appreciate.

The “ARTBANK” determines that the fair value of the artwork will be reliably measurable on the disposal date.

Thus, the artwork shall be measured at cost until the day of disposal whereby the “ARTBANK” shall remeasure the artwork to the fair value – disposal price.

The entity did not dispose of Appreciative Artworks carried at fair value.

The entity did not dispose of Appreciative Artworks not carried at fair value.

There were no gains or losses recognised from the sale of Appreciative Artworks.

Pledged as security

No property, plant and equipment was pledged as security for the financial year ended 31 March 2022.

Depreciation rates

Figures in Rand thousand	2022	2021

3. Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
Appreciative Artworks	Straight-line	Indefinite
Fixtures	Straight-line	10 years
Furniture and fittings	Straight-line	5 years
Motor vehicles	Straight-line	8 years
Office equipment	Straight-line	5 years
IT equipment	Straight-line	3 years
Library books	Straight-line	10 years

Assets subject to finance lease (Net carrying amount)

Other equipment	1,047	1,265

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Fixtures	6,436	-

The entity is in the process of installing the HVAC system which is expected to be completed within the next year.

Reconciliation of Work-in-Progress 2022

	Included within Fixture	Total
Additions/capital expenditure	6,436	6,436

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Repairs and Maintenance	88	46

The depreciation relating to the leased asset amounts to R3 000.

Heritage assets

The National Museum holds heritage assets which are measured in accordance with GRAP 103. During the financial year, heritage assets amounted to R138 986 966 (2021: R148 871 109). Please see below for a detail of heritage assets according to their class.

Heritage assets may not be disposed of, unless written approval is obtained from the Minister of Sports, Arts and Culture. No other restrictions exist on title of the Museum to the heritage assets.

No heritage assets were pledged as security for liabilities.

A register containing information required by section 51 of the Public Finance Management Act is available for inspection at the registered office of the entity.

3. Property, plant and equipment (continued)

Art works

The National Museum ("Lessor") agrees to lease and the Lessee agrees to lease the Art Works on the terms and conditions set out in the Lease Agreement.

The Parties have agreed that the Art Works will be leased on a temporary basis to the Lessee for the sole purpose of uninterrupted public display and appreciation at the premises of the Lessee.

The Lessor reserves the right to recall any Art Work at any time upon the giving of reasonable notice in writing to the Lessee.

The Lessor and the lessee will jointly prepare Condition Reports for each Art Work at the start and at the end of the Lease.

The Lessee must not carry out any changes to the Art Works specifically including cleaning, retouching, repairs, or restoration, without prior written notification from and/or consent of the Lessor.

The Lessor shall be responsible for arranging and paying for insurance cover (including any additional insurance required in relation to the transport) of the Art Works at all times ("the insurance").

Should there be any breach of the terms of the lease agreement, either Party may terminate this agreement by giving 30 days' notice to the other in writing with or without a claim for damages occasioned by such breach.

4. Heritage assets

	2022			2021		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Shell collection	136	-	136	136	-	136
Mineralogy	313	-	313	313	-	313
Documents	535	-	535	535	-	535
Firearms	1,751	-	1,751	1,751	-	1,751
Herpetology Taxidermy	11	-	11	11	-	11
Library books	7,310	-	7,310	7,290	-	7,290
Coins	1,421	-	1,421	1,421	-	1,421
Mammalogy Taxidermy	1,676	-	1,676	1,676	-	1,676
Objects	18,133	-	18,133	18,133	-	18,133
Ornithology Taxidermy	591	-	591	591	-	591
Anthropology	6,579	-	6,579	6,577	-	6,577
Heritage assets which fair values cannot be reliably measured: (Para .94)						
Photographs	244	-	244	213	-	213
Textiles	2,755	-	2,755	2,755	-	2,755
Artworks	97,544	-	97,544	107,470	-	107,470
Total	**138,999**	**-**	**138,999**	**148,872**	**-**	**148,872**

Reconciliation of heritage assets 2022

	Opening balance	Additions	Transfers received	Transfers	Revaluation increase/(decrease)	Total
Shell collection	136	-	-	-	-	136
Mineralogy	313	-	-	-	-	313
Documents	535	-	-	-	-	535
Firearms	1,751	-	-	-	-	1,751
Herpetology Taxidermy	11	-	-	-	-	11
Library books	7,290	20	-	-	-	7,310
Coins	1,421	-	-	-	-	1,421

4. Heritage assets (continued)

Mammalogy Taxidermy	1,676	-	-	-	-	1,676
Objects	18,133	-	-	-	-	18,133
Ornithology Taxidermy	591	-	-	-	-	591
Anthropology	6,577	-	2	-	-	6,579
Heritage assets which fair values cannot be reliably measured: (Para .94)						
Photographs	213	31	-	-	-	244
Textiles	2,755	-	-	-	-	2,755
Artworks	107,470	161	-	(2)	(10,085)	97,544
	148,872	**212**	**2**	**(2)**	**(10,085)**	**138,999**

Reconciliation of heritage assets 2021

	Opening balance	Additions	Total
Shell collection	136	-	136
Mineralogy	313	-	313
Documents	535	-	535
Firearms	1,751	-	1,751
Herpetology Taxidermy	11	-	11
Library books	7,284	6	7,290
Coins	1,421	-	1,421
Mammalogy Taxidermy	1,676	-	1,676
Objects	18,133	-	18,133
Ornithology Taxidermy	591	-	591
Artworks	6,577	-	6,577
Heritage assets which fair values cannot be reliably measured: (Para .94)			
Photographs	213	-	213
Textiles	2,753	2	2,755
Artworks	107,246	224	107,470
	148,640	**232**	**148,872**

4. Heritage assets (continued)

Heritage assets which fair value cannot be reliably measured

The following heritage assets were not recognised due to a reliable measurement not being possible on initial recognition is as follows:

Acarology

The Acarology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to the NMB. However neither the cost nor the fair value of the collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as a heritage with a zero monetary value.

Arachnology

Although there is a trade in certain large and/or rare arachnids, either pinned or alive, the collection housed at NMB is entirely a wet collection and does not contain any specimens with decorative aesthetic qualities. Thus the specimens have no commercial value and their cost cannot be reliably measured. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Botany

The Botany collection meets the definition of a heritage asset as it is controlled by NMB and institutions, students, academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value. There is a trade in pressed flowers that have aesthetic qualities as works of art and as antique items, but there is a total absence of trade for these scientific specimens. The South African National Bioinformatics Institute supplied a letter recommending that the collection should be declared as a heritage with a zero monetary value.

Entomology

The Entomology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value.

Within this collection there is a collection of Colophon beetles. These are highly collectable and can fetch high prices on the black market, but there is no legal trade in them in South Africa. There is no commercial value to the rest of the collection and no reliable way to measure its cost.

Mammalogy and Florisbad

The Mammalogy collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured, except in the case of the taxidermy specimens. These will be fair valued. The remaining sub-collections hold a scientific value and no market value. The collection with the exception of taxidermy will be declared as heritage assets with a zero monetary value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Palaeontology & Geology

This collection consists of fossils and a collection of bones and skeletons used for comparative research purposes. It is illegal to trade in fossils and their value cannot be reliably measured. The collection will be declared as heritage with a zero monetary rating. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Ornithology

4. Heritage assets (continued)

The Ornithology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured, except in the case of the taxidermy specimens. These will be fair valued. The remaining sub-collections hold a scientific value and no market value. The collection with the exception of taxidermy will be declared heritage assets with a zero monetary value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Herpetology

The Herpetology collection meets the definition of a heritage asset as it is controlled by NMB and offers scientific research value to other institutions, students and academics, thus bringing service benefits to NMB. However neither the cost nor the fair value of this collection or its parts can be reliably measured. The collection will be declared as a heritage asset as a whole with a zero monetary value. This collection consists of wet specimens preserved in alcohol and not displayed with any aesthetic sensibilities. There is record of a market for aesthetically displayed specimens in glass dioramas, but this is not the case with this collection which is of scientific value. The South African National Bioinformatics Institute (SANBI) supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Pledged as security

There are no heritage assets pledged as security.

5. Employee benefit obligations

Defined benefit plan

The defined benefit liability as disclosed below is represented by two different post - employment benefits. None of the benefits set out below are externally funded.

Post-retirement medical aid plan

Active members receive a fixed subsidy of 60% of medical aid contributions during the current working year, up to a specified maximum employer contribution. The spouse or adult dependant of an active member is entitled to a 66.67% subsidy of their contributions. This proportion of the subsidy will continue to be paid in the event of the principal member’s death.

Continuation members receive a fixed subsidy of 60% of medical aid contributions during the current working year, up to a specified maximum employer contribution. The spouse or adult dependant of a continuation member is entitled to a 66.67% subsidy of their contributions.

Pension benefits

Normal Retirement

In respect of a member entitled to benefits on a defined contribution basis, a pension that can be secured by the member's Equitable Share from an insurer becomes payable. The value of the pension will not be less than 1.8% of the highest average salary for each year of pensionable service for members with a minimum pension guarantee.

In respect of a member entitled to defined benefits, an annual pension equal to 2.8% of the highest average salary for each year of pensionable service becomes payable.

Highest average salary is defined as the average of the member's pensionable salary over the twenty four months of his pensionable service that delivers the highest result.

Early Retirement

Defined contribution basis members may retire from 55. The minimum pension guarantee is calculated as above, but reduced by 0.25% for each month by which actual retirement precedes the attainment of age 65.

5. Employee benefit obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	30,848	60,904
Contributions by plan participants	3,874	5,075
Exchange differences	511	893
Benefits paid	(1,518)	(38,548)
Assumed in an entity combination	(826)	2,524
	32,889	**30,848**

Defined benefit obligation as at 31 March 2022	**Pension fund**	**Medical aid**	**Total**
Opening balance	-	30,848	30,848
Interest costs	-	3,874	3,874
Current service cost	-	511	511
Benefits paid (Actual)	-	(1,518)	(1,518)
Actuarial (Gain)/Loss	-	(826)	(826)
	-	**32,889**	**32,889**

Defined benefit obligation as at 31 March 2021	**Pension fund**	**Medical aid**	**Total**
Opening balance	34,526	26,378	60,904
Interest costs	2,121	2,954	5,075
Current service cost	440	453	893
Benefits paid (expected)	(37,087)	(1,461)	(38,548)
Actuarial (Gain)/Loss	-	2,524	2,524
	-	**30,848**	**30,848**

Defined benefit asset		
Opening balance	5,197	49,365
Interest costs	-	3,032
Benefits paid (expected)	-	(37,087)
Actuarial (Gain)/Loss	-	(10,113)
	5,197	**5,197**

Estimated future contributions	**Medical aid**	**Total**
Opening balance	32,889	32,889
Interest costs	3,322	3,322
Current service cost	446	446
Benefits paid (expected)	(1,560)	(1,560)
	35,097	**35,097**

Figures in Rand thousand	2022	2021

5. Employee benefit obligations (continued)

Assumptions used on 31 March 2022:

Assumptions used at the reporting date:

Discount rates used	10.34 %	12.68 %
Expected rate of return on assets	- %	6.85 %
Expected rate of return on reimbursement rights	- %	5.50 %
Actual return on reimbursement rights	7.08 %	9.64 %
Medical cost trend rates	3.04 %	2.77 %
Expected increase in salaries	- %	4.03 %
Expected pension increases	- %	11.71 %
Proportion of employees opting for early retirement	- %	4.88 %
Expected increase in healthcare costs	- %	2.63 %
Future changes in maximum state healthcare benefits	- %	8.14 %
Other material actuarial assumptions [provide details]	- %	10.00 %
Mortality	SA85-90	SA85-90
Expected retirement age (in years)	62 years	62 years

Assumed health care costs trend have significant effect on the amounts recognised in surplus for the year. The value of the liability could also be overstated or understated, depending on the extent to which actual experience differs from the assumptions adopted.

Government bond yields were used when setting the best-estimate discount rate assumption for health care cost and pension.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	**One percentage point decrease**
Effect on defined benefit obligation	4,950	3,908
Effect on the aggregate of the service cost	602	437
Effect on the aggregate of the interest cost	4,348	3,471

Amounts for the current and previous four years are as follows:

	2022 '000	2021 '000	2020 '000	2019 '000	2018 '000
Defined benefit obligation	38,088	36,047	36,380	31,171	32,257
Experience adjustments on plan liabilities	(826)	1,142	(9,780)	352	(12,613)

Figures in Rand thousand	2022	2021

6. Artbank income

Rental of Artbank artworks	111	16
Other Artbank income	57	56
	168	**72**
Gross investment in the lease due		
- within one year	12	20
Present value of minimum lease payments due		
- within one year	12	20

The lease period for the artworks is 12 months (2021: 24 months). The lease amount is payable in full at inception of the lease.

The National Museum ("Lessor") agrees to lease-out and the Lessee agrees to lease the Art Works on the terms and conditions set out in the Lease Agreement.

The Parties have agreed that the Art Works will be leased on a temporary lease basis to the Lessee for the sole purpose of uninterrupted public display and appreciation at the premises of the Lessee.

The Lessor reserves the right to recall any Art Work at any time upon the giving of reasonable notice in writing to the Lessee.

The Lessor and the Lessee will jointly prepare Condition Reports for each Art Work at the start and at the end of the Lease.

The Lessee must not carry out any changes to the Art Works specifically including cleaning, retouching, repairs, or restoration, without prior written notification from and/or consent of the Lessor.

The Lessor shall be responsible for arranging and paying for insurance cover (including any additional insurance required in relation to the transport) of the Art Works at all times ("the insurance").

Should there be any breach of the terms of the loan agreement, either Party may terminate this agreement by giving 30 days' notice to the other in writing with or without a claim for damages occasioned by such breach.

7. Inventories

Inventories: Shop	53	69
Inventories: Stores	38	40
	91	**109**

Inventory pledged as security

There was no inventory pledged as security for the year ended 31 March 2022.

Inventory expensed

Inventory recognised as expense during the year	13	8

8. Receivables from exchange transactions

Deposits paid	20	20
Trade receivables from exchange transactions	516	519
Creditors with debit balances	155	154
	691	**693**

8. Receivables from exchange transactions (continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At March 31, 2022, 408,832 (2021: 451,512) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	8,483	6,516
2 months past due	-	451,512
3 months past due	408,832	451,512

9. Receivables from non-exchange transactions

Government grant receivable	-	1,000

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At March 31, 2022, - (2021: 1,000,000) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	-	1,000

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	11	11
Bank balances	152	19,408
Investments	49,269	47,446
Call accounts	66,351	63,223
	115,783	**130,088**

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
ABSA Cheque Account	152	19,408	456	152	19,408	456
ABSA Call Account	66,351	63,223	60,749	66,351	63,223	60,749
Total	**66,503**	**82,631**	**61,205**	**66,503**	**82,631**	**61,205**

The entity had the following investment accounts

Account number / description	Bank statement balances			Cash book balances		
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
Transformation fund	1,709	1,646	1,584	1,709	1,646	1,584
Museum CPD	46,628	44,903	43,220	48,337	46,548	43,220
Purchase of Art Works CPD	932	898	864	932	898	864
Total	**49,269**	**47,447**	**45,668**	**50,978**	**49,092**	**45,668**

10. Cash and cash equivalents (continued)

The entity had the following cash items on hand

Description	March, 31 2022	March 31, 2021	March 31, 2020
Petty Cash	9	9	9
Float	2	2	2
	11	**11**	**11**

11. Payables from exchange transactions

Payables from exchange transactions	678	729
Accruals at year end	1,522	88
Accounts payable: Leave	2,186	2,493
Deferred revenue	12	20
Accounts payable: Bonus	950	933
Deposits held	263	162
Debtors with credit balances	27	116
Social club: Employee contributions	17	21
	5,655	**4,562**

12. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for Municipal Charges	1,724	329	(908)	1,145

The provision for municipal service charge relates to the legal obligation of the municipal services consumed by the National Museum and paid for by the Department of Public Works and Infrastructure (DPWI) and in turn the National Museum would reimburse DPWI based on the actual charge plus 5% management fee, the invoices provided were inaccurate and incomplete, the provision was determined using actual service charge received from DPWI-Free State.

13. Payables from non-exchange transactions

Department of Sport, Arts & Culture	-	18,000

On 29 March 2021 and overpayment was received from DSAC due to an error during the processing of the amount intended for the National Museum. A refund was then requested on 14 April 2021 by the Department.

14. Unspent conditional grants and receipts

Unspent conditional grants

Unspent conditional grants and receipts		
Capital Works Allocation Grant	7,996	11,132
Art Bank Grant	4,597	5,217
National Research Foundation Grant	3,700	3,700
GRAP 103 Grant	45,328	45,344
COE: Grant (B Cohen)	56	56
National Geographics Grant	28	-
CoE: BothaBrink Grant	72	-
LIA Project Grant	98	107
	61,875	**65,556**

* See Note

Figures in Rand thousand	2022	2021

14. Unspent conditional grants and receipts (continued)

Movement during the year

Balance at the beginning of the year	65,556	65,097
Additions during the year	7,178	5,166
Income recognition during the year	(11,005)	(4,707)
Other movements	146	-
	61,875	**65,556**

The grants received and disclosed as deferred income (unspent conditional grants) are grants that have conditions and will be recognised as revenue when the conditions are met. Please refer to the different contracts for the conditions and further details on the grants on note 20 for the purposes and brief summary on the specifications of the grant.

15. Finance lease obligation

Minimum lease payments due		
- within one year	48	48
- in second to fifth year inclusive	45	93
	93	141
less: future finance charges	(10)	(22)
Present value of minimum lease payments	**83**	**119**
Present value of minimum lease payments due		
- within one year	41	37
- in second to fifth year inclusive	42	82
	83	**119**

The National Museum is leasing a photo-copying machine on a finance lease for a period of 5 years(60months).

The lease term is 5 years (60 months) and the implicit effective borrowing rate was 12%.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The National Museum obligations under finance leases are secured by the lessor's charge over the leased assets.

16. Total revenue received

Artbank income	168	72
Rental income	70	2
Projects income	170	241
Trading revenue	84	34
Interest received - investment	2,998	3,173
Transfers and subsidies	71,840	57,958
Free Use of Buildings	3,157	3,994
Presidential employment stimulus programme	15	5,147
External funding	326	165
	78,828	**70,786**

Figures in Rand thousand	2022	2021

16. Total revenue received (continued)

The amounts included in revenue arising from exchanges of goods or services are as follows:		
Artbank income	168	72
Rental income	70	2
Project income	170	241
Trading revenue	84	34
Interest received	2,998	3,173
	3,490	**3,522**
The amounts included in revenue arising from non-exchange transactions are as follows:		
Taxation revenue		
Transfer revenue		
Transfers and subsidies	71,840	57,958
Free Use of Buildings	3,157	3,994
Presidential employment stimulus programme	15	5,147
External Funding	326	165
	75,338	**67,264**

17. Presidential Employment Stimulus Programme

Art Bank Income	-	3,582
Oliewenhuis income	15	1,565
	15	**5,147**

18. Trading revenue

Entrance fees: Museum	51	20
Entrance fees: Freshford	3	1
Shop sales	14	11
Olwh: Education income	3	-
Olwh: Carousel income	6	1
Office admin income	7	1
	84	**34**

19. Interest received

Interest revenue		
Interest: Museum CPD	1,725	1,683
Interest current account	1	-
Interest: Call account ABSA	1,272	1,490
	2,998	**3,173**

The amount included in Interest revenue arising from exchange transactions amounted to R2 997 390 (2021: R3 172 976).

Figures in Rand thousand	2022	2021

20. Transfers and subsidies received

Operating grants		
Subsidy received: Annual	57,399	50,992
Subsidy received: Operating leases	2,406	2,281
Subsidy received: Municipal Services	1,052	2,912
Transfers to revenue: Other grants	10,983	1,773
	71,840	**57,958**

Conditional and Unconditional

Included in above are the following grants and subsidies transferred:

Conditional grants received	57,399	50,992
Unconditional grants received	4,224	6,966
	61,623	**57,958**

Capital Works Grant

Balance unspent at beginning of year	11,132	8,885
Current-year receipts	3,300	2,984
Conditions met - transferred to revenue	(6,436)	(737)
	7,996	**11,132**

The appropriated funds should be utilised for the implementation of the capital works programme (including project planning and consultation fees). Funds received should be transferred to a separate account which is dedicated only for the capital works budget. The detailed scope of work and cost breakdown should be submitted as soon as the professional team is appointed and the planning phase is completed.

National Art Bank Grant

Balance unspent at beginning of year	5,217	5,225
Current-year receipts	3,000	2,096
Conditions met - transferred to revenue	(3,620)	(2,104)
	4,597	**5,217**

The Art Bank funding is ring-fenced and is to be utilised for the following key performance areas:

- Curation of the Art Bank of South Africa Visual Art Collection
- Business Development of the Art Bank
- Public Relations and Marketing of the Art Bank
- Operations of the Art Bank

NRF Professional Development Grant

Balance unspent at beginning of year	3,700	3,700
Current-year receipts	146	153
Conditions met - transferred to revenue	(146)	(153)
	3,700	**3,700**

20. Transfers and subsidies received (continued)

The National Museum has the responsibility to verify and certify the appropriateness, completeness and correctness of all information submitted by their researchers to the NRF as part of applications for funding. The National Museum shall provide appropriate human resource, infrastructure and support services to ensure the effective operation of the NRF-funded research projects within the institution.

GRAP 103 implementation grant

Balance unspent at beginning of year	45,344	45,386
Conditions met - transferred to revenue	(16)	(42)
	45,328	**45,344**

The funds are ring-fenced and can only be applied to projects related to GRAP 103. The National Museum is expected to report quarterly regarding the utilisation of the funds and milestone(s) achieved.

COE Grant: B Cohen

Balance unspent at beginning of year	56	56
Current-year receipts	83	-
Conditions met - transferred to revenue	(83)	-
	56	**56**

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

National Geographics Grant

Current-year receipts	143	-
Conditions met - transferred to revenue	(115)	-
	28	**-**

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

CoE: BothaBrink Grant

Current-year receipts	104	-
Conditions met - transferred to revenue	(32)	-
	72	**-**

Conditions still to be met - remain liabilities (see note 14).

Provide explanations of conditions still to be met and other relevant information.

LIA Project grant

Balance unspent at beginning of year	107	(4)
Current-year receipts	95	173
Conditions met - transferred to revenue	(104)	(62)
	98	**107**

Conditions still to be met - remain liabilities (see note 14).

Figures in Rand thousand	2022	2021

20. Transfers and subsidies received (continued)

Provide explanations of conditions still to be met and other relevant information.

NRF: Hugo-Coetzee Coastal mites

Current-year receipts	61	27
Conditions met - transferred to revenue	(61)	(27)
	-	**-**

Funds must be spent within the duration of funding period otherwise they will revert to the NRF. A grant-holder must submit an annual progress report which can be obtained from the NRF. At the end of the research project, the NRF will expect a final report about the outcomes of the research.

NRF: BothaBrink AOP Grant

Current-year receipts	297	200
Conditions met - transferred to revenue	(297)	(200)
	-	**-**

The Grant will be awarded for a period of One (1) Year Only for full-time research and may at the sole discretion of Centre of Excellence, be renewed for the subsequent year(s) depending on the availability of funds and academic progress by the Recipient. All Recipients are expected to submit posters and/or present their research. Participation in community engagement activities may also be required.

NRF: B Cohen

Current-year receipts	94	21
Conditions met - transferred to revenue	(94)	(21)
	-	**-**

Conditions still to be met - remain liabilities (see note 14).

Municipal charges grant

Current-year receipts	1,052	2,912
Conditions met - transferred to revenue	(1,052)	(1,183)
Other	-	(1,729)
	-	**-**

The purpose of this grant is for the payment of municipal services incurred by National Museum.

Operating leases grant

Current-year receipts	2,406	2,281
Conditions met - transferred to revenue	(2,049)	(2,528)
Other	(357)	247
	-	**-**

The purpose of this grant is for the payment of the buildings and parking bays leased by the National Museum.

Figures in Rand thousand	2022	2021

21. Staff costs

Basic	33,232	32,964
Bonus	2,810	2,671
Medical aid - company contributions	2,789	4,250
UIF	216	205
Leave pay provision charge	9	149
Defined contribution plans	4,385	1,475
Overtime payments	331	148
Long-service awards	28	47
Housing benefits and allowances	1,733	1,781
Compensation Commissioner	77	67
	45,610	**43,757**

Remuneration of Chief Financial Officer

Annual Remuneration	1,050	994
Contributions to UIF, Medical and Pension Funds	155	158
Housing allowance	16	16
Annual bonus	96	95
	1,317	**1,263**

Remuneration of the Chief Executive Officer

Annual Remuneration	1,210	1,177
Contributions to UIF, Medical and Pension Funds	219	207
Housing allowance	16	16
Annual bonus	101	112
Secondment allowance	125	-
	1,671	**1,512**

The CEO was seconded to PACOFS as an interim Acting CEO from March 2021 to May 2022.

22. Finance costs

Finance lease	160	35

Figures in Rand thousand	2022	2021

23. Other operating expenses

Administrative expenses	442	645
Transfers and subsidies expense	1,752	3,150
Asset expenses	255	261
Educational expense	8	-
Assets written off at carrying value	(2)	7
Audit expenses	1,035	816
Bank charges	91	83
Cleaning	107	84
Consulting and professional fees	268	115
Entertainment	32	11
Exhibitions	178	158
Free use of buildings	3,157	3,994
Fuel and oil	753	511
General expenses	1,929	1,459
Research expense	503	119
IT expenses	232	329
Insurance	720	704
Inventory purchases	13	8
Licenses	199	161
Maintenance costs	1,157	1,101
Municipal expenses	2,927	2,907
Office expenses	278	232
Operating lease expenses	2,049	2,528
Photocopies	90	63
Security	769	980
Telephone and fax	189	161
Travelling expenses	226	9
Uniforms	27	12
Vacancy adverts expenses	106	24
	19,490	**20,632**

24. Auditors' remuneration

External audit fees	820	762
Internal auditors	215	54
	1,035	**816**

25. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Depreciation	2,159	2,488
Staff costs and remuneration of councillors and audit committee	46,183	46,916

Figures in Rand thousand	2022	2021
26. Cash (used in) generated from operations		
Surplus (deficit)	1,579	(11,931)
Adjustments for:		
Depreciation and amortisation	2,158	2,488
Fair value adjustments	10,085	-
Bad debts	-	9
Movements in retirement benefit assets and liabilities	2,041	14,112
Movements in provisions	(579)	1,724
Changes in working capital:		
Inventories	18	(4)
Receivables from exchange transactions	2	1
Receivables from non-exchange transactions	1,000	(1,000)
Payables from exchange transactions	1,107	698
Unspent conditional grants and receipts	(3,681)	3,265
Payables from non-exchange transactions	(18,000)	18,000
	(4,270)	**27,362**

Figures in Rand thousand	2022	2021

27. Commitments

Authorised operational expenditure

Already contracted for but not provided for (Commitments within 1 year)		
• MTN Data bundle for Florisbad reasearch station (Contract ending 19 April 2023)	5	-
• Vodacom - Wireless internet for Oliewenhuis Art Museum (Contract ending 30 April 2023)	38	-
• The Valuator Advisory - Evaluation of Heritage Assets (Once-off service)	791	-
• Real Moves Trading - Conduct repairs and renovations to the building at the Oliewenhuis Art Museum site, converting the art classroom into a showroom and storeroom for the Art Bank of South Africa programme. (Contract ending 31 August 2022)	125	-
• NCC - Internet network system (Contract ended 30 November 2022)	63	-
• Fleet management (Contract ended 31 September 2022)	-	52
• Gardening services at OLWH (Contract ended 21 March 2021)	-	47
• Plantech - Project Management HVAC installation (Contract ended 10 November 2021)	-	244
• Gardening services at Freshford (Contract ending 21 March 2022)	14	96
• Multilec - Maintenance of Generators (Contract ended 30 September 2021)	-	15
• Museum Vehicle service (Contract ended 28 February 2022)	-	9
• Supply of S.H.E bins (Contract ended on 30 November 2021)	-	38
• VANSA - PESP (Contract ended 31 March 2021)	-	1,430
• Lumacon - HVAC Installation (Contract ended 10 November 2021)	-	7,797
• Gardening - Freshford House Museum (Contract ended 30 June 2021)	-	44
• Website hosting services (Contract ended 23 December 2021)	-	2
• Artfundi - Website hosting services (Contract ended 31 March 2022)	-	29
• NCC - Internet network system (Contract ended 30 November 2021)	-	29
	1,036	**9,832**

Commitments between 2-5 years		
• Gardening services at OLWH (Contract ended 14 December 2022)	213	-
• Leasing of photocopying machine (Contract ending 30 April 2024)	34	48
• Altech Netstar - Fleet Management (Contract ending 22 April 2024)	442	-
• Tantus - servicing of generators (Contract ending 30 September 2024)	97	-
• The Polygraph Centre - Vetting Services (Contract ending 31 May 2026)	476	-
• ARC Sakhile - Pastel Partner Support services (Contract ending 14 July 2026)	500	-
• COPYCOR - Photocopier machine (Contract ending 15 September 2026)	99	-
• Stuttaford Van Lines - Specialised art transportation services (Contract ending 30 September 2026)	467	-
• Frame IT - Specialised framing services (Contract ending 30 September 2026)	383	-
• Ayanda Mbanga Communications - Advertising Services (Contract ending 31 December 2026)	403	-
• Opulentia - Short-Term Insurance Broker (Contract ending 26 December 2027)	20	-
• Photocopying contract (Contract ending on 30 April 2024)	49	71
• Electrical services all Museums (Contract ending 31 December 2023)	-	190
• National Security - Armed Response (Contract ending 31 July 2024)	299	337
• Stallion - Security services (Contract services 31 January 2024)	1,033	1,662
• Website hosting services (Contract ending 17 November 2024)	7	7
• Morar Inc. - Internal Audit services (Contract ending 31 December 2024)	374	589
	4,896	**2,904**

Total operational commitments		
Already contracted for but not provided for (Commitments within 1 year)	1,036	9,828
Commitments between 2-5 years	4,896	2,908
	5,932	**12,736**

Total commitments

Figures in Rand thousand	2022	2021
27. Commitments (continued)		
Total commitments		
Authorised operational expenditure	5,932	12,736

28. Related parties

Relationships	
Associates	Department of Public Works
Controlling entity	Department of Sports, Arts and Culture
Entities under common control	Performing Arts Centre of the Free State

Land and buildings are made available to the National Museum in terms of section 9 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), in order for the National Museum to perform its functions.

No lease agreement exists between the National Museum and the Department of Public Works. The National Museum does not pay rent for the use of the buildings.

No amounts are due to the related parties.

The National Museum has been housed in buildings which are the property of the Department of Public Works. The use of the buildings is provided free of charge and recognised at the estimated fair value. No lease agreement exists between the National Museum and the Department of Arts and Culture.

Related party balances

Unspent conditional grants and receipts	61,875	65,556

Related party transactions

Revenue		
Annual subsidy	57,399	50,992
Subsidy received: Operating leases	2,406	2,281
Payments on behalf of the Museum	1,052	2,912
Free use of building	3,157	3,771
Secondment allowance	125	-
Amounts outstanding in relation to the grants included in the balance sheet:		
Unspent grant included in the balance sheet in relation to GRAP 103 Implementation grant.	45,327	45,344

The condition of the grant is such that the grants be used for the purposes of the subsidy:

Annual Subsidy

The purpose of this grant is for the expenses incurred by the National Museum on a daily basis and/or are operational expenses.

Operating Leases

The purpose of this grant is for the payment of the buildings and parking bays leased by the National Museum.

Municipal Services

The purpose of this grant is for the payment of municipality services incurred by the National Museum.

Free use of buildings

No amounts were received by the National Museum in relation to free use of buildings; it is disclosed as this is for services in kind for allowing the National Museum to use the Department of Public Works buildings for free.

Remuneration of councillors

28. Related parties (continued)

Refer to note 29 for details of councillors' remuneration.

Key management information

Class	Description	Number
Executive management	Chief Executive Officer	1
Executive management	Chief Financial Officer	1

Remuneration of management

28. Related parties (continued)

Management class: Executive management

2022

Name	Basic salary	Service Bonuses (13th Cheque)	Housing allowance	Contributions to UIF, Medical and Pension funds	Secondment allowance	Total
Ms S Snell (CEO) -Appointed 1 April 2018	1,210	101	16	219	125	1,671
Ms G Simelane (CFO) - Appointed 01 January 2020	1,050	96	16	155	-	1,317
	2,260	**197**	**32**	**374**	**125**	**2,988**

2021

Name	Basic salary	Service Bonuses (13th Cheque)	Housing allowance	Contributions to UIF, Medical and Pension funds	Total
Ms S Snell (CEO) -Appointed 1 April 2018	1,177	112	16	207	1,512
Ms G Simelane (CFO) - Appointed 01 January 2020	994	95	16	158	1,263
Acting Deputy Director -Mr DH De Swardt	471	49	16	123	659
Acting Deputy Director -Mrs Lizel Hugo-Coetzee	471	54	16	161	702
Acting Deputy Director -Ms Sudre Havenga	471	49	16	138	674
	3,584	**359**	**80**	**787**	**4,810**

Figures in Rand thousand	2022	2021

29. Councillors' emoluments

Remuneration to council members

2022

	Sitting allowances	Other allowances	Total
Adv J Leshabane (Chairperson of Council)	120	12	132
Dr E Mohatlane (Deputy Chairperson of Council)	98	8	106
Mr K Mabalane	2	1	3
Mrs G Ritchie (term ended 31 August 2021)	17	2	19
Ms M De Roche-Holmes	40	1	41
Mr M Noge	17	1	18
Mr C Fortune (term ended 31 August 2021)	20	1	21
Dr D Morris (term ended 31 August 2021)	2	1	3
Ms L Coetzee - Minute taker	24	-	24
Ms N Mbonambi	22	1	23
Ms T Mosala	25	1	26
Ms T Jimana	4	1	5
Mr M Makhweyane	20	1	21
Mrs E Nzimande	25	1	26
Adv M Zulu	16	1	17
Dr L Munsamy (term ended 31 August 2021)	27	1	28
	479	**34**	**513**

2021

	Sitting allowances	Other allowances	Total
Adv J Leshabane (Chairperson of Council) -appointed 1 September 2018	18	75	93
Dr E Mohatlane	24	46	70
Dr L Munsamy	27	35	62
Mrs G. Ritchie	12	20	32
Ms M De Roche-Holmes	17	20	37
Mr M Noge	18	35	53
Mr C Fortune	9	13	22
Dr D Morris	3	-	3
Ms L Coetzee - Minute taker	17	-	17
	145	**244**	**389**

* Included in the statement of financial performance total is the remuneration of audit and risk committee of R61 676 (2021: R -) which does not form part of the disclosure in the table above for councillors' emoluments.

Figures in Rand thousand	2022	2021

30. Prior period errors

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments.

The prior period errors for the financial year have been listed below and the adjustments will be retrospective.

30.1 - The errors on receivables from exchange transactions

The errors on receivables from exchange transactions relate to the debtors with credit balances that were reclassified in the 2020 financial year, which were, however, not reversed in the 2021 financial year when reclassifying the 2021 debtors with credit balances. As a result, the receivables from exchange transactions and the payables from exchange transactions were overstated. The error has since been rectified and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Decrease in payables from exchange transactions - debtors with credit balance	-	121
Decrease in receivables from exchange transactions - trade receivables from exchange transactions	-	(121)
	-	**-**

30.2 - The error on payables from exchange transactions

The errors on payables from exchange transactions relate to the creditors with debit balances that were reclassified in the 2020 financial year, which were, however, not reversed in the 2021 financial year when reclassifying the 2021 creditors with debit balances. As a result, the receivables from exchange transactions and the payables from exchange transactions were overstated. The error has since been rectified and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Decrease in payables from exchange transactions - trade payables from exchange transactions	-	139
Decrease in receivables from exchange transactions - creditors with debit balance	-	(139)
	-	**-**

30.3 - The error relating to revenue from exchange transactions

The error relating to revenue from exchange transactions was due to the 2020 artbank income that was not transferred to accumulated surplus but instead it was added to the 2021 artbank as was disclosed in the 2021 annual financial statements. As a result, revenue from exchange transactions was overstated and accumulated surplus understated. The error has since been rectified and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Increase in accumulated surplus	-	(113)
Statement of financial performance		
Decrease in revenue from exchange transactions - artbank income	-	113

Figures in Rand thousand	2022	2021

30. Prior period errors (continued)

30.4 - The error relating to Unspent conditional grants

The error relating to Unspent conditional grants was due to incorrect interest journals that were raised in the previous financial years, whereby the finance cost, interest received and unspent conditional grants were overstated by the effects of these journals. These journals have been reversed in the current year and the comparative figures have since been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Decrease in unspent conditional grants	-	3,490
Increase in accumulated surplus	-	(2,988)
	-	**502**
Statement of financial performance		
Decrease in finance cost	-	(1,610)
Decrease in interest income	-	1,108
	-	**(502)**

30.5 - The error relating to Staff cost

The error relating to Staff cost was due to an incorrect journal raised in prior year for Skills development levy that caused a misstatement in the AFS. The journal causing the error was reversed in the current year and the error has since been rectified and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Decrease in payables from exchange transactions - skills development levy	-	38
Statement of financial performance		
Decrease in staff cost	-	(38)

30.6 - The errors relating to property plant and equipment - Appreciative Artworks

The errors relating to property plant and equipment - Appreciative Artworks were due to the acquisition of artworks through the presidential stimulus programme in the previous financial year, yet the cost of acquisition was expensed instead of being capitalised in the year it was incurred. Also, artworks were sold in the previous year, yet they were not disposed in the register and AFS. The errors have since been corrected and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Increase in property plant and equipment - appreciative artworks	-	1,243
Decrease in Property plant and equipment - Appreciative Artworks	-	(9)
Decrease in accumulated surplus	-	9
	-	**1,243**
Statement of financial performance		
Decrease in presidential employment stimulus programme expenses	-	1,243

Figures in Rand thousand	2022	2021

30. Prior period errors (continued)

30.7 - The errors relating to heritage assets

The errors relating to heritage assets were due to heritage assets that were collected in the previous financial years while there was no valuation conducted on them and as a result they were capitalised at zero value. Furthermore, in the previous year' s financial statements it was not disclosed that they are held at zero value. Also, the value for some of the heritage assets artworks collections declined in the previous years due to market change, yet they were not adjusted. The errors have since been corrected and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Increase in heritage assets - anthropology	-	2,081
Decrease in heritage assets - artworks	-	(31)
Increase in heritage assets - coins	-	105
Increase in heritage assets - documents	-	462
Increase in heritage assets - library books	-	42
Decrease in heritage assets - objects	-	6,381
Increase in heritage assets - textiles	-	408
Decrease in accumulated surplus	-	(9,448)
	-	**-**

30.8 - The error relating to Payables from exchange transactions - deferred revenue

The error relating to Payables from exchange transactions - deferred revenue was due to the rentals collected in the previous year which were for the current financial year that were incorrectly recognised as revenue. The error has since been rectified and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Increase in Payables from exchange transactions - deferred revenue	-	(20)
Statement of financial performance		
Decrease in revenue from exchange transactions - artbank income	-	20

30.9 - The error relating to Unspent conditional grants

The error relating to Unspent conditional grants relates to the prior year unspent amounts on the LIA grants were not disclosed in the financial statements, and the revenue was recognised inclusive of the unspent amounts. The error has since been rectified and the comparative figures have been restated.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Increase in unspent conditional grants	-	(107)
Statement of financial performance		
Decrease in revenue from exchange transactions - transfer revenue	-	107

Figures in Rand thousand	2022	2021

30. Prior period errors (continued)

30.10 - The error relating to Employee benefits AFS disclosure note

In the prior year, the annual financial statements note on employee benefit obligations did not agree with the employee benefit obligations value disclosed in the statement of financial position, as the note table summed together the employee benefits assets and the employee benefits obligations. The disclosure note has been corrected.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
No adjustments done		-
Statement of financial performance		
No adjustments done		-

30.11 - The error relating to cashflow statement

In the prior year, other non-cash items were disclosed in the cashflow statements that could not be substantiated. The prior year cashflow statement has since been recalculated to correctly disclose the cash activities of the museum.

Cash flow statement

Cash flow from operating activities		
Receipts	-	4,816
Payments	-	(8,559)
	-	**(3,743)**
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(1,244)
Other non-cash items	-	5,869
	-	**4,625**
Cash flow from financing activities		
Movement in other liability	-	(18,000)

31. Risk management

Liquidity risk

Liquidity risk is the risk that the economic entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following reflects the Museum's exposure to liquidity risk from financial liabilities:

Commitments		
Trade and other payables	5,655	4,562
Finance lease obligations	82	119
Provisions	1,145	1,724
	6,882	**6,405**

Figures in Rand thousand	2022	2021

31. Risk management (continued)

Credit risk

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

Trade receivables comprise a widespread customer base. 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 board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

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

Financial instrument	2022	2021
Receivables from exchange transactions	691	693
Receivables from non-exchange transactions	-	1,000
Cash and cash equivalents	115,783	130,088

Market risk

Interest rate risk

The National Museum's revenue earned operating cash flows are substantially independent of changes in market interest rates.

32. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At fair value	Total
Receivables from exchange transactions	691	691
Cash and cash equivalents	115,783	115,783
	116,474	**116,474**

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	5,655	5,655
Provisions	1,145	1,145
Finance lease obligation	82	82
	6,882	**6,882**

2021

Financial assets

	At fair value	Total
Receivables from exchange transactions	693	693
Receivables from non-exchange transactions	1,000	1,000
Cash and cash equivalents	130,088	130,088
	131,781	**131,781**

32. Financial instruments disclosure (continued)

Financial liabilities

	At fair value	Total
Trade and other payables from exchange transactions	4,562	4,562
Trade and other payables from non-exchange transactions	18,000	18,000
Provision	1,724	1,724
Finance lease obligation	119	119
	24,405	**24,405**

33. Going concern

The Annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The basis presumes that the National Museum will continue to receive grants from National Government as well as continue to receive rental income and charge for services provided by the scientists and for guests visiting the National Museum. The proceeds are presumed to be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The National Museum receives 100% of its funding from the Department of Sports Arts and Culture, Refer to table below for the expected and confirmed funding for FY2023 to FY2025

Figures in Rand 2022 2021

33. Going concern (continued)

NATIONAL MUSEUM	**2022/2023**	**2023/2024**	**2024/2025**
Municipal charges	3,379	3,717	4,089
Allocation	57,113	58,669	59,446
Leasing private owned	2,647	2,911	3,202
	63,139	**65,297**	**66,737**

The National Museum also has external and international funding agreements for various departments within programme 1: Business development there is no indication of withdrawal or of the sponsors being unlikely to honour agreements.

It is critical for management to assess what impacts the current events and conditions have on the museum's operations and forecast cash flows, with the key issue being whether the National Museum will have sufficient liquidity to continue to meet its obligations as they fall due.

In order for management to assess whether or not the National Museum is able to continue business for the foreseeable future, management considered the following:

The entity has a surplus of R1 578 000. The current assets exceed current liabilities by R44 720 000 (2021: R42 118 000).

Consideration per ISA570	
Financial	Management response
Net liability or net current liability position	Based on FY2023 -FY2025 Annual Performance Plan submitted to Department of Sports, Arts and Culture, the National Museum is not expected to be in a Net Liability position over the foreseeable future. The fiscal is under enormous pressure and we have seen a reduction in our annual subsidy received as the government is prioritising significant and pressing matters in relation to the COVID-19 vaccine and the KZN flood disaster. The Department of Sports, Arts and culture has committed usage of interest from capital works funding to be used for decontamination of buildings and other covid-19 related equipment for the foreseeable future.
Fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment or excessive reliance on short term borrowings or to finance long term assets.	The National Museum does not have any borrowings and therefore this will not be applicable. The Museum also receives interest from various investments and should a need arise, a request to utilise the interest will be considered in consultation with different governance structures.
Indications of withdrawal of financial support by debtors and other creditors	No indications of withdrawal of financial support by any funders or the parent department (DSAC). .
Negative operating cashflows indicated by historic or prospective financial statements	No negative cashflows are projected for the National Museum
Substantial operating losses or significant deterioration in the value of assets used to generate cashflows.	Not applicable to the National Museum

Consideration per ISA570	
Financial	Management response
Inability to pay creditors on due dates	The National Museum receives a subsidy from the Department of Arts and Culture to carry out its day to day operation. The Museum also receives interest from various investments and should a need arise, a request to utilise the interest will be considered in consultation with different governance structures. The National Museum has reserves that can be tapped into should a need arise.
Operating	
Loss of key management without replacement	There was no loss of key management in the previous and current year.
Other	
Non-compliance with other legislative requirements.	There are no material non-compliance matters. The National Museum complies with all the issued government regulations to date.

Based on the above assessment the National Museum will continue as a going concern.

34. Events after the reporting date

There were no events after reporting date to be reported.

35. Irregular expenditure

Opening balance as previously reported	23	13
Opening balance as restated	**23**	**13**
Add: Irregular Expenditure – current	-	10
Closing balance	**23**	**23**

36. Free use of buildings

Free use of building	3,157	3,994

The National Museum is housed in Department of Public Works Buildings. The use of these buildings is provided free of charge and the use is recognised at the estimated fair value. This has been the arrangement since inception of the National Museum, no agreements exist between the Department of Public Works, the Department of Sports, Arts and Culture and the National Museum.

The National Museum has the following buildings:

ERF 2124 Portion 0 of Bloemfontein - 36 Aliwal Street

ERF 3278 Portion 0 of Bloemfontein - 16 Harry Smith Street

ERF 3301 Portion 0 of Bloemfontein - 16 Harry Smith Street

SDF - Florisbad National Museum - Soutpan - 45km NW of Bloemfontein

SDF - Museum (Eerste Raadsaal) - 95 St Georges Street

Erven 26235 Portion 0 of Bloemfontein - 95 St Georges Street

37. Reconciliation between budget and statement of financial performance

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

Net surplus (deficit) per the statement of financial performance	1,577	(11,931)

38. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36(2) of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the financial statements.

Deviations

Reason for deviation	Date	Supplier	Amount (R)
Sole Provider- payment to VANSA for admin fee	2021/04/14	VANSA	74,208
Sole Provider- NCC to replace hard drive for desktop	2021/04/16	NCC	2,398
Sole-Provider- National Inquiry Service Centre to publish in the African Journal of Marine Science	2021/04/22	National Inquiry Service Centre(NiSC)	20,125
Sole Provider- VIPROJECTS to submit the tax year returns to SARS	2021/05/14	VIPROJECT	3,013
Sole Provider- Toby Orford Artlaw to provide Legal services on drafting addendum to commissioning contract	2021/08/12	Toby Orford Art Law	2,650
Sole Provider - VIP PROJECTS to submit the tax year returns to SARS	2021/10/14	VIP PROJECTS (Pty) Ltd	3,278
Sole Provider- Baytronic Medical to provide servicing of the tissue processor VIP E300 unit	2021/10/26	Baytronics Medical (Pty)Ltd	10,188
Sole Provider- ADAPT IT to provide renewal of software used to compile the Annual Financial Statements	2021/11/22	ADAPT IT (Pty)Ltd	82,720
Sole Provider - ArtbankSA to make acquisition of 148 artwork by 98 artists	2021/12/14	Acquisition of Artwork	2,118,144
Sole Provider - Bonus Auto Electrical to provide services of bumper installations on the Museum's vehicle (Hilux 2021)	2021/12/14	Bonus Auto Electrical	40,716
Sole Provider - Advanced Laboratory Solutions to provide annual service of the Accumtom-100	2022/02/02	Advanced Laboratory Solutions	16,128
Sole Provider - Adapt IT to provide services of Caseware Training for the accountant	2022/03/30	Adapt IT	6,307
Sole Provider - University of Pretoria to provide services to C Stobie to conduct laboratory work	2022/03/25	University of Pretoria	18,686
Sole Provider - Stellenbosch University to provide services of online workshop	2022/03/30	University of Stellenbosch	6,100

39. Fair value adjustments

Heritage assets - (Fair value model)	(10,085)	-

40. Change in estimate

Heritage assets

A revaluation was performed for heritage assets in the current year, which resulted in a change in the fair value for our heritage assets. The effect of this revaluation has decreased the heritage assets artworks for the current and future periods by 10,084,693.

NATIONAL MUSEUM
NASIONALE MUSEUM • MUSIAMO WA SETJHABA
BLOEMFONTEIN

an agency of the
Department of Sport, Arts and Culture

Taiwo Ohu
National Museum, Bloemfontein | 2020
Acrylic on canvas | 100 x 150cm

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