ANNUAL REPORT

"Shaping and creating sustainable futures"

NATIONAL MUSEUM 2023.24

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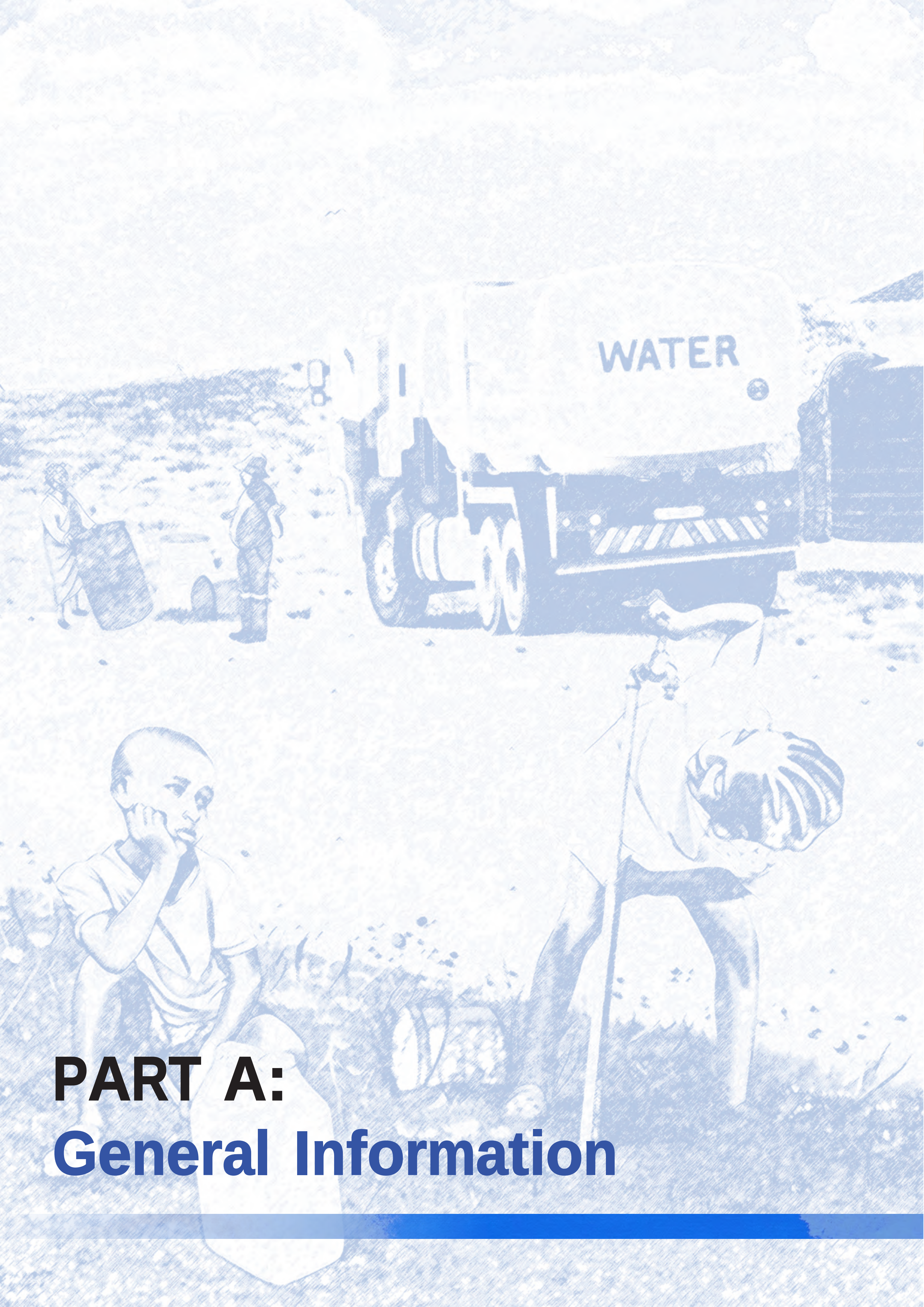


PART A:
General Information

National Museum's 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; and 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 theNational 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
Company Secretary:	None

List of Abbreviations/Acromyms

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

Foreward
by the Chairperson

> "Museums are key contributors to the well-being and to the sustainable development of our communities. As trusted institutions and important threads in our shared social fabric, they are uniquely placed to create a cascading effect to foster positive change. There are many ways in which museums can contribute to achieve the Sustainable Development Goals: from supporting climate action and fostering inclusivity, to tackling social isolation and improving mental health."
>
> **ICOM**

Chairperson of the Council
Adv. J E Leshabane

Introduction

The National Museum's mission is to provide heritage information, an enjoyable experience and an invaluable tourism resource to all people through quality research, conservation, education and exhibitions. The National Museum was pleased to join the international museum community to celebrate the year under the theme: Museums, Sustainability and Well-being. We aspire to shape and create sustainable futures for our communities through our research, educational programmes, exhibitions, and community outreach. It is for this reason that we chose the theme "*Shaping and creating sustainable futures*" as the theme for this annual report.

Performance Highlights

This report details the financial and non-financial performance of Year 4 of the Museum's Five-Year Strategic Plan (2020 -2025).

I am pleased to report that out of **68** targets set, our performance reflected **64** targets either as achieved or exceeded targets **(94%)**. The Museum has put plans in place to address those targets that were partially achieved **(1 target)** or not achieved **(3 targets)** in the new financial year. Only **4.5%** 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 an **unqualified and clean audit opinion** from the Auditor General. Another highlight is the improvement in our expenditure management where the Museum now has an audited average of **2 days** for payment of creditors and suppliers (2022.23: 5 days). The Museum's financial position is stable, and it closed the financial year with an accumulated surplus of **R 202 million**.

Achievement Status	No of Indicators	%
Achieved/ Overachieved	64	94
Partially Achieved	1	1.5
Not Achieved	3	4.5
Total	68	100%

The Museum experienced an increase in visitor numbers. Our largest visitor stakeholder group are the schools. We were able to successfully roll out our planned temporary exhibitions and research programme for the year.

Research and Conservation highlights

I am happy to report that the Museum received ethical clearance for all the new research projects that commenced during the year. This is in line with our strategy to undertake research according to ethical standards and to produce high quality results relating to the various research disciplines of the National Museum. The Museum undertakes and promotes research in several natural and human science disciplines. During the financial period, a total of **14** research studies were conducted on existing collections of the Museum. Research output was increased by **33** scientific publications in peer-reviewed journals and **34** 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 **28** national and international conferences. Our scientists supervised **2** Doctoral and Masters' Students and provided **8** university students with an opportunity to do vacation work at our research station. A total of **51** manuscripts were reviewed for international and national scientific publications, research theses, scientific reports, and researcher evaluations. Museum scientists presented **5** academic and **16** public lectures.

Scientists of the Museum were involved in the description of **4 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 registered **8** new collaborative research projects and were awarded **5** research grants. Edition 78 of **Culna Magazine** was produced and **16** articles were published online. Volume 39 of the **Indago Journal** was published in hardcopy and online.

The Museum engages in conservation by building and curating representative collections of Natural and Human Science, including Fine Arts. The Museum added **33 424** new specimens to our natural science collections and **68** to our human science collections in the year. The **ArtBankSA** purchased **324** artworks during the year.

Annually the Collections Department audits the heritage collections for compliance with the Collections Policy and GRAP. The audit outcomes show that the Museum has an excellent compliance rate with procedures for conservation, curation, and management of collections. The Museum made additional equipment purchases in line with its strategy for **Digitisation of Heritage Collections** and **6054** heritage items were digitised**.**

Employment Equity

The National Museum has an approved Employment Equity Policy and Plan in place which is aligned to national and regional demographics. The Employment Equity Plan has established equity targets which guide recruitment. The Museum's staff demographic breakdown as at year end consisted of African staff **58.14%**, White staff **33.93%**, Coloured staff **7.14**% and Indian staff **0.89**%. The staff gender breakdown is **56%** female and **44%** male.

Challenges Faced by Council

The Museum's biggest challenge is the over reliance on grant funding. 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 recognises that it needs to generate more income which will be done by increasing visitor numbers, promoting increased use of its venues, and attracting more research grants.

The Year Ahead

The National Museum has been amalgamated with IZIKO Museum of South Africa. The Museum has signed its Shareholder's Compact for 2024.25 with the erstwhile Minister. It will implement Year 5 of its approved strategy and Annual Performance Plan. In line with these strategic documents, the Museum will focus on the following activities in the coming year:

- Implementing PESP projects.
- Improving the roll out of CAPEX projects which will see urgent renovations to the premises of 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.
- Improving its contract management and supply chain management.
- Overall strengthening of the governance of the organisation.

Acknowledgements / Appreciation

On behalf of the Council, I extend our thanks and appreciation to the erstwhile Minister, for his guidance and support provided to the sector during the year. I am indebted to my fellow Council members, who, despite the many challenges that we dealt with in the year, played a key role in advancing our governance programme for the year with minimal disruptions. Our Council members are passionate about the Museum and are committed to successfully steering the organisation to a successful amalgamation. I extend my appreciation to the officials of the Department of Sports, Arts and Culture, for their guidance and support. The CEO, Management and Staff of the National Museum are congratulated for achieving these excellent performance outcomes and a clean audit.

Conclusion

The largest segment of the Museum's visitors are school groups and parents and their children. The Museums plays a key role in providing curriculum-based education for our school visitors. We have invested in a Mobile Art Museum which will allow us to increase our reach and take curriculum based visual art lessons to schools in our province. The Museum is also in the process of expanding our exhibitions at the Raadsaal Museum, which will provide space for learners to be educated on more of our history. Additionally, we extend our education reach to the higher education sector, where we provide post graduate supervision, lectures, and field schools to university learners. The new field school at Florisbad Quaternary Research Station will be marketed more broadly and we hope will attract more international and national students and researchers.

Adv. J E Leshabane
National Museum
30 June 2024

Chief Executive Officer's overview

> Museums, as trusted sources of knowledge, are invaluable resources for engaging communities and are ideally positioned to empower the global society to collectively imagine, design and create a sustainable future for all.
>
> **ICOM**

Chief Executive Officer
Sharon Snell

Introduction

The Museum visitors increased in the year as we saw the schools return to operating normally. Physical visits to museums are still the primary means by which our patrons, especially children, engage with our collections and science knowledge.

The Museum purchased a vehicle for the **Mobile Art Museum** which will be hard launched in the new year. The Mobile Art Museum will take the art museum to the schools and is intended to give rural school children who would not normally visit an art museum, a wonderful opportunity to enjoy art. We have replicated life size art works, and these will be rotated in the Mobile Art Museum to support the delivery of curriculum based visual art lessons to schools. Several curriculum-based lessons for all grades have already been prepared and are ready to be rolled out. This initiative is a first for South Africa and the Free State Province and the Museum is proud of all the officials who participated in the endeavour from conception to implementation.

Image: Oliewenhuis Mobile Art Museum

General Review

The Museum's income was again severely affected by unplanned budget cuts during the financial year because of Treasury reprioritising funding due to pressure on the fiscus. The Museum's primary income consisted of grant funding received from DSAC in an amount of **R 83,9 million** (2022.23: R 76, 8 million). Other significant income received was from interest **R 9,6 million** (2022.23: R 5, 8 million). The positive variance on interest income is attributable to increases in the repo rate during the period. An amount of **R 599 K** (2022.23: R883K) was received as project income. The Museum ended the financial year with an operational surplus of **R 8,7 million (**2022.23: R 16,7 million). Employee costs was the most significant expenditure **R 45,2 million** (2022.23: R 44 million). We closed the financial year with an accumulated surplus of **R 202 million** (2022.23: R 196,7 million).

The Museum did experience capacity constraints or challenges in the reporting period because of the job freeze implemented by the Department in 2023. As a result, existing vacancies could not be permanently filled. No activities were discontinued, and no new or proposed activities were introduced. There were no events after the reporting date to report on, save for the gazetting of the amalgamation of National Museum with IZIKO Museums of South Africa.

Presidential employment stimulus programme (PESP) Funding

The Department of Sport, Arts and Culture has made PESP Funding available to the cultural and creative industry with the aim to expand the creative industry and contributing to economic recovery and reconstruction. Due to the successful implementation of the first PESP in 2020, the National Museum, with coordination by the Art Bank of South Africa, is once again implementing various programmes. PESP funding revenue during the financial amounted to **R 16,4 million**.

Research and Exhibition Highlights

Three Museum researchers hold **NRF ratings,** and we await the rating outcome of 1 new application in the new financial year. A total of 33 peer-reviewed articles were published and the full list of publications appears in Part B.

Image: The Editorial Committee of CULNA pose with the scientific magazine which won the coveted SAMA Design Award for Best Publication.

Image: A new book was published entitled *Simbamangu, through the eyes of caracal*, a collaboration by Dr Nico Avenant (HOD: Mammalogy) and Homo ambiens Wildlife Conservation Photography.

Request for Rollover of Funds

The Museum applied for rollover of surplus funds from the 22.23 financial period, and this was granted by Treasury. Treasury approval was granted in terms of PFMA section 53(3) for the National Museum to retain the cash surplus of **R 59 million** to be used to enhance and upgrade its ICT infrastructure; Digitisation of the museum collection; Upgrade of facilities, and secured premises for Artwork (Art Storeroom, Air conditioning, Flooring, Burglary Proofs for all entrance and exits and windows, Painting, Emergency Equipment and Shelving for Artwork); Maintenance and repairs of the museum and its satellite museums; Replacement of the ageing museum fleet; Payment of staff and management annual performance bonuses; A project to develop black scientist by training black upcoming scientists; and payment of municipal charges.

Employee Benefits

The Museum has been proactively converted from a self-managed fund to an Umbrella Fund in the prior period to reduce costs and associated risks.

The 2022 Statutory valuation for the legacy Fund was completed and submitted to the FSCA. The Museum awaits FSCA approval.

The valuation of the self-managed fund was completed, and the valuator informed the FSCA that he was comfortable that sufficient assets remained in the Fund to pay the estimated costs to terminate the fund. The valuator was comfortable to agree that the Employer Surplus of approximately R5 4 million be transferred via a Section 15E transfer to Old Mutual Superfund to be utilised as an Employer Contribution holiday until such time the value is depleted. The Museum currently awaits the valuation approval before the FSCA will approve the Section 15E transfer. Transfer of Unclaimed benefits was finalised and transferred to Old Mutual on 29 January 2024.

Supply Chain Management

Internal audit identified SCM- related findings in the year under review and these are being addressed. Our contract management has improved due to improved processes introduced; however, this will remain a focus area going forward. The Museum has a training plan in place for SCM officials and Management to tackle gap areas. The SCM Policy was reviewed and updated. The Museum did not conclude any unsolicited bid proposals for the year under review.

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 quarterly to the Audit and Risk Committee. Currently all findings have been resolved.

The National Museum in the Triennium

The cost of employment was **R 45,2 million** and it is estimated that this will be the biggest cost driver going forward. The National Museum will have in its employ about 120 staff members in the triennium. 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 completed Year 4 of its strategy and in some instances, we have cumulatively achieved the objectives and targets set out in our Five-Year Strategic Plan. All these achievements are because of the hard work done by the Heads of Departments and staff of the Museum. I would like to thank them for their commitment, passion, and support throughout the year, most especially for innovation and team discipline. I wish them well with the amalgamation process.

I remain indebted to our Council Chairperson, Advocate Leshabane, who provides strategic support and guidance to the Executive Management. I would like also to extend my thanks to the Council of the National Museum and the committees for their active support and counsel throughout the year.

S Snell
Chief Executive Officer
National Museum
31 July 2024

Statement of responsiblity and confirmation of accuracy for the Annual Report

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

All information and amounts disclosed in the Annual Report 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 2024.

Yours faithfully

Chief Executive Officer
Name: S Snell
Date: 31 July 2024

Chairperson of the Board
Name: Adv. J. E. Leshabane
Date: 30 June 2024

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

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); and

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

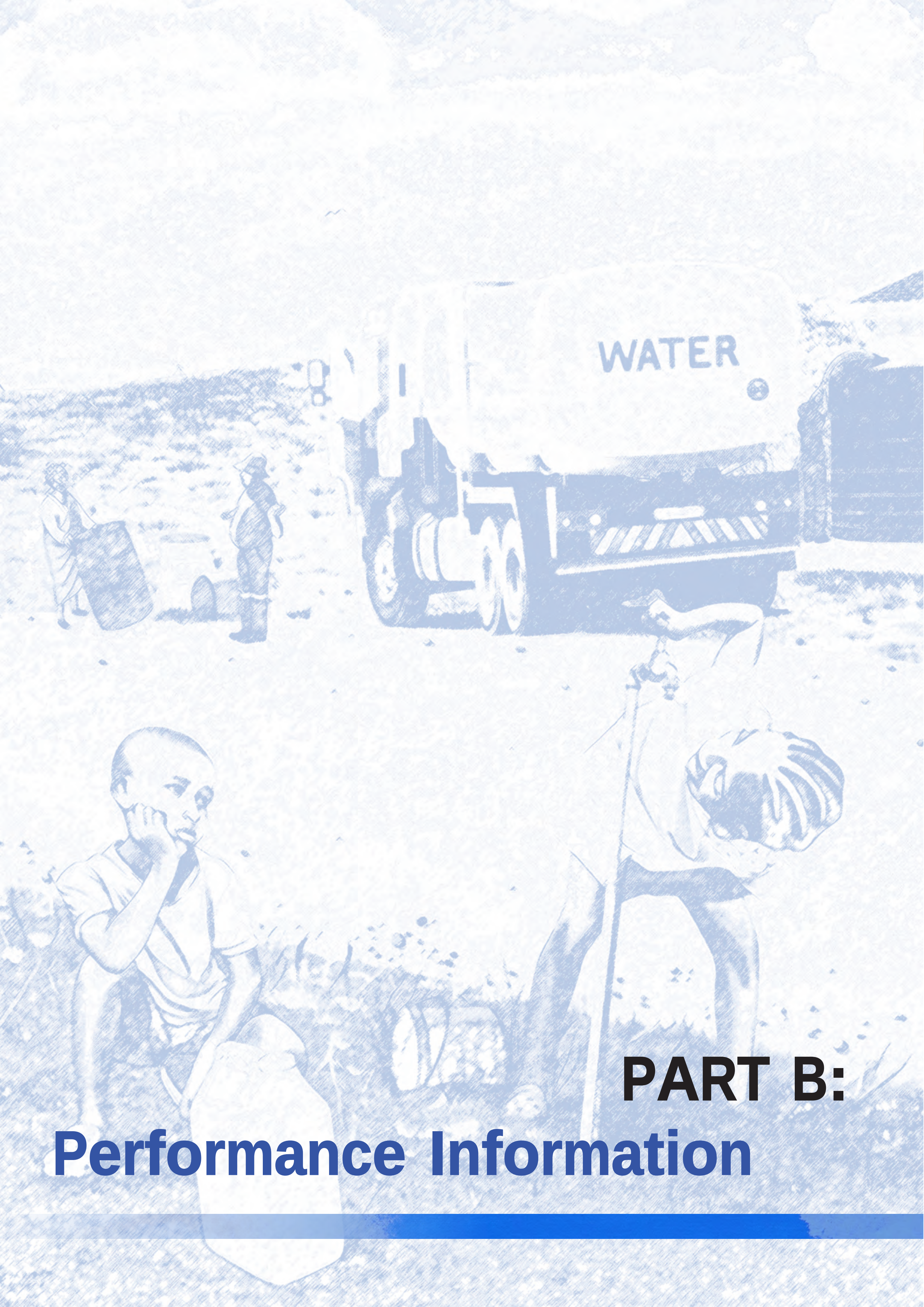
c) An Africa of good governance, democracy, respect for human rights, justice and the rule of law.

Organisational structure

- **Department of Sport, Arts and Culture**
  - **Council of the National Museum**
    - **CEO** – S. Snell
      - Personal Assistant to CEO – D. Orlu
      - Human Resource Generalist – M. Mathe
      - **Chief Financial Officer** – G. Simelane
        - HOD: Financial Management – M. Barnes
        - HOD: Supply Chain Management – G. Dlamini
      - **Deputy Director** – Vacant
      - **Heads of Departments**
        - HOD: Facilities Management – Z. Mantsengu
        - HOD: History – Vacant
        - HOD: Education – A. Van Staden
        - HOD: Rock Art – S. Moodley
        - HOD: Design & Workshop – C.P. Venter
        - HOD: Animal & Plant Systematics – M. Bates
        - HOD: ArtBankSA – S. Msomi
        - HOD: Terrestrial Invertebrates – L. Hugo-Coetzee
        - HOD: Florisbad – L. Rossouw
        - HOD: Collections Management & Library – S. Havenga
        - HOD: Mammology – N. Avenant
        - HOD: Archaeology/Anthropology – W. Archer
        - HOD: Ornithology – D. de Swardt
        - HOD: Oliewenhuis Art Museum – E. le Roux
        - HOD: Karoo Palaeontology – Vacant

Satellites

- ArtBankSA
- Freshford House Museum
- Oliewenhuis Art Museum
- First Raadsaal & Wagon Museum
- Florisbad Quaternary Research



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 52 of the Auditors Report, published as Part E: Financial Information.

1. SITUATIONAL ANALYSIS

1.1. 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.

1.2. Organisational environment

The Annual Report should provide readers with an understanding of the organisational challenges and successes experienced by the public entity in the year under review. The aim of this 'overview of the organisational environment' is to provide a description of any significant developments internal to the public entity that may have impacted on the public entity's ability to deliver on its Strategic Plan and Annual Performance Plan, e.g. the resignation and/or appointment of key personnel such as the CEO or the CFO, a strike by significant portions of the personnel employed by the public entity, or restructuring efforts, significant system failures or cases of corruption.

Given that these are factors internal to the public entity and therefore ostensibly within the public entity's control, it would be expected that the public entity gives some indication of any measures that were adopted to mitigate the impact of these events on service delivery.

1.3. 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.

1.4. 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.

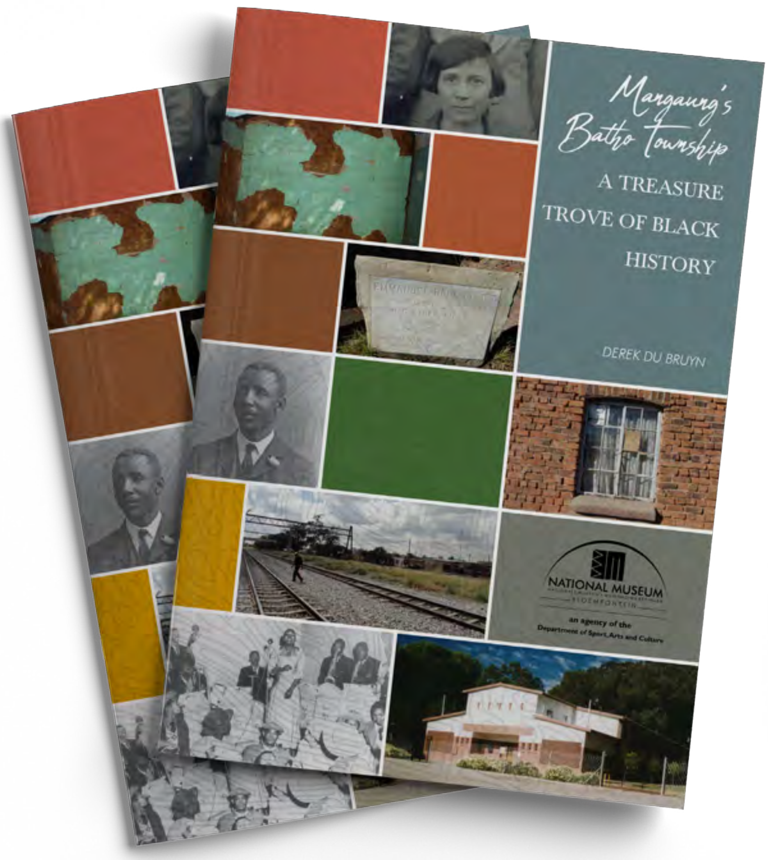


Image: Book cover of Mangaung's Batho Township A treasure trove of black history – a book authored by Dr Derek du Bruyn (Museum historian).

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.
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Key performance indicators, planned targets and actual achievements

Output indicator	Planned Target 2022/2023	Actual Achievement 2022/2023	Planned Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement for 2023/2024	Comment on deviations
No of new heritage items added to the collection	10 000 new heritage items added to natural science collections	15 328	10 000 new heritage items added to natural science collections	33 424	(+ 23 424)	Over-achieved, fieldtrips yielded more items than anticipated.
	1000 new heritage items added to human science collections	243	300 new heritage items added to human science collections	68	(- 232)	Planned fieldwork trips had to be cancelled.
	2 new heritage items added to Oliewenhuis Art Museum	3	2 new heritage items added to Oliewenhuis Art Museum	5	(+3)	Overachievement occasioned by a donation
% compliance with Conservation Policy and GRAP	Collections Department audit of Heritage Collection for compliance with Collections Policy	Audit conducted.	Collections Department audit of Heritage Collection for compliance with Collections Policy	Audit conducted	None	No deviation
No of heritage items digitised	1000 Digitised items	4369	1000 Digitized items	6054	(+5054)	Overachievement occasioned because of dedicated digitization projects.

No of loans of collections items	5 new outgoing loans	11	5 new outgoing loans	14	(+9)	More external institutions applied for loans than anticipated.
No of research studies conducted on existing collections	10 research studies on existing collections	13	10 research studies conducted on existing Museum collections	14	(+4)	More researchers are using the Museum collections than anticipated.
No of popular research articles published	30 popular research articles published	35	30 popular research articles published	34	(+4)	More articles published than anticipated.
Develop a policy for ethical research at the Museum	Develop a policy for ethical research at the Museum	n/a	n/a	n/a	n/a	No target set
	When needed research projects have ethical clearance	100%	When needed research projects to have ethical clearance 100%	100%	None	No deviation
No of research grants awarded to Museum Scientists	5 research grants awarded to Museum scientists	8	5 research grants awarded to Museum scientists	9	(+4)	More researchers were successful in their applications for grants
No of NRF rated scientists	2 NRF rated scientists at the Museum	4	2 NRF rated scientists at the Museum	3	(+1)	One more researcher were successful in his application.
No of research fieldtrips conducted	15 per annum research field trips conducted	29	15 per annum research field trips conducted	28	(+13)	More collaborative fieldtrips than anticipated.
No of research papers or posters delivered at research conferences	20 research papers or posters delivered at research conferences	30	15 research papers or posters delivered at research conferences	28	(+8)	Often several papers presented at single conferences.
No of public lectures delivered	15 per annum of public lectures	16	15 per annum of public lectures	16	(+1)	One more public lecture than anticipated.
No of lectures delivered to students registered at Higher Education Institutions	15 per annum public lectures/ practicals delivered (Higher Education Institutions)	22	15 per annum public lectures/ practicals delivered (Higher Education Institutions)	5	(-10)	Fewer requests were received to present lectures to students.
No of articles published in peer reviewed journals	30 per annum articles published in peer reviewed journals	34	25 per annum articles published in peer reviewed journals	33	(+3)	Three more articles published than anticipated.
No of new animal or plant or fossil species described	5 new species described	9	5 new species described	4	(-1)	Publication of species delayed by journal processes.
No of reviews conducted	50 reviews conducted	102	50 reviews conducted	51	(+1)	One more external requests received than anticipated.

No of Technical Reports/ Impact Assessments conducted by Museum Scientists.	2 CRM/EIA/Bio monitoring and site reports	1	1 CRM/EIA/Bio monitoring and site reports.	1	None	No deviation
No of new international and national collaborative projects	4 new international and national collaborative projects	5	2 new international and national collaborative projects	8	(+5)	More collaborative projects registered than anticipated.
Production of CULNA	CULNA 1 hard copy issue produced	1	CULNA 1 hardcopy issue produced	1	None	No deviation
	12 online CULNA articles	22	15 online CULNA articles	16	(+1)	One more submission received from authors than anticipated.
Production of INDAGO	Indago 2 online articles	3	Indago 2 online articles	3	(+1)	More submissions received than anticipated.
Staff serving on the Executive of Professional bodies	5 professional staff serving on committees of professional bodies	10	5 professional staff serving on committees of professional bodies	9	(+4)	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.	72%	Progress on 70% of research projects per annum	74	(+4%)	More scientists finished deliverables than anticipated.

Linking performance with budgets

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

	2022.2023			2023.2024		
Programme/activity/objective	**Budget**	**Budget**	**Budget**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Business Development	1 613	1 309	304	1 633	1 400	244
Total	1 613	1 309	304	10633	1 400	244

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 2022/2023**	**Actual Achievement 2022/2023**	**Planned Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**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	2	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
No of inclusive temporary exhibitions delivered	4 temporary internal exhibitions per year (including virtual exhibitions during lockdown)	9	4 temporary internal exhibitions per year (including virtual exhibitions)	9	(+5)	More exhibitions held for special days than anticipated.
	2 temporary external exhibitions	3	2 temporary external exhibitions	3	(+1)	One more request for an external exhibition than anticipated.
	Temporary Art Exhibitions at Oliewenhuis and the Reservoir of which 80% of solo exhibits shall be Black artist and 50 % women	14 of which 66% of solo exhibits were black artists and 33% women	12 Temporary Art Exhibitions (including virtual) at Oliewenhuis and the Reservoir of which 80% of solo exhibits shall be Black artist and 50 % women	12 of which 100% of solo exhibits were black artists and 100% women	None	Slightly higher percentages achieved on the demographics for solo artists
No of Special Days celebrated with communities	Hosting of celebrations for: -Womens Day - Youth Day -International Day of Persons with Disabilities	11	Hosting of 4 celebrations with community for International Museum Day, Womens Day, Youth Day and International Day of Persons with Disabilities (including virtual celebrations)	9	(+5)	More events on Special days were celebrated
Conduct a facilities audit	Conduct a facilities audit with DPW/ DSAC	n/a	n/a	n/a	n/a	No deviation
	50% implementation of UAMP projects funded by DSAC and DPW	77%	50% implementation of UAMP projects funded by DSAC and DPW	51%	(+1%)	The Museum's implementation was slightly better than planned

No of visitors to the National Museum and satellites including outreach	50 000 to Oliewenhuis 50 000 to National Museum and balance of satellites	56 691 51 939	100 000 to National Museum and satellites	100 256	(+ 256)	More visitors than anticipated
Museum provides heritage experience virtually. No of people reached through social media platforms	New target	New target	100 000 people reached through social media platforms	722 636	(+ 622 636)	Since this is a new target, this high reach was not anticipated.
Museum provides heritage experience virtually. No of social media posts made providing scientific/ heritage information	New target	New target	300 social media posts made providing scientific/heritage information	2514	(+ 2214)	Since this is a new target, active posting occasioned overachievement.
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	1	1 New Breed Competition	1	None	No deviation
	Artbank SA Competition	1	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 2022/2023**	**Actual Achievement 2022/2023**	**Planned Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Comment on deviations**
No of PHDs or Masters students supervised	2 per annum PHDs or Masters students supervised	5	2 per annum PHDs or Masters students supervised	2	n/a	No deviation
No of post doc opportunities provided	1 per annum of post doc opportunities provided	0	0 per annum of post doc opportunities provided	n/a	n/a	No deviation
No of internships provided	10 internships provided per annum.	15	10 internships provided per annum	16	(+6)	More interns at Oliewenhuis and Artbank than anticipated.
No of vacation work experience opportunities provided for learners	5 per annum vacation work experience opportunities provided for learners	8	5 per annum vacation work experience opportunities provided for learners	8	(+3)	More students were interested than expected.

No of school groups receive curriculum based lessons	400 lessons and guided tours school groups receive curriculum-based lessons by NM and 100 by Oliewenhuis	468 by National Museum 181 by Oliewenhuis	350 lessons and guided tours school groups received curriculum based by NM and 100 by Oliewenhuis	599 by NM 150 by Oliewenhuis	(+249) (+50)	More lessons and guided tours than anticipated.
	5 educator training workshops	5	5 educator training workshops	5	None	No deviation
	500 educational brochures distributed by Oliewenhuis	1709	2000 educational brochures distributed by Oliewenhuis	2563	(+563)	Increased opportunity to distribute more brochures.
	Participation in 2 career guidance initiatives	4	Participation in 2 career guidance initiatives	4	(+2)	Two additional external opportunities arose.
No of mobile museum trips including to rural school	NM conduct 20 mobile museum trips including rural schools	20	NM conduct 20 mobile museum trips including rural schools	24	(+4)	More opportunities to visit schools with the mobile museum.
	Oliewenhuis conduct 5 mobile art museum curriculum-based lessons on visual arts including rural schools	5	Oliewenhuis conduct 5 mobile art museum curriculum-based lessons on visual arts including rural schools	12	(+7)	More opportunities to visit schools with the mobile museum.
No of school holiday workshops provided	8 school holiday workshops provided	12	8 school holiday workshops provided	9	(+1)	An increased interest from learners occasioned the overachievement.
Outcome: ArtBank becomes financially sustainable to support the visual arts economy						
Output indicator	**Planned Target 2022/2023**	**Actual Achievement 2022/2023**	**Planned Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Comment on deviations**
No of artworks purchased, leased and sold	100 artworks purchased	171	100 artworks purchased	324	(+224)	The target was exceeded due to the PESP programme.
	5 artworks leased and /or sold per annum	23	20 artworks leased and /or sold per annum	218	(+198)	More artworks sold due to the PESP programme.
No of ArtBank Exhibitions held	2 ArtBank Exhibition to be held annually.	3	1 ArtBank Exhibition to be held annually.	5	(+4)	It is encouraged to hold more exhibitions for the sake of the longevity of ArtBankSA
	500 people attend ArtBank exhibitions per annum	37 709	2000 people attend ArtBank exhibitions per annum	20 070	(+18 070)	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 popular articles published about the ArtBankSA collections	5	None	No deviation.
Amount of income generated	R 100k per annum income generated.	R 1 002 356	R 100k per annum income generated.	R 105 260	(R 5 260)	More artwork sold than anticipated.
ArtBank Sales and Marketing Strategy and MOU with DSAC	n/a	n/a	No target for 2023/2024	n/a	None	No deviation

Linking performance with budgets

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

	2022/2023			2023/2024		
Programme/activity/objective	**Budget**	**Budget**	**Budget**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Programme 2: Public Engagement	942	1 212	270	1 094	850	244
Total	942	1 212	270	1 094	850	244

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 2022/2023**	**Actual Achievement 2022/2023**	**Planned Target 2023/2024**	**Actual Achievement 2023/2024**	**Deviation from planned target to Actual Achievement for 2023/2024**	**Comment on deviations**
Achieve an unqualified audit report	Unqualified audit report achieved for 2021.22	Achieved clean audit for the 21.22 financial year	Unqualified audit report for 2022.23	Achieved clean audit	Improved audit opinion	Improved governance and compliance
No of staff training opportunities to support governance	3 staff training opportunities to support governance	3	3 staff training opportunities to support governance	3	None	No deviation.
No of policies reviewed	All policies must be reviewed in a 3 year cyclical schedule	100%	All policies must be reviewed in a 3 year cyclical schedule	100%	None	No deviation
Information technology governance enhanced with investment in IT infrastructure and relevant policies	Investment in new IT infrastructure	n/a	1 new server to be installed 1 new internet service provider	0 1	(-1)	Due to budget cuts no server could be installed.
	New IT policies to be drafted by 31 March 2021	n/a	No target for 2022/2023	n/a	None	No deviation
Performance and Financial reporting	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
	Annual report submitted on time.	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%	100% on all matters identified to implement consequence management	100%	None	No deviation
Risk Management is implemented	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
	Annual Risk Treatment Plan	1	Annual Risk Treatment Plan	1	None	No deviation
	Combined Assurance Plan in Place	1	Combined Assurance Plan in Place	1	None	No deviation
Quarterly maintenance of Council decision register	New Target	n/a	Council decision register updated quarterly	4	None	No deviation
Quarterly maintenance of Contract register	New Target	n/a	Contract register updated quarterly and approved by CEO	4	None	No deviation

Linking performance with budgets

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

	2022.2023			2023.2024		
Programme/activity/objective	**Budget**	**Budget**	**Budget**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Programme 3: Compliance and Administration	**61 984**	**57 516**	**4 468**	64 305	60 616	3 689
Total	**61 984**	**57 516**	**4 468**	64 305	60 616	3 689

Summary:

Achievement Status	No of Indicators	%
Achieved/ Overachieved	64	94
Partially Achieved	1	1.5
Not achieved	3	4.5
Total	**68**	**100%**

Capital Investments

Capital Investment, maintenance and asset management plan

Infrastructure projects	2023/24			2022/2023		
	Budget	Actual expenditure	Over/(under) Expenditure	Budget	Actual expenditure	Over/(under) Expenditure
Upgrading of the HVAC system	1,790,459	989 505	(800,954)	4,000,000	2,209,541	(1,790,459)
Upgrading of the Auditorium sitting spacing and the inclusion of access for persons with disabilities	950,000	0	(950,000)	950,000	0	(950,000)
The Construction of a Storage Area at the Oliewenhuis Art Museum	662,432	51,000	(611,432)	662,432	0	(662,432)
The Upgrading of the Oliewenhuis Art Museum Roof	6,526,203	188,784	(6,337,419)	6,625,563	99360	(6,526,203)
Supply & Installation of Solar PV at First Raadsaal and Wagon Museum	200,000	0	(200,000)			
Total	10,129,094	1,229,289	(8,899,805)	12,237,995	2,308,901	(9,929,094)

Infrastructure Projects

Upgrading of the National Museum HVAC system

All units have been switched on and they are running, the handover of the project to the National Museum was done in quarter three of the 2023/24 Financial Year. The project documentation was submitted these included As-built drawing, specification for maintenance, warrantees and OEM Manuals, the project adhered to basic project management principles (Time, Cost & Quality).

Upgrading of the Auditorium sitting spacing and the inclusion of access for persons with disabilities

The appointed PSP submitted drawing's for approval, which were expected by management works will continue in 2023/24 Financial Year. However subsequent year end we were notified by the PSP that they have closed business and no longer in operation. No expenditure was incurred on this project.

The project is planning phase for the project is expected to resume in quarter three of the 2024/2025 Financial Year and the projected completion of the project is quarter two of the 2025/26 Financial Year

The Construction of a Storage Area at the Oliewenhuis Art Museum

A consultant was appointed for the design & implementation of the project. Consultations with the stakeholder was undertaken which led to the production of sketch designs and the subsequent submission for approval to the Heritage Free- State.

The Upgrading of the Oliewenhuis Art Museum Roof

A professional team was appointed by the National Museum to undertake the conditional assessment and the designs for the proposed repairs, The National Museum appointed an Occupation Health & Safety Agent for the project to bolster the professional team as the project included working at heights. A contractor was appointed in Quarter four of 2023/24 Financial Year, the project is currently on-going.

Current state of public entity's capital assets

The state of assets of The National Museum is currently poor due to maintenance backlog by NDPW, as the life cycle of an asset requires maintenance, repairs and asset renovation/refurbishment. Infrastructure requires major renovations other structures require total asset replacement as they are no longer being utilized. The museum conducted a conditional assessment on all buildings which indicated which elements require urgent repairs, in order to ensure that the assets life cycle is prolonged

Immovable and Movable assets*

Item	Opening Balance	Additions	Disposals	Transfer to heritage assets	Depreciations	Impairment loss	Closing Balance
Property, Plant and Equipment	25,716,000	3,045,000	(121,000)	(59,000)	(2,916,000)	(3,000)	26,382,000

Narration on movement of the Fixed Asset Register (FAR)

- The National Museum's assets have increased by R3million which is largely attributable to fixtures (HVAC) and appreciative artwork added in the current financial year.
- There was an auction conducted in the current year under review of old assets that were no longer in use and have reached their economic useful lives. The carrying value of assets disposed was R121 000.
- A sale of three heritage assets by the ArtBank to Oliwenhuis was made in the current year triggering a transfer of assets to the value of R59 000.
- Depreciation for the year amounted to R2 million based on the depreciation rates as determined by management based on estimated useful lives of assets.

Measures implemented to ensure that the Fixed Asset Register is kept up-to-date during the period under review.

- Quarterly updates of additions and sign-off thereof.
- Annual physical verification of assets to ascertain condition of assets.
- Remove assets that have been disposed off, scrapped or lost.
- Annual reconciliation of the general ledger and the fixed asset register to ensure accuracy
- Tagging of new assets prior to being added on to the fixed asset register
- Annual calculation of depreciation.
- Assessment of useful lives and residual values.

**Refer to Note 6 of the Annual Financial Statements for a breakdown of Property, Plant and Equipment*

Museum Publications for 2023/24

Below is a list of peer -reviewed articles published by National Museum scientists. A total of 33 peer-reviewed articles were published for 2023.24.

Research Department	Peer- reviewed publications

Archaeology and Anthropology
Author:

Dr Will Archer
B3 NRF rated Researcher

ARCHER, W., PRESNYAKOVA, D., HEINRICH, S., STAHLSCHMIDT, M.C. (2023). A predictive model for the non-destructive assessment of Stone Age silcrete heat treatment strategies. Journal of Paleolithic Archaeology 6:14.

ARCHER, W., PRESNYAKOVA, D., ALDEIAS, V., CALAROSSI, D., HUTTEN, L., LAUER, T., PORRAZ, G., ROSSOUW, L., SHAW, M. (2023). Late Acheulean occupations at Montagu Cave and the pattern of Middle Pleistocene behavioral change in Western Cape, southern Africa. Journal of Human Evolution 184: 103435.

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Author:

Dr Lloyd Rossouw

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Authors:

Dr Nico Avenant
C1 NRF rated Researcher

Dr Aluwani Nengovhela

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Author:

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Authors:

Dr Michael Bates

Dr Cora Stobie

Dr Oladayo Idris

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Terrestrial Invertebrates
Authors:

Dr Gimo Daniel
Y1 NRF rated Researcher

Mr Burgert Muller

Mr Jan- Andries Neethling

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Exhibitions hosted at Oliewenhuis Art Museum 2023/24

Oliewenhuis hosted fourteen exhibitions during the year.

***Threads of Visual Narratives: Traditional Artistry, Contemporary Art and National Heritage*, 25 May – 3 December 2023), 1st Floor**

An interdisciplinary temporary exhibition curated from heritage items of the National Museum, Bloemfontein and artworks from the Permanent Collection of Oliewenhuis Art Museum to encapsulate the concept that art is a method of visual communication; through rock art, cultural objects, stone tools, maps, illustrated manuscripts, etc. The exhibition was a presentation of visual messages from prehistoric African cultures to contemporary art.

***Moving Forward: Restoration, Unity, Peace.* 1 December 2023 – 4 February 2024, Main Building, a section of the 1st Floor**

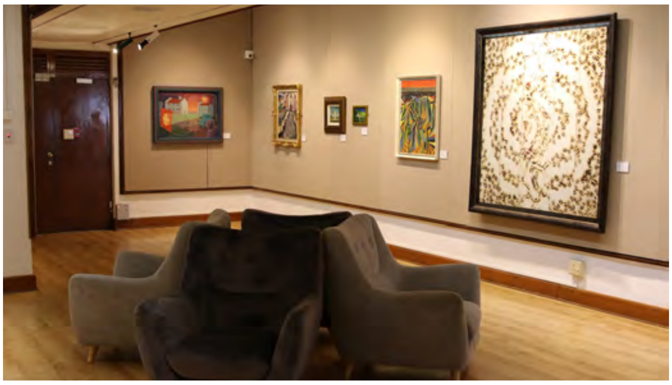
Oliewenhuis Art Museum commemorated Reconciliation Day with an exhibition of artworks selected from the Oliewenhuis Art Museum Permanent Collection and the Collection of the Art Bank of South Africa. All Oliewenhuis Art Museum and ArtbankSA staff members chose an artwork that personally resonates with their idea of reconciliation. Diverse artworks, expressing varied views and feelings regarding the theme, Moving Forward: Restoration, Unity and Peace, were selected, and created an exhibition that acknowledges the painful past of South Africa, but also shows how we can continue to restore and what unity and peace look like. Many of the artworks explore what we share and what brings us together as human beings.

***This is us: Celebrating 29 Years of Freedom*, 26 April – 30 July 2023. Reservoir.**

An exhibition of the Art Bank of South Africa (ArtbankSA) dedicated to the working class.
As a resilient society we are reminded of our strengths and capabilities on national days as we commemorated Freedom Day on 27 April 2023 and Worker's Day on 1 May 2023 and are reminded of those who fought, struggled greatly under oppression, and gave their lives for a greater cause. We are inspired to aspire to lead and fight for a better life for those who are in desperate need. We are reminded to be compassionate towards one another and lastly, we are reminded of how far South Africa has come.

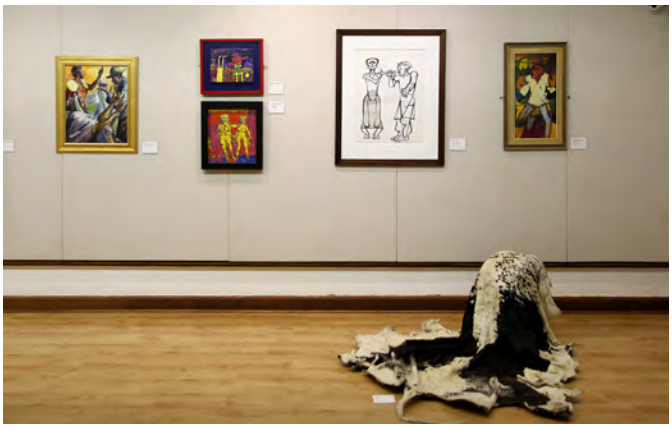
***Breath. Body. Art: Museums, Sustainability and Well-Being*, 12 May – 25 June 2023, Annex Gallery.**

A special exhibition curated in celebration of International Museum Day,18 May 2023 with the focus on well-being and providing an inclusive safe environment in the art museum. This global campaign highlights the role, value and significance of museums in society and the 2023 theme, Museums, Sustainability and Well-Being explored how museums are key contributors to sustain communities, provide an inclusive safe environment and are uniquely placed to create a cascading effect to foster positive change. Artworks in this exhibition were selected from Oliewenhuis Art Museum's Permanent Collection and the Art Bank of South Africa's Contemporary Art Collection.



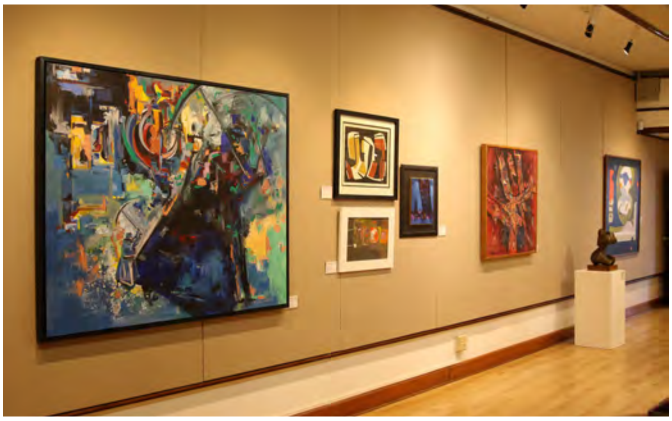
***Learning through art: The Museum as classroom*, 23 June 2023 - 20 August 2023. Main Building, Ground Floor.**

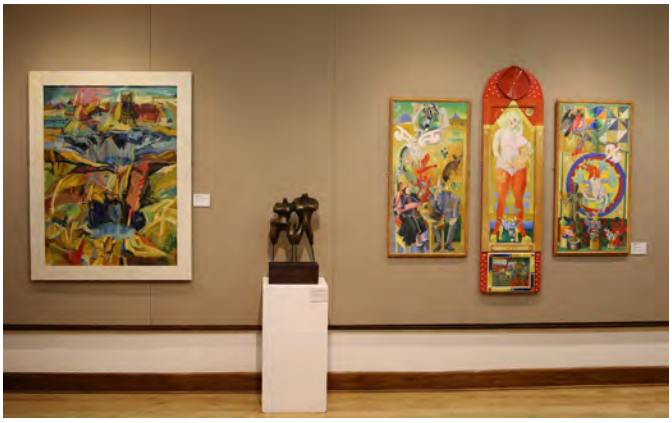
A Visual Arts curriculum-based exhibition curated from Oliewenhuis Art Museum's Permanent Collection, complimented by artwork loans courtesy of Sanlam Art Collection, with a special focus on the Grade 10 – 12 Visual Arts curriculums. Artworks were handpicked to optimise the learning experience for learners, and they now had the luxury to view artworks that are discussed in the classroom, not only see it in the handbook.



***Let there be light: In plain sight*, 29 June – 23 July 2023, Annex Gallery.**

Curated by Oliewenhuis Art Museum's Collections Manager, Sepadi Moruthane, Let there be light, In plain sight, employed the analogy of sight and light by drawing inspiration from colourful composite abstract artworks from the art museum's Permanent Collection and the ArtbankSA Contemporary Art Collection.





***She wears many hats: Radiant*, 7 August – 3 September 2023, Annex Gallery.**
Other venues: Freshford House Museum: She wears many hats: REGAL
National Museum, Bloemfontein: She wears many hats: RESILIENT

In celebration of Women's month, different Departments of the National Museum, Bloemfontein, collaborated to curate exhibitions that were on show across three museum venues; Freshford House Museum, the National Museum and Oliewenhuis Art Museum. These exhibitions, although having distinctive slants, shared similar themes and content, with the aim to create fresh and original visual showcases by combining a variety of historical hats with contemporary and classical artworks. This exciting amalgamation of artworks and beautifully made artefacts, curated by three female curators, was mindfully selected from the art collections of the Oliewenhuis Art Museum, Art Bank of South Africa and textiles from the Collections Management and Library Department.

***34th Annual Sophia Gray Memorial Exhibition: Shifting Perceptions: Designing Dignity*, presented by Nadia Tromp from Ntsika Architects, 31 August – 1 October 2023. Main Building.**

Sophia Gray (1814 –1871) was the first woman to practise architecture in South Africa and one of the earliest women in the world to do so. As a tribute to her achievements, the University of the Free State instituted the annual Sophia Gray Memorial Lecture and Exhibition in 1989 to recognise the contributions of a practising architect. This year's lecture and exhibition was presented by Nadia Tromp, founder of Ntsika Architects.

***PH New Breed Art Competition Exhibition*, 12 October – 19 November 2023, Main Building.**

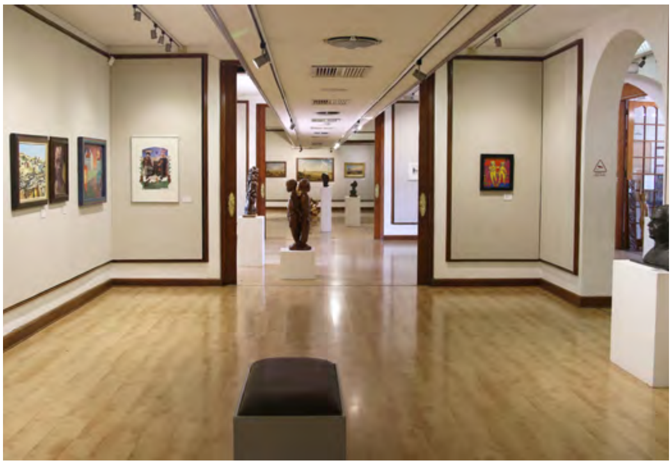
This year, the competition received a total of 97 entries, reflecting the growing artistic talent within the Free State. The competition is a proud initiative of PH Attorneys in association with Oliewenhuis Art Museum, The Free State Art Collective and the Art Bank of South Africa.

***The Umabatha series by Lucky Sibiya and the White Monday Disaster series* by Cecil Skotnes, 26 October – 26 November 2023, Annex Gallery.**

The Umabatha series by Lucky Madlo Sibiya and The White Monday Disaster series by Cecil Skotnes, both from Oliewenhuis Art Museum's Permanent Collection, was on view in the Annex Gallery. These exquisite woodcut print series were exhibited together as Lucky Madlo Sibiya was not only influenced, but also taught by Cecil Skotnes, one of the main pioneers of modern art in South Africa. Although each artist's work has its own individual voice, there are a number of fascinating technical and visual similarities. Both series are narratives based on real life events.

***Creatively Contrasted: New Views on the Permanent Collection*, 1 December 2023- 3 March 2024, Main Building.**

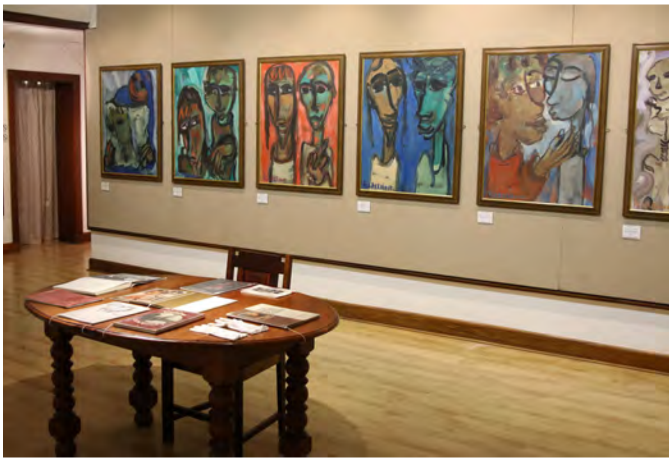
This exhibition was curated from the Permanent Collection and artworks with contrasting aspects such as the oldest and the 'youngest' artwork in the collection, were selected to give a fresh perspective on the collection and pay tribute to the incredible richness of South African visual art.

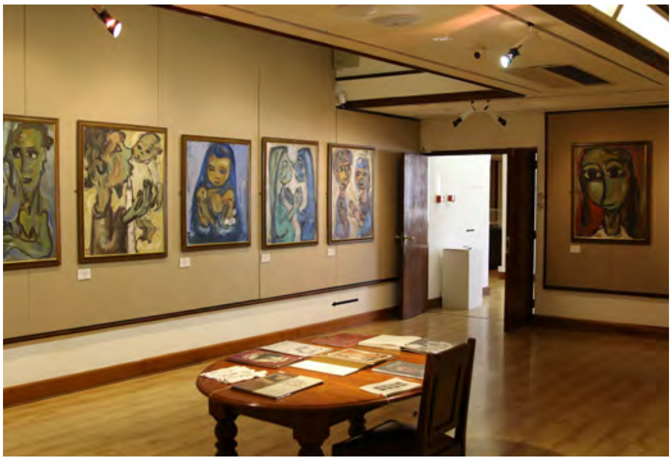


***Christ and the other person, a series by Father Frans Claerhout*, 1 December 2023 – 18 February 2024, Annex Gallery.**

This beautiful series of 25 oil paintings were on display in the Annex at Oliewenhuis Art Museum from 1 December 2023 to 18 February 2024. The series is on permanent loan to Oliewenhuis Art Museum from The Congregation of the Missionary Oblates of Mary Immaculate.

Claerhout came to South Africa in 1946 and was based in Thaba 'Nchu (close to Bloemfontein) as Catholic priest and missionary. Claerhout was a founding member of the Bloemfontein Group, and he participated in numerous group exhibitions, and had his first solo exhibition in Johannesburg in 1961. Apart from practicing his own art, he played a significant part in developing local talent, including artists represented in Oliewenhuis Art Museum's Permanent Collection such as Albert Dasheka, John Tladi, Micheal Mosala and George Ramagaga.

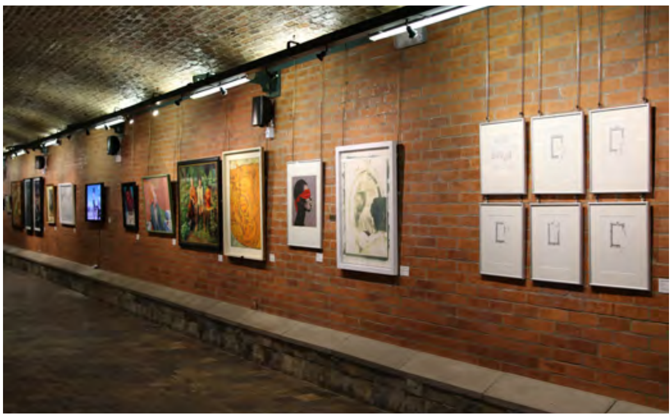




***Realigned*, an exhibition curated by the Art Museum Guides at Oliewenhuis Art Museum, 7 March – 5 May 2024, Reservoir.**

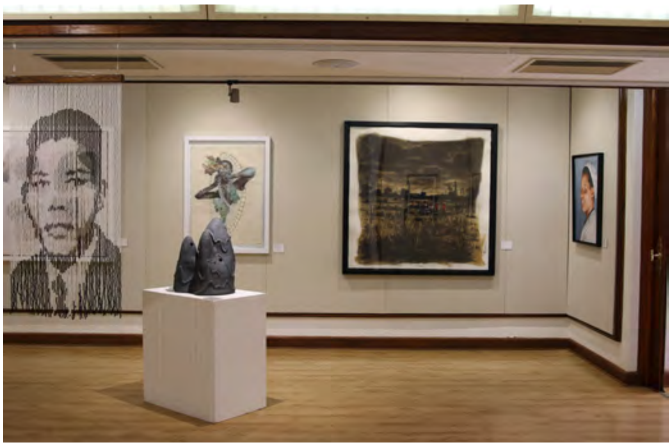
Realigned was curated by the Art Museum Guides; Jacobeth Selinga, Zethu Mvila, Ziya Khubeka, Wandile Maseko, Mpho Nyeule and Mikayla Swartz, with assistance of the Education Officer, Natley Barnardo. These young individuals used their creative abilities to skilfully curate a reflective exhibition that encourages one to reflect, connect and realign with self.

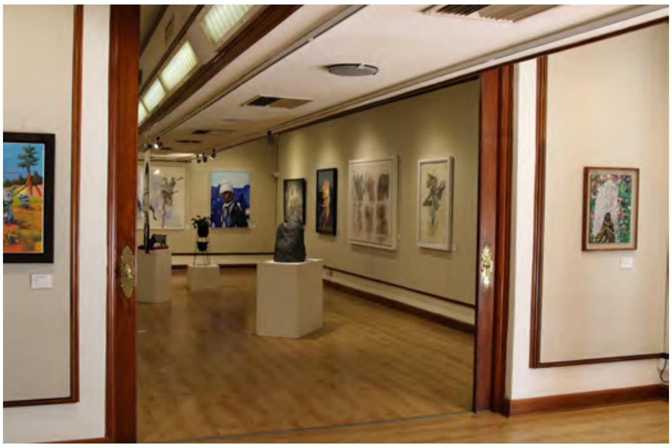
The exhibition was curated by selecting artworks from Oliewenhuis Art Museum's Permanent Collection, The Art Bank of South Africa and artefacts from the Collection Management and Library Department. The exhibition's title is derived from the word "re-alignment," which refers to the act of changing or restoring something to a different or former position or state. The subjects that are explored are roots, identity, mental issues, body image, journey, tranquillity and restoration. Realigned led one on a journey of self-discovery, encouraging confrontation, reflection and connection with oneself.

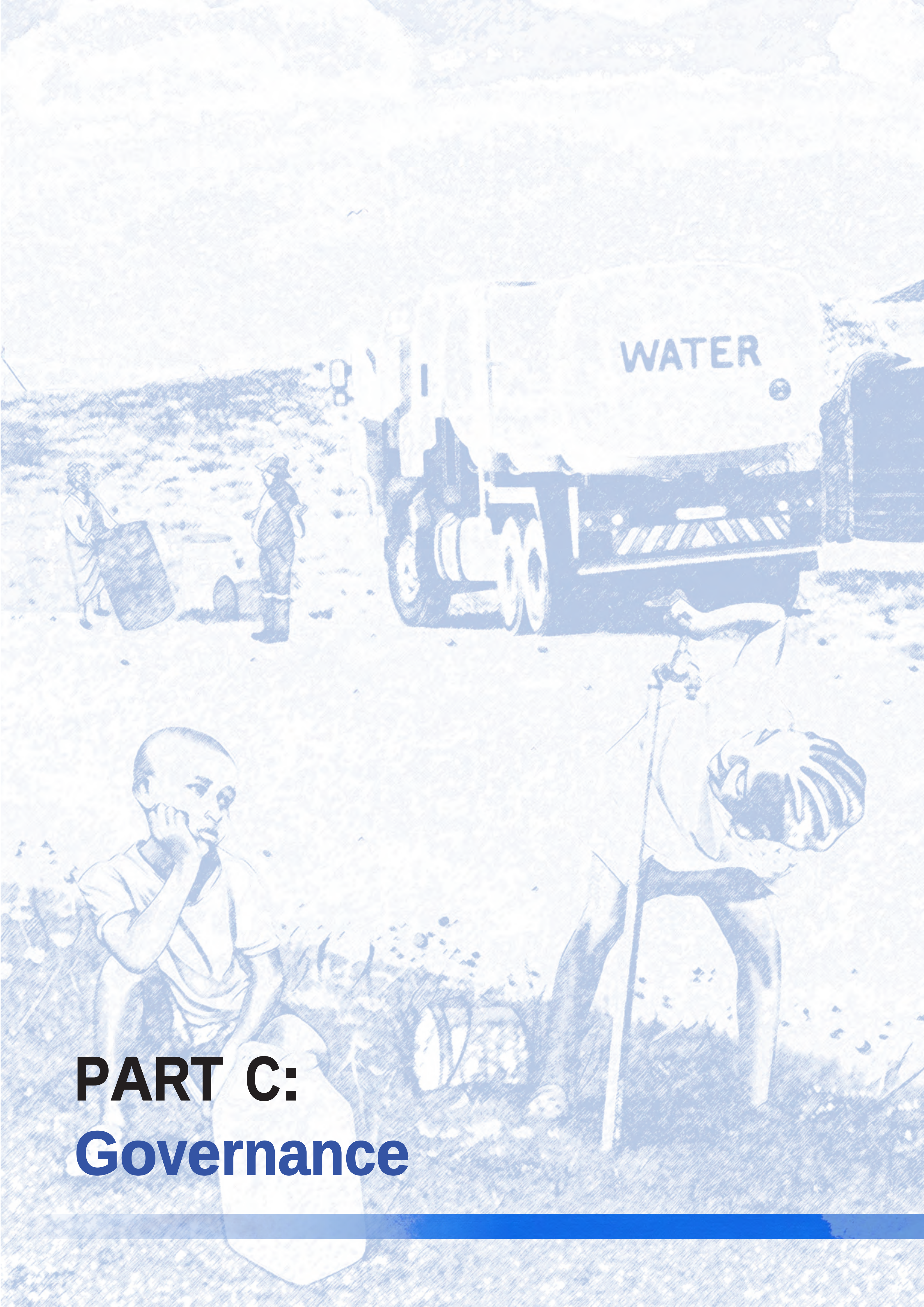


***Great Expectations: Selected works from ArtbankSA Contemporary Art Collection*, 14 March – 5 May 2024. Main Building.**

As South Africa gears for the 2024 general elections, Great Expectations took a moment to reflect on dreams and hopes held for a free and equal South Africa almost three decades ago. This poignant, yet inspiring exhibition was a thought-provoking and meaningful exploration of identity, society, the built environment, and the spirit of the times in the context of the country's 30-year journey towards democracy.







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.

1. PORTFOLIO COMMITTEES

The Museum did not attend any meetings for the period.

2. EXECUTIVE AUTHORITY

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

3. THE ACCOUNTING AUTHORITY / BOARD

The full report is tabled in the Annual Financial Statements.

4. 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.

5. INTERNAL CONTROL UNIT

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

6. 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 2023/24 and was within budget.
Key activities and objectives of the audit and risk 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 audit
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 M Mothapo (Chairperson)	B. Compt	External	N/A	1-Jun-21	N/A	6
Ms FS Tshikido	Masters in Business Administration (MBA)` B.Com (Honours) Post graduate Diploma in risk management B.Com Accounting	External	N/A	1-Jun-21	N/A	3
Mr TK Mothudi	B.Compt Post Graduate Diploma in Forensic auditing Diploma in risk management B.Com Law	External	N/A	1-Jun-21	N/A	6
Adv M Zulu	LLB & Certificate in Legislative Drafting	External	N/A	8-Oct-21	N/A	6
Dr T Mosala	Bachelor of Arts Degree Bachelor Social Sciences Honours degree Masters of Arts Degree in Anthropology Bachelor of Arts Degree Bachelor Social Sciences Honours degree Masters of Arts Degree in Anthropology PhD in Anthropology	External	N/A	12-Dec-22	N/A	6

7. 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.

8. 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.

9. 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.

10. 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.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The National Museum's multi-disciplinary Occupational Health and Safety Committee meets once a month to oversee all OHS related issues and risks. A special Health and Safety Report was procured to review the Museum's fire hazards. The OHS committee systematically attended to all the recommendations from this report.

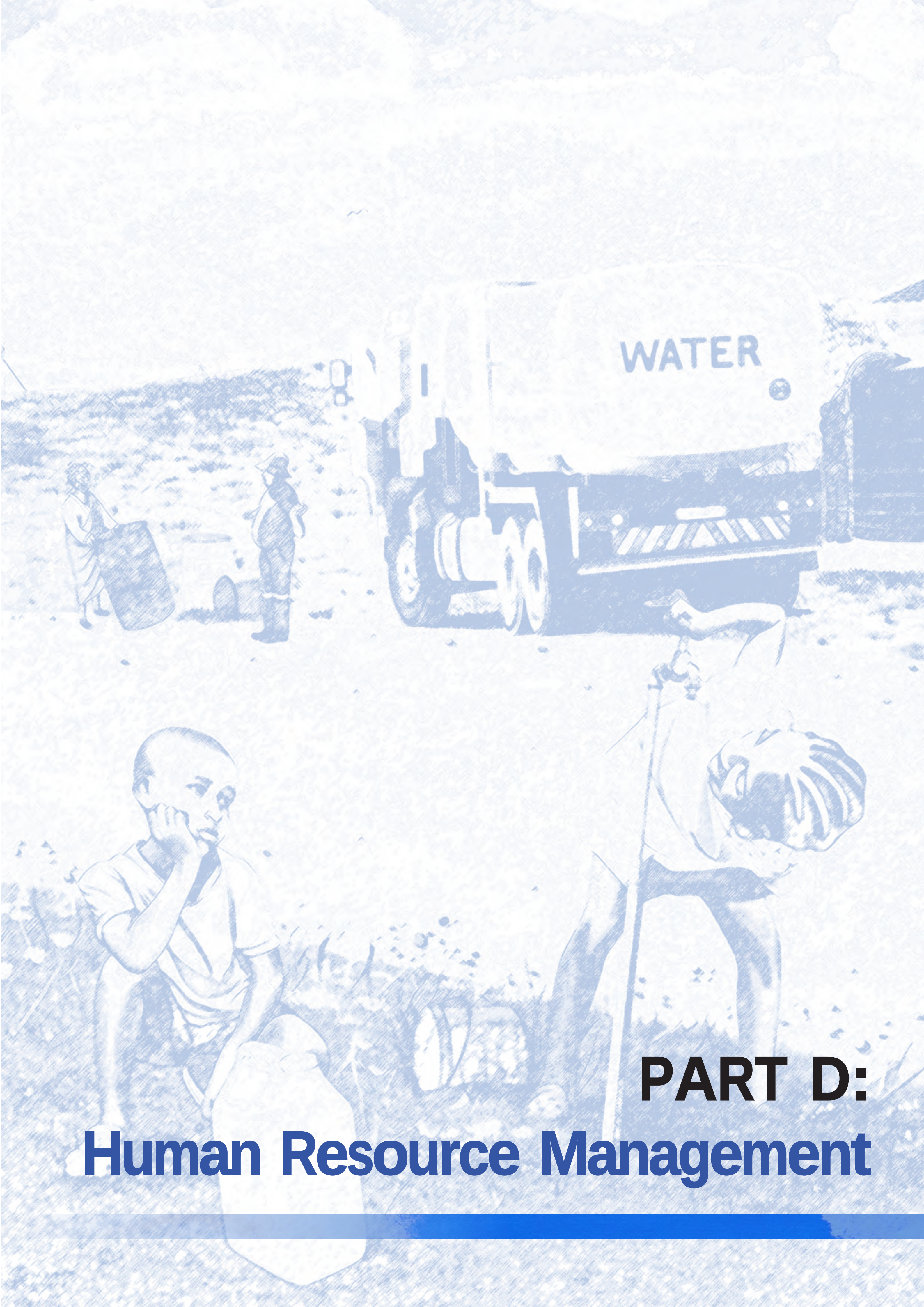
12. AUDIT COMMITTEE REPORT

Full report is tabled in the Annual Financial Statements

13. 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

1. INTRODUCTION

The Museum's transformation objectives are supported by an approved Employment Equity Policy and Plan. The Employment Equity Plan considered national and regional demographics and targets were accordingly set for the Museum. 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 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 skilled black staff to join the team, improving its demographical representation.

The Museum's staff demographic breakdown of African **58.14%**, White staff **33.93**%, Coloured staff **7.14**% and Indian staff **0.89%** of the staff complement. The Museum has an Employment Equity Plan and has established equity targets which guide the recruitment of staff.

The staff gender breakdown is **56% female** and **44% 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 **53.38% African; 38.1% White; 7.94% Coloured and 1.59 % 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% should vacancies arise.

The male category representation is broken down as follows **65.31 % Black; 28.57% White; 6.12% 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. To improve employment equity, the NM set a target of improving its representation of black males in professional and skilled category by 10% should vacancies arise.

The Museum has a **Programme to Develop Black Scientists**. In prior periods, Treasury approved the use of surplus funds to implement this development programme. 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. The Museum has been unsuccessful thus far and in future review how we attract post docs.

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 42 staff members at the Museum.

Union Name	Number of members as of 31 March 2024
NEHAWU	19
SAPTU	23
TOTAL UNIONISED STAFF	**42**

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, shop stewards were 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. No new recognition agreements were considered due to the pending amalgamation.

2. 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	16 948	19 797	117%	40	495
Programme 2. Public engagement: Marketing, Public Educational Programmes	810	8 824	1089%	29	304
Programme 3: Administration: Support services	70 645	18 254	26%	43	425

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	1 691	1	1	1 1691
Senior Manager	1 439	1	1	1 439
Professional qualified	13 062	19	19	687
Skilled	16 317	31	30	526
Semi-skilled	7 078	15	32	191
Unskilled	7 288	16	29	208
TOTAL	**46 875**	**100**	**112**	**4 743**

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

Performance Rewards as of 31 March 2024

Programme//activity/objective	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	13	1 678	0.75
Senior Management	17	1 422	1.18
Professional qualified	242	12 820	1.89
Skilled	372	15 945	2.33
Semi-skilled	194	6 884	2.81
Unskilled	345	6 943	4.97
TOTAL	**1182**	**45 693**	**0.03**

Training Costs

The Museum provided **63** staff members with external training opportunities as detailed below.

EXTERNAL TRAINING CONDUCTED 23.24		
Course	No. of staff	Per unit cost R
SCM Training	18	R1 916.66
First Aid Training	15	R1 116.65
Fire Fighting	20	R1 116.65
Cleaners Refresher Training	10	R2 900.00
Total staff trained	**63**	

Employment and vacancies

The Museum had a **5,88 %** vacancy rate as at 31 March 2024 for the permanent staff category.

Programme/activity/objective	2022/2023 No. of Employees	2022/2023 Vacancies	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Permanent	108	5	112	7	5,88%
Fixed Term	9	0	9	0	0%
Casuals (Relief Staff)	3	0	3	0	0 %
Interns	9	0	8	0	n/a

Programme/activity/objective	2022/23 No. of Employees	2022/23 Vacancies	2023/24 No. of Employees	2023/24 Vacancies	% of vacancies
Top Management	1	0	1	0	0 %
Senior Management	1	0	1	0	0 %
Professional qualified	16	2	19	3	13,6%
Skilled	42	1	30	1	3,2%
Semi-skilled	17	1	32	0	0 %
Unskilled	31	2	29	3	9,4 %
TOTAL	**108**	6	**112**	7	5,88 %

Employment changes

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

Salary Band	Employment at beginning of period 1 April	Appointments	Terminations	Employment at end of the period 31 March 2024
Top Management	1	0	0	1
Senior Management	1	0	0	1
Professional qualified	19	1	1	19
Skilled	30	0	0	30
Semi-skilled	23	10	1	32
Unskilled	35	3	9	29
Total	**109**	**14**	**11**	**112**

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

Reasons for staff leaving

Reason	Number
Death	1
Resignation	0
Dismissal	0
Retirement	6
Ill health	1
Expiry of contract	3
Other	1
Total	11

Staff turnover is very low at the Museum and was primarily driven by retirements.

Labour Relations: Misconduct and disciplinary action as at 31 March 2024

There were no pending CCMA or Labour Court matters at the end of the period.

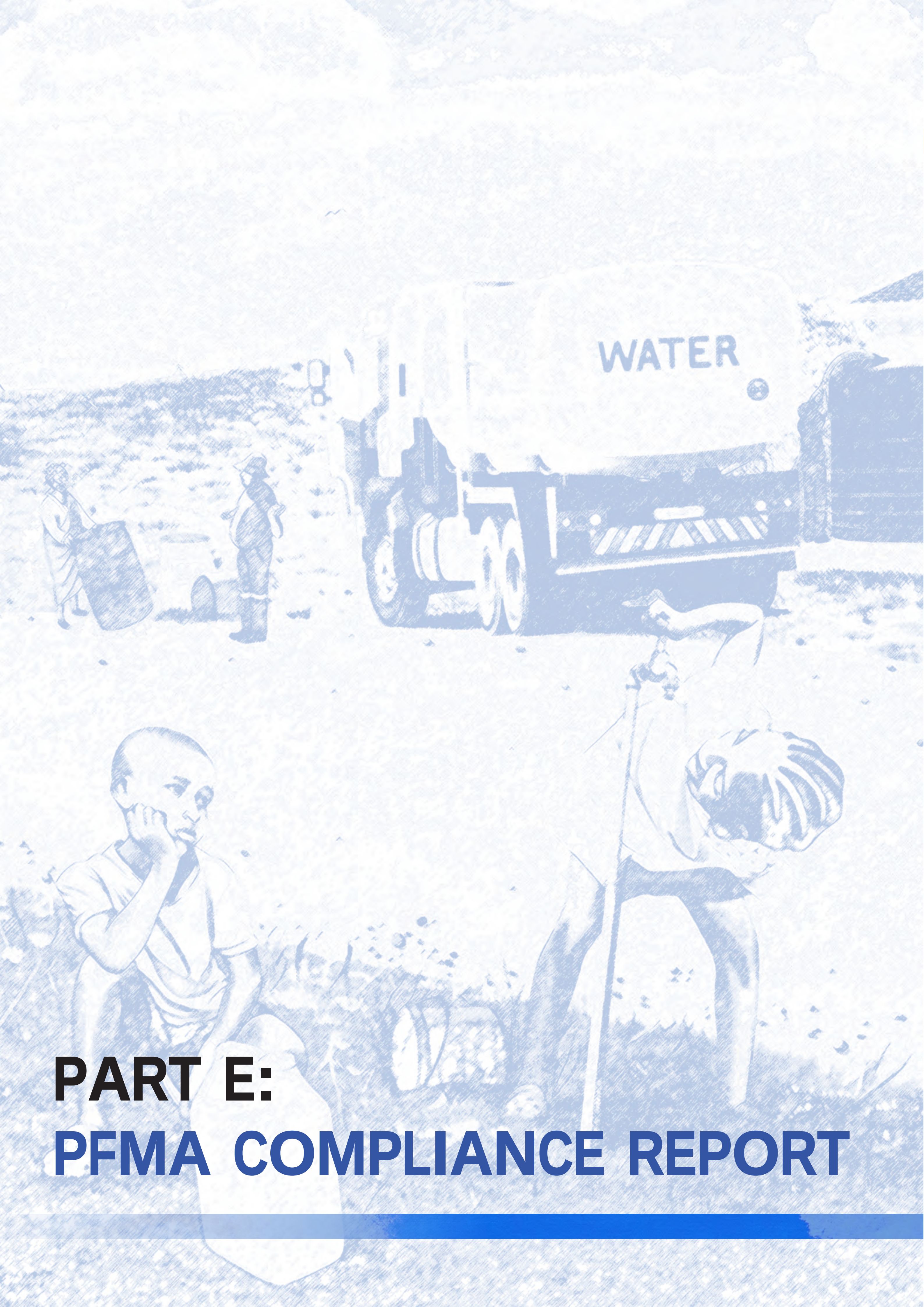
Nature of disciplinary Action	Number
Verbal Warning	3
Written Warning	3
Final Written warning	0
Dismissal	0

Equity Target and Employment Equity Status as at 31 March 2024

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	2	2	0	1	0	1	7	3
Skilled	7	10	0	0	0	0	4	5
Semi-skilled	10	6	1	1	0	0	1	0
Unskilled	13	12	2	2	0	0	2	2
SUB TOTALS	**32**	**30**	**3**	**4**	**0**	**1**	**14**	**10**
TOTAL MALES	**49**							

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	2	4	0	1	1	1	7	2
Skilled	6	12	2	2	0	1	11	10
Semi-skilled	13	4	2	1	0	0	5	2
Unskilled	11	18	0	1	0	1	1	1
SUB TOTAL	**33**	**39**	**5**	**6**	**1**	**3**	**24**	**15**
TOTAL	**63**							

Levels	**Disabled Staff**			
	Male		**Female**	
	Current	**Target**	**Current**	**Target**
Top Management	0	0	1	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**	**1**	**1**



PART E:
PFMA COMPLIANCE REPORT

Irregular expenditure

a) Reconciliation of Irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	23	23
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**23**	**23**

The irregular expenditure was investigated and confirmed in the previous financial years and awaiting condonation from National Treasury.

Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	-
Irregular expenditure for the current year	-	-
Total	-	**-**

a) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

a) Details of current and previous year irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

a) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

a) Details of current and previous year irregular expenditure recovered

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

a) Details of current and previous year irregular expenditure written off (irrecoverable)

Description		2022/23
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

a) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
A warning was issued to the employee who permitted irregular expenditure amounting to R13,267. 00
An employee who permitted irregular expenditure of R10,000.00 subsequently resigned before any disciplinary steps could betaken, based on the investigation there was value for money hence no recovery process was instituted.

Fruitless and wasteful expenditure

a) Reconciliation of Fruitless and wasteful expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	15	-
Add: Fruitless and wasteful expenditure confirmed	-	15
Less: Fruitless and wasteful expenditure condoned	-	-
Less: Fruitless and wasteful expenditure not condoned and removed	-	-
Less: Fruitless and wasteful expenditure recoverable	(15)	-
Less: Fruitless and wasteful expenditure not recovered and written off	-	-
Closing balance	-	15

Fruitless and wasteful expenditure incurred in the previous year was recovered during the financial year

Reconciling notes

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/24	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year		15
Total	**-**	15

a) Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

a) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

a) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

a) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None

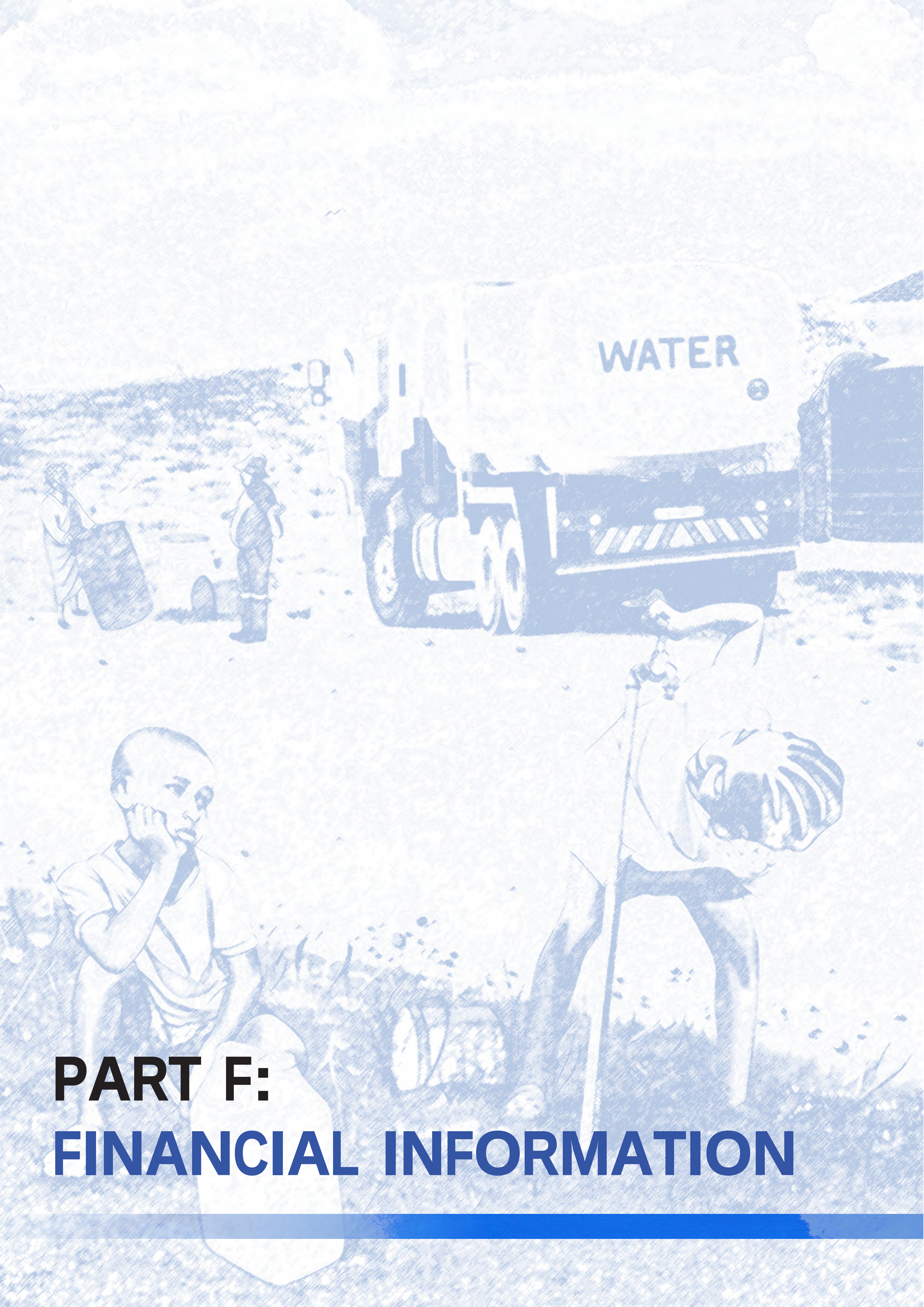
Information on late and / or non-payment of suppliers

Description	Number of Invoices	Consolidated Value
		R'000
Valid invoices received	2,113	34,165
Invoices paid within 30 days or agreed period	2,112	33,174
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	991

Information on Supply Chain Management

Contract Variation and expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
Supply and regular maintenance services for she bins	Bidvest Steiner	Variation	4959	99		9
Provision of website development and hosting services	Artfundi	Variation	n/a	87		17
Gardening services at Oliewenhuis Art Museum	AAU Squared	Variation	1869	427		47
Supply and installation of Solar PV at Artbank	Tas 7 construction	Variation	2086	114		17
Provision of ICT support services	NCC	Variation	2151	101		15
Provision of wireless internet for Oliewenhuis Art Museum	Vodacom	Variation	n/a	70		23
Provision of Internal Auditing Services	Morar Inc	Variation	n/a	629		94
Total				1,527	-	222



PART F:
FINANCIAL INFORMATION

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

Report on the financial statements

I have reviewed the financial statements of the National Museum Bloemfontein set out on pages 52 to 128, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the National Museum Bloemfontein as at 31 March 2024 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).

Emphasis of matter

I draw attention to the matter below. My conclusion is not modified in respect of these matters.

Restatement of corresponding figures,

As disclosed in paragraphs 30 and 31 to the financial statements, the corresponding figures for 30 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended 31 March 2024.

Events after the reporting date

As disclosed in paragraph 35 to the financial statements, on 24 May 2024 the Department of Sports, Arts and Culture has issued a gazette as at 24 May 2024 amalgamating National Museum into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act 119 of 1998.

Responsibilities of the accounting authority for the financial statements

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.

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.

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

My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the finc;mcial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the audit of the annual performance report

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

I selected the following material performance indicators related to business development presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of new heritage items added to the collection.
- Number of heritage items digitised.
- Number of research studies conducted on existing collections.
- Number of popular research articles published.
- Develop a policy for ethical research at the museum.
- Number of research grants awarded to museum scientist.
- Number of national research foundation (NRF) rated museum scientist.
- Number of research fieldtrips conducted.
- Number of research papers or posters delivered at research conferences.
- Number of public lectures delivered.
- Number of articles published in peer reviewed journals.
- Number of new animal or plant or fossil species described.
- Number of new international and national collaborative projects.

I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandate and prioritised functions and planned objectives are included
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

I draw attention to the matter below.

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 17 to 39.

Business development

Targets achieved: 89%
Budget spent: 86%

Key indicator not achieved	Planned target	Reported achievement
No of new heritage items added to the collection	300 new heritage items added to human science collections	68 new heritage items added to human science collections
No of lectures delivered to students registered at Higher Education Institutions	15 per annum public lectures / practicals delivered (Higher Education Institutions)	5 per annum public lectures / practicals delivered (Higher Education Institutions)
No of new animal or plant or fossil species described	5 new species described	4 new species described

Report on compliance with legislation

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

I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed

and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

I considered internal control relevant to my engagement on the financial statements, annual performance report 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.

Professional ethics and quality control

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 engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor-General

Bloemfontein
31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Annexure to the auditor's report

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction Note 5 of 2020-21	Paragraph 1
Erratum National Treasury Instruction Note 5 of 2020-21	Paragraph 2
National Treasury instruction No 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
National Instruction Note 1 of 2021-22	Paragraph 4.1
National Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury SCM Instruction Note 4A of 2016-17	Paragraph 6
National Treasury SCM Instruction Note 3 of 2021-22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6

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
Council 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 Ms T Mosala Adv M Zulu Mr M Makhweyane Ms N Mbonambi Ms T Jimana Mrs E Nzimande
Registered office	36 Aliwal Street Bloemfontein Central Bloemfontein 9301
Business address	36 Aliwal Street Bloemfontein Central Bloemfontein 9301
Bankers	ABSA Bank Ltd South African Reserve Bank
Auditors	Auditor-General of South Africa
Chief Executive Officer	Ms S Snell
Chief Financial Officer	Ms G Simelane CA(SA)
Relevant Legislation	Public Finance Management Act (PFMA) (Act No. 1 of 1999) Generally Recognised Accounting Practice (GRAP) 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)

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Abbreviations used:

GRAP	Generally Recognised Accounting Practice
PFMA	Public Finance Management Act (Act No 1 of 1999)
CPD	Corporation for Public Deposits
NMB	National Museum Bloemfontein
SANBI	South African National Bioinfomatics Institute
NRF	National Research Foundation

Report of the Accounting Officer

The Accounting Officer is required by the Public Finance Management Act (Act No 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 entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and were 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 place 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimize 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 entity's cash flow forecast for the year to 31 March, 2025 and, in the light of this review and the current financial position, she is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Accounting Officer will like to bring to the attention of the users of these financial statements that the Department of Sports, Arts and Culture, to whom the Museum is wholly dependent on for continued funding of its operations, has issued a gazette on 24 May 2024 to amalgamate National Museum into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act.

The amalgamation of the National Museum into Iziko further strengthens the presumption of going concern. This basis presumes funds will be available to finance the future operations, now within the context of Iziko, and that the realisation of assets and the settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business. The amalgamation with Iziko solidifies the National Museum's ability to continue its operations and fulfil its cultural mandate under the support and resources of a larger institution.

The external auditors are responsible for independently reviewing and reporting on the entity's financial statements. The financial statements have been examined by the entity's external auditors and their report is presented on page 6.

The financial statements set out on page 6, have been prepared on the going concern basis, and were approved by the National Museum Council on 31 May, 2024 and were signed on its behalf by:

Sharon Snell
Chief Executive Officer
National Museum Bloemfontein
31 May 2024

Audit committee members and attendance

The Audit and Risk Committee consists of five members, three of which are external members as listed hereunder. 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 ordinary meetings and one special meeting 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)	6 (3-Year term appointed as an independent member)
Ms TM Mosala	6 (3-Year term appointed as an independent member)
Ms FS Tshikhudo	3 (3-Year term appointed as an independent member)
Mr TK Mothudi	6 (3-Year term appointed as an independent member)
Adv M Zulu	6 (3-Year term appointed as an independent member)

Audit committee responsibility

The Audit and Risk 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 Audit and Risk Committee has performed the following key responsibilities:

- Adopted the audit and Risk Management Charter and proposed approval 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 addressing 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 of South Africa on matters relating to communication with those charged with governance.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the internal auditors, the audit report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued during the year under review.

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the unaudited financial statements to be included in the annual report, with the Auditor-General of South Africa;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concur with and accept the Auditor-General of South Africa's report on the financial statements, and are of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal Audit

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

The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity. The Audit and Risk 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.

The Audit and Risk Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Mr MR Mothapo
Chairperson of the Audit and Risk Committee
31 May 2024

Statement of Financial Position as at 31 March, 2024

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	75	76
Receivables from exchange transactions	4	341	489
Cash and cash equivalents	5	148,528	139,349
		148,944	**139,914**
Non-Current Assets			
Property, plant and equipment	6	26,382	25,716
Heritage assets	7	139,541	139,345
Employee benefit asset	8	5,494	5,494
		171,417	**170,555**
Total Assets		**320,361**	**310,469**
Liabilities			
Current Liabilities			
Finance lease obligation	9	88	124
Payables from exchange transactions	10	3,652	7,170
Employee benefit obligation	8	2,277	1,765
Unspent conditional grants and receipts	11	75,047	74,170
Provisions	12	991	1,145
		82,055	**84,374**
Non-Current Liabilities			
Finance lease obligation	9	181	269
Employee benefit obligation	8	32,338	29,034
		32,519	**29,303**
Total Liabilities		**114,574**	**113,677**
Net Assets		**205,787**	**196,792**
Reserves			
Capital replacement reserves		3,044	2,805
Accumulated surplus		202,743	193,987
Total Net Assets		**205,787**	**196,792**

* See Note 30

Statement of Financial Performance

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
ArtBank income	14	34	44
Rental income		80	66
Projects income	15	599	883
Trading revenue	16	247	227
Other income	17	33	-
Interest received	18	9,613	5,862
Gain on disposal of assets and liabilities		-	206
Fair value adjustments	23	112	256
Actuarial gains	8	-	4,226
Total revenue from exchange transactions		**10,718**	**11,770**
Revenue from non-exchange transactions			
Transfer revenue			
Transfers and subsidies received	19	83,927	76,897
Free use of buildings	20	3,343	4,458
External funding		442	179
Total revenue from non-exchange transactions		**87,712**	**81,534**
Total revenue	13	**98,430**	**93,304**
Expenditure			
Staff costs	21	(46,875)	(45,605)
Remuneration of councillors and audit & risk committee		(528)	(531)
Depreciation	6	(2,196)	(2,013)
Impairment loss	6	(36)	(21)
Finance costs	22	(25)	(36)
Debt impairment		(46)	(159)
Bad debts written off		-	(98)
Loss on disposal of assets and liabilities		(122)	-
Actuarial losses	8	(1,599)	-
Other operating expenses	24	(38,246)	(28,076)
Total expenditure		**(89,673)**	**(76,539)**
Surplus for the year		**8,757**	**16,765**

* See Note 30

Statement of Changes in Net Assets

Figures in Rand thousand	Capital replacement reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	2,641	179,028	181,669
Adjustments			
Correction of errors 30	-	(1,806)	(1,806)
Balance at 1 April, 2022 as restated*	**2,641**	**177,222**	**179,863**
Changes in net assets			
Surplus for the year	-	16,765	16,765
Movement in accumulated reserves	164	-	164
Total changes	164	16,765	16,929
Restated* Balance at 1 April, 2023	**2,805**	**193,987**	**196,792**
Changes in net assets			
Surplus for the year	-	8,757	8,757
Movement in accumulated reserves	239	-	239
Total changes	239	8,757	8,996
Balance at 31 March, 2024	**3,044**	**202,744**	**205,788**

* See Note 30

Figures in Rand thousand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		366	5,858
Grants		85,845	89,464
Interest income		9,613	5,862
		95,824	101,184
Payments			
Employee costs		(45,270)	(44,011)
Suppliers		(38,360)	(28,238)
Finance costs		(25)	(36)
		(83,655)	(72,285)
Net cash flows from operating activities	26	**12,169**	**28,899**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(3,045)	(5,577)
Proceeds from sale of property, plant and equipment	6	-	198
Purchase of heritage assets	7	(60)	-
Interest Income transferred to Capital replacement reserves		239	162
Net cash flows from investing activities		**(2,866)**	**(5,217)**
Cash flows from financing activities			
Finance lease payments		(124)	(116)
Net increase/(decrease) in cash and cash equivalents		**9,179**	**23,566**
Cash and cash equivalents at the beginning of the year		139,349	115,783
Cash and cash equivalents at the end of the year	5	**148,528**	**139,349**

The accounting policies on pages 14 to 36 and the notes on pages 37 to 73 form an integral part of the financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand thousand	Approved budget	Ajustments	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	74	-	**74**	34	**(40)**	1
Rental income	25	-	**25**	80	**55**	2
Project income	-	-	**-**	599	**599**	3
Trading revenue	94	-	**94**	247	**153**	4
Other income	-	-	**-**	33	**33**	27
Interest received - investments	3,508	-	**3,508**	9,613	**6,105**	5
Total revenue from exchange transactions	**3,701**	**-**	**3,701**	**10,606**	**6,905**	
Revenue from non-exchange transactions						
Transfer revenue						
Transfers and subsidies received	63,331	-	**63,331**	83,927	**20,596**	6
Free use of buildings	4,193	-	**4,193**	3,343	**(850)**	7
External funding	317	-	**317**	442	**125**	8
Total revenue from non-exchange transactions	**67,841**	**-**	**67,841**	**87,712**	**19,871**	
Total revenue	**71,542**	**-**	**71,542**	**98,318**	**26,776**	
Expenditure						
Staff cost	(47,455)	-	**(47,455)**	(46,875)	**580**	9
Remuneration of councillors	(539)	-	**(539)**	(528)	**11**	10
Depreciation	(2,330)	-	**(2,330)**	(2,196)	**134**	11
Impairment loss	-	-	**-**	(36)	**(36)**	11
Finance costs	-	-	**-**	(25)	**(25)**	12
Debt impairment	-	-	**-**	(46)	**(46)**	
Other operating expenses	(19,096)	-	**(19,096)**	(38,246)	**(19,150)**	13
Total expenditure	**(69,420)**	**-**	**(69,420)**	**(87,952)**	**(18,532)**	
Operating surplus	**2,122**	**-**	**2,122**	**10,366**	**8,244**	
Loss on disposal of assets and liabilities	-	-	**-**	(122)	**(122)**	14
Fair value adjustments	-	-	**-**	112	**112**	15
Actuarial gains/losses	-	-	**-**	(1,599)	**(1,599)**	
	-	**-**	**-**	**(1,609)**	**(1,609)**	
Surplus before taxation	**2,122**	**-**	**2,122**	**8,757**	**6,635**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**2,122**	**-**	**2,122**	**8,757**	**6,635**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Account description	Approved budget	Ajustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	76	-	**76**	75	**(1)**	16
Receivables from exchange transactions	489	-	**489**	341	**(148)**	17
Cash and cash equivalents	139,349	-	**139,349**	148,528	**9,179**	18
	139,914	**-**	**139,914**	**148,944**	**9,030**	
Non-Current Assets						
Property, plant and equipment	25,716	-	**25,716**	26,382	**666**	19
Heritage assets	139,345	-	**139,345**	139,541	**196**	20
Employee benefit asset	5,494	-	**5,494**	5,494	**-**	21
	170,555	**-**	**170,555**	**171,417**	**862**	
Total Assets	**310,469**	**-**	**310,469**	**320,361**	**9,892**	
Liabilities						
Current Liabilities						
Finance lease obligation	124	-	**124**	88	**(36)**	22
Payables from exchange transactions	5,355	-	**5,355**	3,652	**(1,703)**	23
Employee benefit obligation	-	-	**-**	2,277	**2,277**	24
Unspent conditional grants and receipts	74,170	-	**74,170**	75,047	**877**	25
Provisions	1,145	-	**1,145**	991	**(154)**	26
	80,794	**-**	**80,794**	**82,055**	**1,261**	
Non-Current Liabilities						
Finance lease obligation	269	-	**269**	181	**(88)**	22
Employee benefit obligation	30,799	-	**30,799**	32,338	**1,539**	24
	31,068	**-**	**31,068**	**32,519**	**1,451**	
Total Liabilities	**111,862**	**-**	**111,862**	**114,574**	**2,712**	
Net Assets	**198,607**	**-**	**198,607**	**205,787**	**7,180**	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	195,802	-	**195,802**	202,743	**6,941**	
Total Net Assets	**198,607**	**-**	**198,607**	**205,787**	**7,180**	

Budget on Cash Basis

Account description	Approved budget	Ajustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

1. ArtBank income
The variance is due to a significant decrease in rental income on artworks in the current year than anticipated.

2. Rental income
The variance in rental income is due to an increase demand on the rental of the museum's facilities

3. Project income
The variance in the project income is a result of the administration fee received for administering the Presidential Employment Stimulus Programme (PESP3) received which was unbudgeted as the program was approved later in the financial year.

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 investments is in line with the financial market performance year ending 31 March 2024, as the South African Reserve Bank increased the repo rate multiple times.

6. Transfers and subsidies received
The increase is attributable to other grants received by the Museum.

7. Free use of buildings
The variance is attributable to the actual cost incurred by DSAC as charged by DPWI for buildings occupied by the museum. The actual was lesser than we had anticipated as we benchmarked it to the prior amount.

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

9. Staff cost
The saving realised correlates with the critical posts' resignations that took place during the year which remained vacant until year end.

10. Remuneration of councillors
The variance is immaterial.

11. Depreciation and Impairment loss
The variance is due to systematic allocation of depreciation and the disposal of assets. Impairment loss were not budgeted for, as they are identified at year-end during asset verification, if whether there's a need to impair any of the museum's assets.

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

13. Other operating expenses
The variance in general expenses is due to the PESP3 grant spending which was not budgeted for as the allocation was received later in the year, and the following non-cash items: interest transferred to grants, and the free use of buildings, that were not budgeted for. The free-use of buildings relates to cost incurred by DSAC directly to DPWI on behalf of the museum and we're informed of the cost thereof at year-end, while the interest transferred to grants relates to interest earned on grant funds on Capital works and NRF admin invested with financial institutions which are allocated to the respective grants.

14. Loss on disposal of assets
The budget for the Loss on disposal of asset is included in the general expenses budget. It is not budget for as a single line item.

Budget on Cash Basis

Account description	Approved budget	Ajustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

15. Fair value adjustments
The variance is as a result of the valuation of heritage assets, which is not included in the budget, as it is impracticable to ascertain the adjustment since expertise knowledge is required to determine the adjustment.

16. Inventories
The variance is immaterial.

17. Receivables from exchange transactions
The variance was due to an increase in the impairment of receivables in the current year, as a result the receivables balance was lesser than anticipated.

18. Cash and cash equivalents
The cash and cash equivalent variance is a result of a halt in capital projects that were undertaken during the year coupled by multiple increases in interest rates.

19. Property, plant and equipment
The variance is immaterial.

20. Heritage assets
The variance is immaterial.

21. Employee benefit asset
No variance noted

22. Finance lease obligation
The variance is immaterial

23. Payables from exchange transactions
The variance was due to the settlement of a payables balance to DPW, being one of the huge payable.

24. Employee benefit obligation
The variance is due to a higher actuarial valuation outcome than anticipated on the valuations for post-employment medical aid benefit.

25. Unspent conditional grants and receipts
The variance is as a result of a lesser spending on the capital works grant than anticipated due to a delay in the appointment of contractors in the planned projects.

26. Provisions
The variance is as a result of a settlement in the prior year provision and a new provision raised in the current year.

27. Other income
Other income was not budgeted for, it is revenue recognised from writing-off of prior year debtors with a credit balance.

Account description	Note(s)	2024	2023 Restated*

1. Significant accounting policies

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are set out below.

1.1 Basis of preparation and presentation of annual financial statements

The annual 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 122(3) of the Public Finance Management Act (Act No 1 of 1999).

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

These accounting policies are consistent with the previous period.

1.2 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.

1.3 Comparative figures

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

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.

1.4 Critical accounting estimates and judgements in applying policies

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

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 receivables 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 assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible 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.

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 entity 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.

1.5 Property, plant and equipment

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost 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 bring 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, it's 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 restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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 useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Appreciative Artworks	Straight-line	Indefinite
Fixtures	Straight-line	10 - 20 years
Furniture and fittings	Straight-line	5 - 10 years
Vehicles	Straight-line	4 - 18 years
Equipment	Straight-line	5 - 10 years
Computers	Straight-line	3 - 10 years
Library books	Straight-line	7- 10 years

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.

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

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 6).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 6).

1.6 Heritage assets

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

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
- Artworks

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 is 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; and
- 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 within South Africa and thus their monetary value cannot be reliably measured.

The Anthropology collection - There is potentially commercial values 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 within 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 that are held to provide a service to the public and may be used for more than one reporting period; such library books are 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 are recognised in accordance with GRAP 103: Heritage Assets.

Library Scientific Journals

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, from the training budget. These books are expensed in the period in which they are acquired.

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)

This category is comprised of Artwork collection kept at Oliewenhuis Art Museum exhibition display, and they meet the definition and recognition criteria of a heritage asset in terms of GRAP103.

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

Recognition

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

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

- If the museum holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because 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 museum as a result of past events. Such events may include: purchase, donation, bequeath or 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 initially 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 with 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

Impairment

The museum assesses at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the museum 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.

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 use.

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 entity 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.

1.7 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.

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 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 amortised 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.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

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:
  - derecognise the asset; and
  - recognise 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 recognise 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 recognise 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.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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 is 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 is recognised as revenue or expense in surplus or deficit.

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.

1.8 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.

1.9 Leases

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

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 of 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.

1.10 Inventories

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

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

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

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

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

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

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

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

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

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

1.11 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

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.

1.12 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.

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 (eg. 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 in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

1.13 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.

1.14 Revenue from exchange transactions

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

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

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.

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.

1.15 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 arise 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.

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.

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.

Transfers and subsidies

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

The entity recognise services in kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

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

1.16 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.

1.17 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.

1.18 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.

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

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 rom 1 April 2008):

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is derecognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

1.20 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.

1.21 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.

Where there's a variance between the budget and actual amounts exceeding 10% of the budgeted amount, explanation to the variance is provided.

1.22 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 ventures).

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.

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

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

1.24 Mergers

Definitions

Carrying amount of an asset or liability is the amount at which an asset or liability is recognised in the statement of financial position.

Combined entity is a new reporting entity formed from the combination of two or more entities.

Account description	2024	2023

Combining entities are the entities that are combined for the mutual sharing of risks and benefits in a merger.

Control is the power to govern the financial and operating policies of another entity so as to benefit from its activities.

A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.

Merger date is the date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined entity.

A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in an entity having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

Identifying the combined entity and combining entities

For each merger a combined entity and combining entities is identified. All relevant facts and circumstances are considered in identifying the combined entity and combining entity.

The binding arrangement usually sets out which entities are to be combined as a result of the merger and identifies the new reporting entity after the merger.

Determining the merger date

The combined entity and the combining entities identify the merger date, which is the date on which the new reporting entity obtains control of the assets and liabilities and the combining entities loses control of their assets and liabilities.

All relevant facts and circumstances are considered in identifying the merger date.

Assets transferred and liabilities derecognised

The recognition of assets and liabilities by the entity as combined entity are subject to the following conditions:

The assets and liabilities that qualify for recognition in a merger are part of what had been agreed in terms of the binding arrangement, rather than the result of separate transactions.

Accounting by entity as the combining entity

Assets transferred and liabilities de-recognised

As of the merger date, the entity as the combining entity transfer and de-recognise from its financial statements, all the assets and liabilities de-recognised at their carrying amounts.

Until the merger date, the entity continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The difference between the carrying amounts of the assets transferred and the liabilities de-recognised are recognised in accumulated surplus or deficit.

1.25 Capital replacement reserve

The national museum has set aside capital replacement reserves in the CPD accounts held with the Reserve Bank, Transformation fund and Purchase of Art Works CPD. Interest earned on the funds is not utilised but gets reinvested into the funds and is accounted for as a movement into the reserve.

The balance as at year-end relating to these funds is disclosed in note 5.

Account description	2024	2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• iGRAP 21: The Effect of Past Decisions on Materiality	1 April, 2023	The impact of the amendment is not material.
• GRAP 25 (as revised): Employee Benefits	1 April, 2023	The impact of the amendment is not material.
• GRAP 2020: Improvements to the Standards of GRAP 2020	1 April, 2023	The impact of the amendment is not material.
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	1 April, 2023	The impact of the amendment is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April, 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 Mergers	No effective date yet	Unlikely there will be a material impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	No effective date yet	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	No effective date yet	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	No effective date yet	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	No effective date yet	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	No effective date yet	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	No effective date yet	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	1 April, 2025	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	No effective date yet	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	No effective date yet	Unlikely there will be a material impact

Account description	2024	2023

3. Inventories

Inventories: Shop	38	37
Inventories: Stores	37	39
	75	**76**

Inventory pledged as security

There was no inventory pledged as security for the year ended 31 March 2024.

Inventory expensed

Inventory recognised as expense during the year	56	56

The inventory expensed for the prior year was disclosed as R 60 instead of R56, which was inconsistent to the value in note 24.

4. Receivables from exchange transactions

Trade receivables from exchange transactions	66	110
Deposits paid	20	20
Creditors with debit balances	255	359
	341	**489**

Gross balance		
Trade receivables from exchange transactions	270	269
Deposits paid	20	20
Creditors with debit balances	255	359
	545	**648**

Less: Allowance for bad debts impairment		
Trade receivables from exchange transactions	(204)	(159)

Nett balance		
Trade receivables from exchange transactions	66	110
Deposits paid	20	20
Creditors with debit balances	255	359
	341	**489**

Receivables from exchange transactions pledged as security

There were no receivables from exchange transactions that were pledged as security.

Receivables from exchange transactions written-off

Trade receivables from exchange transactions	-	98

Receivables from exchange transactions of R - (2023: R 98) were written-off as irrecoverable.

Account description	2024	2023

Receivables from exchange transactions past due but not impaired

Receivables from exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March, 2024, R 31 (2023: R -) were past due but not impaired.

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

3 months past due	31	-

Receivables from exchange transactions impaired

As of 31 March, 2024, receivables from exchange transactions of R 204 (2023: R 269) were impaired and provided for.

The amount of the provision was R 204 as of 31 March, 2024 (2023: R 159).

The ageing of these receivables is as follows:

Over 6 months	204	269

Reconciliation of provision for impairment of receivables from exchange transactions

Opening balance	(159)	-
Provision for impairment	(45)	(159)
	(204)	**(159)**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	17	11
Bank balances	3,547	12,556
Investments	56,779	52,326
Call accounts	88,185	74,456
	148,528	**139,349**

The entity had the following bank accounts

Account description	Bank statement balances			Cash book balances		
	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
ABSA Cheque	3,547	12,556	152	3,547	12,556	152
ABSA Call	88,185	74,456	66,351	88,185	74,456	66,351
Total	**91,732**	**87,012**	**66,503**	**91,732**	**87,012**	**66,503**

Account description	2024	2023

The entity had the following investment accounts

	Bank statement balances			Cash book balances		
Account description	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
Transformation fund	1,970	1,815	1,709	1,970	1,815	1,709
Museum CPD	53,735	49,521	46,628	53,735	49,521	46,628
Purchase of Art Works CPD	1,074	990	932	1,074	990	932
Total	56,779	52,326	49,269	56,779	52,326	49,269

The entity had the following cash items on hand

	Cash on hand		
Account description	31 March 2024	31 March 2023	31 March 2022
Petty Cash	15	9	9
Float	2	2	2
Total	17	11	11

Account description	2024			2023		
6. Property, plant and equipment						
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Fixtures	16,015	(5,251)	10,764	14,837	(4,636)	10,201
Vehicles	5,269	(2,104)	3,165	6,441	(2,767)	3,674
Furniture & fittings	4,125	(3,886)	239	4,030	(3,759)	271
Computers	5,195	(4,975)	220	5,124	(4,579)	545
Leased equipment	623	(376)	247	623	(256)	367
Appreciative artworks	10,604	-	10,604	9,432	-	9,432
Equipment	5,992	(5,011)	981	5,520	(4,528)	992
Library books	3,709	(3,547)	162	3,716	(3,482)	234
Total	**51,532**	**(25,150)**	**26,382**	**49,723**	**(24,007)**	**25,716**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Fixtures	10,201	1,177	-	-	(614)	-	10,764
Vehicles	3,674	-	(121)	-	(388)	-	3,165
Furniture & fittings	271	95	-	-	(127)	-	239
Computers	545	71	-	-	(393)	(3)	220
Leased equipment	367	-	-	-	(120)	-	247
Appreciative artworks	9,432	1,231	-	(59)	-	-	10,604
Equipment	992	471	-	-	(482)	-	981
Library books	234	-	-	-	(72)	-	162
	25,716	**3,045**	**(121)**	**(59)**	**(2,196)**	**(3)**	**26,382**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Fixtures	8,213	2,474	-	-	(483)	(3)	10,201
Vehicles	3,540	485	-	-	(351)	-	3,674
Furniture & fittings	378	88	(34)	-	(144)	(17)	271
Computers	865	127	-	-	(447)	-	545
Leased equipment	149	342	-	-	(124)	-	367
Appreciative artworks	7,451	2,079	(7)	(91)	-	-	9,432
Equipment	1,048	325	-	-	(381)	-	992
Library books	318	-	-	-	(84)	-	234
	21,962	**5,920**	**(41)**	**(91)**	**(2,014)**	**(20)**	**25,716**

Account description	2024	2023

Other disclosures

Items of property plant and equipment with R1 book value were disposed of in the financial year ended 31 March 2024, however, they are not reflecting in the reconciliation above, as figures are rounded off to thousands.

Rental revenue generated from appreciative artworks	-	44
Expenses that generated rental revenue		
Direct operating expense	1,231	1,298

Artworks categorised as appreciative artworks are:

All kinds of artworks, art collections or individual pieces, including various paintings and statues acquired by the museum 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 over which the artwork appreciates in value (usually a period of five years), the entity leases these artworks to obtain rental income in that period.

There are no restrictions on the realisation of Appreciative Artwork nor 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 museum did not dispose of Appreciative Artworks carried at fair value.

The museum disposed some of its Appreciative Artworks.

The museum did not have Appreciative Artworks carried at fair value.

Pledged as security

No property, plant and equipment was pledged as security for the financial year ended 31 March 2024.

Account description	2024	2023

Depreciation rates

Item	Depreciation method	Average useful life
Appreciative Artworks	Straight-line	Indefinite
Fixtures	Straight-line	10 - 20 years
Furniture and fittings	Straight-line	5 - 10 years
Vehicles	Straight-line	4 - 18 years
Equipment	Straight-line	5 -10 years
Computers	Straight-line	3 - 10 years
Library books	Straight-line	7 - 10 years

Assets subject to finance lease (Net carrying amount)

Leased equipment	247	367

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	-	8,645

Reconciliation of Work-in-Progress 2024

	Included within Fixture	Total
Opening balance	8,645	8,645
Additions/capital expenditure	1,178	1,178
Transferred to completed items	(9,823)	(9,823)
	-	**-**

Reconciliation of Work-in-Progress 2023

	Included within Fixture	Total
Opening balance	6,436	6,436
Additions/capital expenditure	2,474	2,474
Transferred to completed items	(265)	(265)
	8,645	**8,645**

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	1,035	1,169

The depreciation relating to the leased asset amounts to R 120 758 (2023: R 3 000).

Account description	2024	2023

Artworks

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

The Parties have agreed that the Artworks 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 Artwork 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 Artwork 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.

Account description						
7. Heritage assets						
	2024			2023		
	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	634	-	634	609	-	609
Firearms	1,751	-	1,751	1,751	-	1,751
Herpetology taxidermy	11	-	11	11	-	11
Library books	7,316	-	7,316	7,317	-	7,317
Coins	1,421	-	1,421	1,421	-	1,421
Mammalogy taxidermy	1,676	-	1,676	1,676	-	1,676
Objects	18,141	-	18,141	18,132	-	18,132
Ornithology taxidermy	591	-	591	591	-	591
Anthropology	6,571	-	6,571	6,579	-	6,579
Heritage assets which fair values cannot be reliably measured: (Para .94)						
Photographs	259	-	259	254	-	254
Textiles	2,759	-	2,759	2,756	-	2,756
Artworks	97,962	-	97,962	97,799	-	97,799
Total	**139,541**	**-**	**139,541**	**139,345**	**-**	**139,345**

Reconciliation of heritage assets 2024

	Opening balance	Additions	Disposals	Transfers received	Revaluation increase	Impairment losses recognised	Total
Shell collection	136	-	-	-	-	-	136
Mineralogy	313	-	-	-	-	-	313
Documents	609	-	-	-	25	-	634
Firearms	1,751	-	-	-	-	-	1,751
Herpetology taxidermy	11	-	-	-	-	-	11
Library books	7,317	-	(1)	-	-	-	7,316
Coins	1,421	-	-	-	-	-	1,421

Account description							
Mammalogy taxidermy	1,676	-	-	-	-	-	1,676
Objects	18,132	-	-	-	9	-	18,141
Ornithology taxidermy	591	-	-	-	-	-	591
Anthropology	6,579	-	-	-	-	(8)	6,571
Heritage assets which fair values cannot be reliably measured: (Para .94)							
Photographs	254	-	-	-	5	-	259
Textiles	2,756	-	-	-	3	-	2,759
Artworks	97,799	60	-	59	69	(25)	97,962
	139,345	**60**	**(1)**	**59**	**111**	**(33)**	**139,541**

Reconciliation of heritage assets 2023

	Opening balance	Additions	Transfers received	Transfers	Revaluation increase	Impairment losses recognised	Total
Shell collection	136	-	-	-	-	-	136
Mineralogy	313	-	-	-	-	-	313
Documents	535	74	-	-	-	-	609
Firearms	1,751	-	-	-	-	-	1,751
Herpetology taxidermy	11	-	-	-	-	-	11
Library books	7,310	7	-	-	-	-	7,317
Coins	1,421	-	-	-	-	-	1,421
Mammalogy taxidermy	1,676	-	-	-	-	-	1,676
Objects	18,133	-	-	-	-	(1)	18,132
Ornithology taxidermy	591	-	-	-	-	-	591
Anthropology	6,579	-	-	-	-	-	6,579
Heritage assets which fair values cannot be reliably measured: (Para .94)							
Photographs	244	10	-	-	-	-	254
Textiles	2,755	1	-	-	-	-	2,756
Artworks	97,544	-	710	(710)	255	-	97,799
	138,999	**92**	**710**	**(710)**	**255**	**(1)**	**139,345**

Account description	2024	2023

Heritage assets which fair values 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. 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. 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. SANBI 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. SANBI supplied a letter recommending that the collection should be declared as heritage with a zero monetary value.

Account description	2024	2023

Ornithology

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. 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. 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.

Account description	2024	2023

8. Employee benefit obligations

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

Opening balance	30,799	32,889
Contributions by plan participants	3,644	3,322
Exchange differences	372	466
Benefits paid	(1,799)	(1,652)
Assumed in an entity combination	1,599	(4,226)
	34,615	**30,799**

Defined benefit obligation		
Opening balance	30,799	32,889
Interest costs	3,644	3,322
Current service cost	372	466
Benefits paid (Actual)	(1,799)	(1,652)
Actuarial (Gain)/Loss	1,599	(4,226)
	34,615	**30,799**

Employee benefit asset (Defined benefit asset)		
Opening balance	5,494	5,494

Estimated future contributions	Medical aid	Total
Opening balance	34,615	34,615
Interest costs	4,172	4,172
Current service cost	361	361
Benefits paid (expected)	(2,277)	(2,277)
	36,871	**36,871**

The amounts recognised in the statement of financial position are as follows:

Non-current assets	5,494	5,494
Non-current liabilities	(32,338)	(29,034)
Current liabilities	(2,277)	(1,765)
	(29,121)	**(25,305)**

Account description	2024	2023

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12.45%	12.18%
Consumer price inflation	6.49%	6.70%
Health care cost inflation	7.99%	8.20%
Net discount rate	4.13%	3.36%
Mortality	SA 85-90	SA 85-90
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	38,357	31,418
Effect on the aggregate of the service cost	434	320
Effect on the aggregate of the interest cost	4,041	3,301
	42,832	**35,039**

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

	2024 '000	2023 '000	2022 '000	2021 '000	2020 '000
Defined benefit obligation	34,615	30,799	32,899	36,047	36,380
Experience adjustments on plan liabilities	1,599	(4,226)	(826)	1,142	(9,780)
	36,214	**26,573**	**32,073**	**37,189**	**26,600**

Account description	2024	2023

9. Finance lease obligation

Minimum lease payments due		
- within one year	105	149
- in second to fifth year inclusive	195	300
	300	449
less: future finance charges	(31)	(56)
Present value of minimum lease payments	**269**	**393**
Present value of minimum lease payments due		
- within one year	88	124
- in second to fifth year inclusive	181	269
	269	**393**
Non-current liabilities	181	269
Current liabilities	88	124
	269	**393**

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.

10. Payables from exchange transactions

Payables from exchange transactions	218	2,183
Accruals at year end	29	1,611
Accounts payable: Leave	2,125	2,210
Accounts payable: Bonus	913	915
Deposits held	352	213
Debtors with credit balances	7	33
Social club: Employee contributions	8	5
	3,652	**7,170**

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Capital Works Allocation Grant	12,014	12,768
ArtBank Grant	10,109	5,950
National Research Foundation Grant	60	60
GRAP 103 Grant	44,499	44,537
National Geographic's Grant	16	16
LIA Project Grant	102	108
Presidential employment stimulus programme	8,004	10,575
Max Plank Grant	242	85
Past-Holt Grant	-	70
NRF: BothaBrink AOP Grant	1	1
	75,047	**74,170**

Account description	2024	2023

Movement during the year

Balance at the beginning of the year	74,170	61,782
Additions during the year	21,381	29,697
Other movements	1,206	992
Income recognition during the year	(21,192)	(14,641)
Refunded/paid back during the year	(518)	(3,660)
	75,047	**74,170**

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 19 for the purposes and brief summary on the specifications of the grant.

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

12. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision for Municipal Charges	1,145	991	(1,145)	991

Reconciliation of provisions - 2023

	Opening Balance	Total
Provision for Municipal Charges	1,145	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. Revenue

ArtBank income	34	44
Rental income	80	66
Projects income	599	883
Trading revenue	247	227
Other income	33	-
Interest received - investment	9,613	5,862
Gain on disposal of assets and liabilities	-	206
Fair value adjustments	112	256
Actuarial gains	-	4,226
Transfers and subsidies	83,927	76,897
Free Use of Buildings	3,343	4,458
External funding	442	179
	98,430	**93,304**

Account description	2024	2023
The amount included in revenue arising from exchanges of goods or services are as follows:		
ArtBank income	34	44
Rental income	80	66
Gain on disposal of assets and liabilities	-	206
Fair value adjustments	112	256
Actuarial gains	-	4,226
Project income	599	883
Trading revenue	247	227
Other income	33	-
Interest received	9,613	5,862
	10,718	**11,770**
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue		
Transfers and subsidies	83,927	76,897
Free Use of Buildings	3,343	4,458
External Funding	442	179
	87,712	**81,534**

14. ArtBank income

Rental of artworks	-	44
Sale of reject artworks	34	-
	34	**44**

15. Projects income

Project management / administration fees	599	883

The museum received 4% of the allocation amount for the Presidential employment stimulus programme, as project management / administration fees.

16. Trading revenue

Entrance fees: Museum	76	85
Entrance fees: Freshford	4	5
Shop sales	77	102
Oliewenhuis: Car parking fees	64	-
Oliewenhuis: Education income	6	3
Oliewenhuis: Carousel income	20	32
	247	**227**

17. Other income

Other admin income	33	-

Other admin income consists of prior year's debtors with credit balances that have been recognised as income in the current year.

Account description	2024	2023

18. Investment revenue

Interest revenue		
Interest: Museum CPD	4,213	2,894
Interest current account	1	1
Interest: Call account ABSA	5,399	2,967
	9,613	**5,862**

The amount included in Investment revenue arising from exchange transactions amounted to R 9,613 (2023: R 5,862).

19. Transfers and subsidies

Operating grants		
Subsidy received: Annual	56,990	57,113
Subsidy received: Operating leases	2,805	2,647
Subsidy received: Municipal Services	3,535	3,379
DSAC Capital Works Subsidy	783	-
DSAC ArtBank (Operations)	1,834	2,436
DSAC GRAP 103 grant	38	791
Presidential employment stimulus programme	16,449	5,195
Transfers to revenue: Other grants	315	755
	82,749	**72,316**
Capital grants		
DSAC Capital Works Subsidy	1,178	2,369
DSAC ArtBank (Artwork acquisitions)	-	2,212
	1,178	**4,581**
	83,927	**76,897**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	20,596	13,758
Unconditional grants received	63,331	63,139
	83,927	**76,897**

Capital Works Grant

Balance unspent at beginning of year	12,768	7,996
Current-year receipts	-	6,612
Conditions met - transferred to revenue	(1,961)	(2,717)
Other - Interest earned	1,207	877
	12,014	**12,768**

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.

Account description	2024	2023

National Art Bank Grant

Balance unspent at beginning of year	5,950	4,597
Current-year receipts	6,000	6,000
Conditions met - transferred to revenue	(1,841)	(4,647)
	10,109	**5,950**

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

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

NRF Professional Development Grant

Balance unspent at beginning of year	60	3,700
Refund/Returned back to NRF	-	(3,640)
Conditions met - transferred to revenue	-	(115)
Other - Interest earned	-	115
	60	**60**

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	44,537	45,328
Conditions met - transferred to revenue	(38)	(791)
	44,499	**44,537**

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: BothaBrink Grant

Balance unspent at beginning of year	-	35
Conditions met - transferred to revenue	-	(14)
Refunded/Returned to CoE	-	(21)
	-	**-**

National Geographic Grant

Balance unspent at beginning of year	16	28
Conditions met - transferred to revenue	-	(12)
	16	**16**

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

Account description	2024	2023

LIA Project grant

Balance unspent at beginning of year	108	98
Current-year receipts	-	50
Conditions met - transferred to revenue	(6)	(40)
	102	**108**

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

Presidential employment stimulus programme

Balance unspent at beginning of year	10,575	-
Current-year receipts	14,994	16,703
Conditions met - transferred to revenue	(16,449)	(5,245)
Administration fee (income to the museum)	(599)	(883)
Refund/Returned back to DSAC	(517)	-
	8,004	**10,575**

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

The museum is entitled to 4.4% project management / administration fee of the allocated amount which is disclosed in note 15.

Max Planck Grant

Balance unspent at beginning of year	85	-
Current-year receipts	316	137
Conditions met - transferred to revenue	(159)	(52)
	242	**85**

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

Past Holt Grant

Balance unspent at beginning of year	70	-
Current-year receipts	-	70
Conditions met - transferred to revenue	(70)	-
	-	**70**

NRF: Incentive: Avenant

Current-year receipts	30	-
Conditions met - transferred to revenue	(30)	-
	-	**-**

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.

Account description	2024	2023

NRF: Hugo-Coetzee Coastal mites

Current-year receipts	-	30
Conditions met - transferred to revenue	-	(30)
	-	**-**

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

Balance unspent at beginning of year	1	-
Current-year receipts	-	115
Conditions met - transferred to revenue	-	(114)
	1	**1**

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: Incentive G Daniel

Current-year receipts	50	-
Conditions met - transferred to revenue	(50)	-
	-	**-**

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.

Municipal charges grant/subsidy

Current-year receipts	3,535	3,379
Conditions met - transferred to revenue	(3,535)	(3,379)
	-	**-**

The purpose of this gran/subsidy is for the payment of municipal services incurred by National Museum.

Operating leases grant/subsidy

Current-year receipts	2,805	2,646
Conditions met - transferred to revenue	(2,805)	(2,646)
	-	**-**

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

Account description	2024	2023
Annual subsidy		
Current-year receipts	56,990	57,113
Conditions met - transferred to revenue	(56,990)	(57,113)
	-	-

The purpose of this grant is to subsidise the National Museum on its operations.

20. Free use of buildings

Free use of buildings	3,343	4,458

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

21. Staff costs

Basic	30,406	29,504
Bonus	3,577	3,479
Medical aid and Pension - company contributions	6,241	6,148
UIF	270	257
Leave pay provision charge	83	144
Defined contribution plans	4,016	3,788
Overtime payments	505	487
Long-service awards	77	56
Housing benefits and allowances	1,624	1,672
Compensation Commissioner	76	70
	46,875	**45,605**

Refer to note 27 for the disclosure of senior management remuneration.

22. Finance costs

Finance leases	25	36

23. Fair value adjustments gain/(loss)

Heritage assets	112	256

Account description	2024	2023
24. Other operating expenses		
Administrative expenses	470	600
Assets expensed	135	256
Audit expenses	1,134	1,007
Bank charges	123	105
Cleaning	105	85
Consulting and professional fees	313	946
Entertainment	34	47
Exhibitions	178	228
Free use of buildings	3,343	4,458
Fuel and oil	659	605
General expenses	1,767	1,697
IT expenses	260	301
Insurance	713	765
Interest transferred to grants	1,206	992
Inventory purchases	56	56
Licenses	245	230
Maintenance costs	1,037	1,169
Municipal expenses	5,111	2,749
Office expenses	307	181
Operating lease expenses	2,347	2,434
Photocopies	144	95
Research expense	208	212
Security	891	827
Telephone and fax	156	173
Transfers and subsidies expense	17,147	7,633
Travelling expenses	66	127
Uniforms	26	22
Vacancy adverts expenses	65	76
	38,246	**28,076**
25. Auditors' remuneration		
External Audit Fees	900	824
Internal Audit fees	234	183
	1,134	**1,007**
26. Cash generated from operations		
Surplus	8,757	16,765
Adjustments for:		
Depreciation	2,196	2,013
Gain (loss) on sale of assets and liabilities	122	(206)
Fair value adjustments	(112)	(256)
Finance costs - Finance leases	25	36
Impairment loss	36	21
Debt impairment	46	159
Bad debts written off	-	98
Movements in retirement benefit assets and liabilities	3,816	(2,090)
Movements in provisions	(154)	-
Changes in working capital:		
Inventories	1	15
Receivables from exchange transactions	148	(55)
Payables from exchange transactions	(3,589)	11
Unspent conditional grants and receipts	877	12,388
	12,169	**28,899**

Account description	2024	2023

27. Related parties

Relationships	
Associates	Department of Public Works
Controlling Department	Department of Sports, Arts and Culture

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.

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

Payables from exchange transactions (DPW)	-	3,340
Unspent conditional grants and receipts (DSAC)	74,626	73,830
Provisions (DPW)	991	1,145

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 grants	44,499	44,537
Unspent grant included in the balance sheet in relation to Capital Works Allocation grants	12,014	12,768
Unspent grant included in the balance sheet in relation to Art Bank grants	10,109	5,950
Unspent grant included in the balance sheet in relation to Presidential employment stimulus programme	8,004	10,625

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

Related party transactions

Revenue		
Annual subsidy	56,990	57,113
Subsidy received: Operating leases	2,805	2,647
Subsidy received: Municipal Services	3,535	3,379
Free use of building	3,343	4,458
DSAC Capital Works Subsidy	1,960	2,369
DSAC ArtBank	1,834	4,648
DSAC GRAP 103	38	791
Presidential employment stimulus programme	16,440	5,195
Project income	599	883

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

Account description	2024	2023

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 council

Refer to note 28 for details of councils' remuneration.

Key management information

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

Remuneration of management

Management class: Executive management

2024

Name	Basic salary	Service Bonuses (13th Cheque)	Housing allowance	Contributions to UIF, Medical and Pension funds	Other benefits received	Total
Ms S Snell (CEO) - Appointed 1 April 2018	1,309	122	16	224	7	1,678
Ms G Simelane (CFO) - Appointed 01 January 2020	1,118	110	16	178	-	1,422
	2,427	**232**	**32**	**402**	**7**	**3,100**

2023

Name	Basic salary	Service Bonuses (13th Cheque)	Housing allowance	Contributions to UIF, Medical and Pension funds	Other benefits received	Total
Ms S Snell (CEO) - Appointed 1 April 2018	1,384	121	16	217	-	1,738
Ms G Simelane (CFO) - Appointed 01 January 2020	1,075	114	16	170	1	1,376
	2,459	**235**	**32**	**387**	**1**	**3,114**

Account description	2024	2023

28. Councilors' emoluments

Remuneration to council members

2024

	Sitting allowances	Other allowances	Total
Adv J Leshabane (Chairperson of Council)	135	10	145
Dr E Mohatlane (Deputy Chairperson of Council)	120	8	128
Mrs M De Roche-Holmes	31	1	32
Mr M Noge	17	1	18
Mr M Mabalane	-	1	1
Ms T Mosala	16	1	17
Adv M Zulu	28	1	29
Mr M Makhweyane	20	1	21
Ms N Mbonambi	22	2	24
Ms T Jimana	3	1	4
Mrs E Nzimande	29	1	30
	421	**28**	**449**

2023

	Sitting allowances	Other allowances	Total
Adv J Leshabane (Chairperson of Council)	146	10	156
Dr E Mohatlane (Deputy Chairperson of Council)	76	8	84
Mr K Mabalane	8	1	9
Ms M De Roche-Holmes	33	1	34
Mr M Noge	25	1	26
Ms N Mbonambi	32	1	33
Ms T Mosala	29	1	30
Ms T Jimana	4	3	7
Mr M Makhweyane	22	9	31
Mrs E Nzimande	19	12	31
Adv M Zulu	9	9	18
	403	**56**	**459**

Account description	2024	2023
29. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for (Commitments within 1 year)		
• Incline Architects - The service provider to render the provision of the conditional assessment, planning, design review and supervision of the refurbishment of the Oliewenhuis Art Museum roof.	-	151
• XO Architects - The service provider is to provide once-off Architectural services for planning, design and project management for upgrading of the seating including disability friendly of Auditorium on behalf of National Museum.	77	77
• Afgen - Supply is to provide a one-off supply and delivery of survey equipment	-	292
• AOAS Media - Service provider to supply and deliver 10 laptops to the National Museum.	-	167
• MT Moepi General Trading - Supply and delivery of Cabinet and insect drawers.	-	49
• Lumacon - Installation of the HVAC System.	-	945
• Loraclox - To render provisional Annual Services of CCTV System.	-	13
• Stallion - Security services (Contract services 31 January 2024).	-	355
• MTN Data bundle for Florisbad research station (Contract ending 19 April 2023).	-	1
• Vodacom - Wireless internet for Oliewenhuis Art Museum (Contract ending 30 April 2023.	-	9
• Morar Inc. - Internal Audit services (Contract ending 31 December 2023).	-	139
• Digital platforms - Museum website development and hosting services for publications.	8	-
• National Security - Service provider to render monthly armed response, monitoring, emergency services and annual maintenance for all Museums as per specifications.	130	215
• Altech Netstar - Fleet Management.	399	-
• EBSCO - Service provider is to provide annual international journal subscription to the National Museum.	181	-
• Mindex - Service provider is to provide annual licence to the Inmagic DB/TextWorks to the Museum.	20	-
• Canton - Service provider to provide Architectural professional services for the planning, design, including project management for the proposed new storage facilities at Oliewenhuis Art Museum on behalf of the National Museum.	959	-
• NCC - The service provider is to provide ICT support services to NM.	104	-
• Tantus - servicing of generators (Contract ending 30 September 2024).	11	64
• Komhla - Contractor to refurbish Oliewenhuis Museum Roof.	728	-
• Altech Netstar - Fleet Management (Contract ending 22 April 2024).	-	402
	2,617	**2,879**

Account description	2024	2023
Commitments between 2-5 years		
• Bidvest Steiner - The provider to render the supply and regular maintenance services for she bins (Contract ending 31 July 2027)	63	84
• Peaceman Motors - Supplier to render Vehicle maintenance services for the National Museum (Contract ending 31 July 2026)	916	965
• Tracker connect - The service provider is to provide vehicle tracking and recovery system "Tracker Connect Lite" (Contract ending 30 September 2025)	67	111
• The Polygraph Centre - Vetting Services (Contract ending 31 May 2026)	425	446
• ARC Sakhile - Pastel Partner Support services (Contract ending 14 July 2026)	471	473
• Stuttaford Van Lines - Specialised art transportation services (Contract ending 30 September 2026)	108	223
• Frame IT - Specialised framing services (Contract ending 30 September 2026)	111	114
• Ayanda Mbanga Communications - Advertising Services (Contract ending 31 December 2026)	8	213
• Digital platforms - Museum website hosting services for ArtBank and National Museum	19	-
• Shereno Printers - The service provider is to provide printing & binding of Annual report	41	-
• Bokamoso catering & events management - Service provider is to provide catering services for a period of 12 months renewable annually for a maximum period of 60months	896	-
• Lesedi-ICT - Supplier to supplier and deliver computer and electronic equipment to NM on a fixed term period of 3 years	978	-
• Plantech - Service provider to provide project management on behalf of the Museum for provision of the assessment of HVAC and fire suppression system at Olwn, Raadsaal, freshford and Florisbad on behalf of the National Museum.	955	-
• Gapro media - Service provider to renew Museum Zoom licences for a period of 5 years	67	-
	5,125	**2,629**
Total operational commitments		
Already contracted for but not provided for (Commitments within 1 year)	2,617	2,879
Commitments between 2-5 years	5,125	2,629
	7,742	**5,508**
Total commitments		
Total commitments		
Authorised operational expenditure	7,742	5,508

Commitments on the following leases detailed below is disclosed in note 9 - Finance lease obligations:

- Nashua - Leasing of copier machine- SCM & Oliewenhuis (Contract ending 31 May 2027).
- COPYCOR - Leasing of photocopier machine (Contract ending 15 September 2026).

Account description	2024	2023

30. Prior period errors

Municipal charges expense, invoiced by the Department of Public Works and Infrastructure (DPWI) relating to the previous financial years was not accounted for as DWPI was not invoicing the National Museum despite a series of engagements requesting invoices. DPWI initially sent invoices via post and these would not reach the Museum.

When invoices were received it would relatively be erroneous billing hence a provision was raised previously. 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	-	(1,814)
Decrease in accumulated surplus	-	1,806
Statement of financial performance		
Increase in Other operating expenses - Municipal expenses	-	8

We noted that in the prior year financial statement an error occurred in the related parties disclosure note, whereby the admin income received for administrating the PESP3 programme and the related party balance owing to DPW were omitted in the disclosure. The error has since been rectified and the comparative figures restated.

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

Related parties disclosure note		
Increase in Related party balances - Payables from exchange transactions (DPW)	-	3,340
Increase in Related party balances - Provision (DPW)	-	1,145
Increase in Related party transactions - Project income	-	883
	-	**5,368**

In the current year, we notices that in the prior year the amount disclosed in the financial instrument disclosure note for finance lease obligation was incorrect and it did not agree to the finance lease balance disclosed in the statement of financial position. The error has since been rectified and comparative figures restated.

In the current year, we noticed that in the prior year unspent conditional grants were excluded from the disclosure of financial liabilities. The error has since been rectified and comparative figures restated.

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

Financial instrument disclosure note	
Increase in Financial liabilities - Finance lease obligations	352
Increase in Financial liabilities - Unspent conditional grants	74,170
	74,522

In the current year, we noticed that the amount disclosed in the inventory note as inventory expensed in the current year was incorrect and it did not correspond to the actual inventory expense amount disclosed in financial statements note 24 - Other operating expenses. The error has since been rectified.

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

Account description	2024	2023
Inventory disclosure note		
Increase in inventory expensed	-	45

In the current year, we noted that there was an error in the disclosure note for heritage assets in the 2022/23 financial statements, whereby the transfer received value on was overstated by R91,000 while the revaluation value underrated by the same value. The error has since been rectified and the Comparative figures restated.

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

Reconciliation of heritage assets 2023		
Decrease in Transfers received	-	(91)
Increase in Revaluation increase	-	91
	-	**-**

Included in the prior year financial statements disclosure note on commitment was a commitment to Nashua for the leasing of copier machine for the SCM office and Oliewenhuis, and also a commitment to COPYCOR for the leasing of Photocopier machine. These are included in the disclosure note 9 - Finance lease obligations, as a result have since been removed in the commitment disclosure in the current year, a note reference been given in the note.

31. Comparative figures

Certain comparative figures have been reclassified.

In the note 21 contributions to medical aid and pension which were previously included in the basic cost total, which have now been disclosed separately as a line item of its own.

A split between the current and non-current portion of employee benefit obligations was previously not disclosed in the statement of financial position. This has since been corrected and separately disclosed.

The effects of the reclassification are as follows:

Statement of financial performance	Previously Reported	Reclassification	Reclassified Balance
Staff cost - Basic	32,836	(3,332)	29,50
Staff cost - Medical aid - company contributions	2,815	(2,815)	
Staff cost - Medical aid and Pension- company contributions	-	6,147	6,14
Employee benefit obligations (Non-Current liabilities)	30,799	(1,765)	29,03
Employee benefit obligations (Current liabilities)	-	1,765	1,76
	66,450	**-**	**66,45**

Account description	2024	2023

33. Risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

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

Commitments		
Payables from exchange transactions	3,670	7,170
Finance lease obligations	269	393
Provisions	991	1,145
Unspent conditional grants and receipts	75,047	74,170
	79,977	**82,878**

		2024		2023
Maturity analysis for financial liabilities	Less than 12 months	Over 12 Months	Less than 12 months	Over 12 Months
Payables from exchange transactions	3,670	-	7,170	-
Finance lease obligations	88	181	124	269
Provisions	991	-	1,145	-
Unspent conditional grants and receipts	75,047	-	74,170	-
Subtotal	79,796	181	82,609	269
	79,796	**181**	**82,609**	**269**

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash 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	2024	2023
Receivables from exchange transactions	341	489
Cash and cash equivalents	148,528	139,349

Market risk

Interest rate risk

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

Account description	2024	2023

34. Going concern

We draw attention to the fact that at 31 March, 2024, the entity had an accumulated surplus (deficit) of 202,744 and that the entity's total assets exceed its liabilities by 205,787.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the entity will continue in operation or some modified form, in this case, a merge, it will meet its statutory obligations for the foreseeable future and funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Department of Sports, Arts and Culture, to whom the Museum is wholly dependent on for continued funding of its operations, has issued a gazette on 24 May 2024 to amalgamate National Museum into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act.

The amalgamation of the National Museum into Iziko further strengthens the presumption of going concern. This basis presumes funds will be available to finance the future operations, now within the context of Iziko, and that the realisation of assets and the settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business. The amalgamation with Iziko solidifies the National Museum's ability to continue its operations and fulfil its cultural mandate under the support and resources of a larger institution.

Extracts from the Minister's Presentation
"The existing National Museum: Bloemfontein and William Humphreys Art Gallery will be amalgamated into the Iziko Museums as similar operating divisions to their existing multiple museums and sites. It should be emphasised that these entities should not lose their operational identity by becoming part of Iziko but continue to represent themselves to the market as they are while reaping the benefits of shared back-office administration and improved policies, procedures and compliance functions.

Furthermore, based on GRAP 1, paragraph 28 and paragraph 30; the National Museum has prepared its annual financial statement on an assumption that it will continue to as a going concern for the foreseeable future even though there is an intention to amalgamate the National Museum into the Iziko which means the National Museum will cease to exist as a legal entity and will form part of a larger institution.

Range of factors taken into account for the going concern assumption:

- The National Museum in substance will continue its operations in a modified form (amalgamated entity).
- The National Museum has submitted the Annual Performance Plan for the year 2024/25 and has signed together with the Shareholder (Minister of the Department of Sports, Arts and Culture) a shareholder's compact on 12 April 2024.This solidifies the reporting and execution of the APP 2024/25.
- The National Museum has received an MTEF funding for the 3 years from 2024/25 to 2026/27.
- The amalgamate does not cease the performance and legislative objectives of the National Museum but rather consolidates NM into a larger institution (Iziko Museum).
- NM's total assets exceeded its total its liabilities which indicates that the entity is solvent and can meet its obligations as they become due.

The National Museum receives 98% of its funding from the Department of Sports Arts and Culture, Refer to table below for the committed and confirmed funding for FY2025 to FY2027

Details	**2024/25 R'000**	**2025/26 R'000**	**2026/27 R'000**
Subsidy	55,056	57,533	60,205
Municipal Charges	4,528	4,731	4,949
Leasing (privately owned)	3,545	3,704	3,874
Appointment of unemployed graduates	160	167	175
Cost of compliance	620	647	677
	63,909	**66,782**	**69,880**

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

Account description	2024	2023

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

Consideration per ISA570	
Financial	Management response
Net liability or net current liability position	Based on FY2025 -FY2026 0Annual 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. Projections for the MTEF period also indicate a net asset position for the National Museum
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 including the parent department
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 cash flows indicated by historic or prospective financial statements	No negative cash flows are projected for the in the MTEF period.
Substantial operating losses or significant deterioration in the value of assets used to generate cash flows.	Not applicable to the National Museum
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	The National Museum has adopted the rationalisation of departments and if an HOD retires or leaves the Museum. Based on functional operations there are departments that are merged. This is one of the measures employed to reduce the CEO line item.
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.

Account description	2024	2023

Conclusion

Based on the above assessment, the National Museum will continue as a going concern for the foreseeable future.

35. Events after the reporting date

Amalgamation of National Museum into Iziko Museums of South Africa

The Department of Sports, Arts and Culture has issued a gazette as at 24 May 2024 amalgamating National Museum into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act.

A merger between Iziko Museums of South Africa, The National Museum Bloemfontein and William Humphry Arts Gallery took place establishing a new combining entity called Iziko Museums of South Africa. This was due to the Minister of Sport, Arts and Culture acting in virtue of powers vested in him by section 3(3) and section 14 of the Cultural Institutions Act, Act 1998 (No. 119 of 1998). As a result, all assets, rights and liabilities of The National Museum Bloemfontein and William Humphry Arts Gallery will vest in Iziko Museums of South Africa flagship. No acquirer could be identified.

36. Fruitless and wasteful expenditure

Opening balance as previously reported	15	-
Add: Fruitless and wasteful expenditure identified - current	-	15

Amount recovered

Fruitless and wasteful expenditure confirmed for the prior year	15	-

37. Irregular expenditure

Add: Irregular Expenditure - confirmed	-	-

Irregular expenditure is presented inclusive of VAT

Account description	2024	2023

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 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 and includes a note to the financial statements.

Deviations:

Date approved	Reasons for deviation	Supplier/service provider	Amount
26/06/2023	Sole provider, renewal of Mindex software licence	Mindex	19,550.00
20/06/2023	Sole provider, renewal of Sage software licence	Mindex	26,582.41
26/06/2023	Sole provider, SABC TV licence	South African Broadcasting Corporation (SABC)	4,144.60
31/05/2023	Sole provider, SAMPRA licence	SAMRA	2,353.97
22/08/2023	Sector organisation for PESP	The Bat centre	68,400.00
28/09/2023	Emergency, Burst of water pipe	ESL plumbing	2,338.58
11/01/2023	Sector organisation PESP	The Bat centre	5,000.00
15/11/2023	Sole provider for CaseWare - Annual renewal of CaseWare licence	Adapt IT	83,431.37
25/10/2023	Sole provider for collaborative work with Ditsong Museum	Inqaba Biotechnical Industries	23,296.55
17/10/2023	Sole agent in Bloemfontein on behalf of Sage VIP for tax returns	Viprojects	6,497.50
30/01/2024	Emergency - Air quality assessment of building	Hazrisk consulting	43,125.00
15/02/2024	Sole provider, renewal of Sage VIP licence	Sage	84,788.35

Cover Art

Ernest Khomo's acrylic paint on canvas, titled 'Water Crisis,' depicts the hardships stemming from the scarcity of water resources in South African communities. Within these areas, municipal tankers sell water to residents, exacerbating the struggle for those unable to afford access to this vital resource. The artist was funded PESP4 funding made available to the cultural and creative industry with the aim to expand the creative industry and contributing to economic recovery and reconstruction.

NATIONAL MUSEUM
NASIONALE MUSEUM • MUSIAMO WA SETJHABA
BLOEMFONTEIN

an agency of the
Department of Sport, Arts and Culture

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