SOUTH AFRICAN HERITAGE RESOURCES AGENCY

ANNUAL REPORT

2023 2024

SAHRA

AN AGENCY OF THE DEPARTMENT OF SPORT ARTS AND CULTURE

CONTENTS

ANNUAL REPORT 2023/24

PART A
GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME:	South African Heritage Resources Agency (SAHRA)
REGISTRATION NUMBER:	N/A
PHYSICAL ADDRESS:	111 Harrington Street Cape Town 8001
POSTAL ADDRESS:	P.O. Box 4637 Cape Town 8000
TELEPHONE NUMBER:	+27 (0) 21 462 4502
FAX NUMBER:	+27 (0) 21 462 4509
EMAIL ADDRESS:	info@sahra.org.za
WEBSITE ADDRESS:	www.sahra.org.za
EXTERNAL AUDITORS:	Auditor-General
BANKERS:	Absa and Nedbank
COMPANY SECRETARY	Mr Simphiwe Mome

2. LIST OF ABBREVIATIONS/ ACRONYMS AND DEFINITIONS

AGSA	Auditor General of South Africa
ATC	Amajingqi Traditional Council
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BDC	Business Development Committee
CEO	Chief Executive Officer
COSO	Committee of Sponsoring Organisation
CPSA	Communist Party of South Africa
CSC	Corporate Services Committee
CRO	Chief Risk Officer
DALRRD	Department of Agriculture, Land Reform and Rural Development
DSAC	Department of Sport, Arts and Culture
EIA	Environmental Impact Assessment
EMC	Environmental Management Committee
ERM	Enterprise Risk Management
GPR	Ground Penetrating Radar
GRAP	Generally Recognised Accounting Practice
HERITΛGE	Heritage Management & Development Cooperation
HR	Human Resources
HRMCP	Heritage Resources Management Coordination Plan
HRM	Heritage Resource Management
ICT	Information Communication and Technology
IESBA	International code of ethics for professional accountants
KBFUS	King Baudouin Foundation United States
KPI	Key Performance Indicator
LCRC	Local Criminal Record Centre
MUCH	Maritime & Underwater Cultural Heritage
MTEF	Medium-Term Expenditure Framework
MOU	Memorandum of Understanding
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NHC	National Heritage Council
NHRA	National Heritage Resource Act (Act No. 25 of 1999)

NIU	National Inventory Unit
NMM	The Nelson Mandela Museum
OHS	Occupational Health and Safety
PAA	Public Audit Act 25 of 2004
PFMA	Public Finance Management Act 9Act No. 1 of 1999 as amended by Act No. 29 of 1999)
PHRA	Provincial Heritage Resources Authority
POPIA	Protection of Personal Information Act
PSRMF	Public Sector Risk Management Framework
SAMA	South African Museums Association
SDG	Sustainable Development Goals
SAHRA	South African Heritage Resource Agency
SAHRIS	South African Heritage Resource Information System
SIU	Special Investigating Unit
SMMEs	Small and medium-sized enterprises
SOP	Standard Operating Procedures
UCT	University of Cape Town
UNESCO	United Nations Educational Scientific and Cultural Organisation

3. FOREWORD BY THE CHAIRPERSON OF THE COUNCIL

As we stand four years into the implementation of our Strategic Plan, we have reached a significant juncture in our journey towards achieving the long-term outcomes envisioned for our organizations report. We reflect on the progress made towards the four long-term outcomes set forth in our Strategic Plan. These outcomes resonate with the aspirations of the National Development Plan (NDP) vision 2030 and are in step with the Medium-Term Strategic Framework (MTSF) for 2019-2024. For over twenty years, the National Heritage Resources Act (NHRA) has been a cornerstone in the preservation and promotion of South Africa's rich heritage, advocating for the active participation of a broad spectrum of stakeholders.

Our mandate under the NHRA is to orchestrate the management of heritage resources at national, provincial, and local levels. Our commitment to fulling our mandate is unwavering, despite the complexities and challenges posed by the varying performance levels of some Provincial Heritage Resources Authorities (PHRAs) and municipalities. In the face of these challenges, we take pride in the significant advancements we have achieved, particularly through the Heritage Resources Management Coordination Plan (HRMCP). This strategic initiative is designed to foster collaboration among stakeholders, with the goal of safeguarding our national heritage, streamlining management processes, and fostering social cohesion. During the fiscal year 2023/24, we have successfully implemented 28.6% of the Key Performance Indicators (KPIs) for the inaugural year of the HRMCP. Looking ahead, we are dedicated to the full realization of this plan. Our resolve is to ensure that PHRAs and municipalities are empowered and effective in their roles, so that together, we can continue to protect and celebrate the heritage that defines us as a nation.

Our shared heritage is not merely a record of the past; it is the vibrant tapestry from which our collective memory is drawn, enriching our understanding and guiding us toward a future where inclusivity and unity prevail. As the custodian of this transformation, SAHRA endeavours to reflect the rich tapestry of South Africa's diverse populace within our national heritage. The fiscal year 2023/24 stands as a testament to this mission, with the declaration heritage resources that resonate with the experiences of previously

Dr. Luyanda Mpahlwa (Chairperson)

disadvantaged communities. The declaration of seven Kramats in Cape Town as National Heritage Sites are not only a testament to the historical significance of Islam in Southern Africa but also stand as symbols of resilience against centuries of religious and political oppression. Their declaration fulfils an age-old prophecy of a "Circle of Islam" around the Cape and marks a significant milestone in our journey towards recognizing and preserving our diverse heritage. This act is a reaffirmation of our pledge to ensure a heritage that is equitable and representative of all our people.

In the dynamic landscape of heritage conservation, SAHRA stands as a beacon of resilience and innovation. The preceding four years have presented fiscal challenges, with a discernible contraction in the budgetary support from the Department of Sports, Arts, and Culture (DSAC). This financial strain compelled SAHRAs Council to deploy a suite of inventive strategies aimed at broadening SAHRA's financial position and reinforcing its economic fortitude. The 2023/24 fiscal year saw the establishment of a philanthropic initiative, forged in partnership with the King Baudouin Foundation United States (KBFUS). This collaboration is designed to engage the generosity of American patrons, offering them a tax-advantaged conduit to bolster SAHRA's mission. A dedicated portal on SAHRA's website was meticulously crafted, prioritizing simplicity and transparency to facilitate donor participation. Simultaneously, SAHRA embraced a visionary project by leasing a segment of the Dal Josafat farm. The portion of the farm will be used to cultivate solar energy, symbolizing a leap towards environmental stewardship and fiscal prudence. This venture is poised to not only augment SAHRA's financial reserves but also to funnel resources into the rejuvenation of the heritage site, while concurrently yielding socioeconomic dividends for the community. These initiatives are emblematic of SAHRA's unwavering commitment to navigate financial headwinds with creativity and collaboration. As we forge ahead, our dedication to the preservation and celebration of our rich heritage is unshakable, paralleled only by our resolve to lay down a robust and sustainable financial groundwork for SAHRA's future endeavours.

In pursuit of operational sufficiency, SAHRA has successfully maintained a staff turnover rate of 8.9%. The introduction of a revamped organizational framework and the adoption of a new performance management system, anchored in outcome-based scorecards, has been pivotal in cultivating a high-performance environment. This environment is nurtured through comprehensive leadership development and strategic talent management.

Our concerted efforts are unwaveringly aimed at realizing SAHRA's strategic outcomes amongst which is securing financial resilience and contributing to economic empowerment opportunities. We are proud to have provided opportunities for graduates to immerse themselves in practical experiences. In the 2023/24 period, we welcomed eight interns into our fold, offering them a platform to contribute and learn. Moreover, SAHRA created thirty-three indirect job opportunities through the rehabilitation, refurbishment, and construction of memorials, properties, and other significant infrastructure projects. Each of these endeavours reflects our dedication to preserving the past while building a sustainable future.

The Council would like to express gratitude to the Department of Sport, Arts and Culture (DSAC), its dedicated officials, led by the Honourable Minister Gayton McKenzie and his predecessor Mr Zizi Kodwa for their support and guidance.

On behalf of Council, I also wish to acknowledge the Portfolio Committee for Sports, Arts and Culture for the guidance which continues to shape the performance and accountability of the entity. As we continue the execution of our mandate, I wish to extend my heartfelt gratitude to the SAHRA Council, Executives, Management, and the entire Staff complement. Their innovative spirit, unwavering commitment, tireless efforts as evidenced by the achievement of yet another clean audit in this financial year end, have been the cornerstone for the organisation's success and resilience.

As we look to the future, I am confident that the strong foundation laid by our dedicated, hardworking Executives and the unwavering support of the Council, which has demonstrated high standards of critical engagement and leadership, will lead the organisation to greater heights. As SAHRA, we continue to be grateful for the opportunity to protect and uphold the rich heritage of our country for future generations.

Dr Luyanda Mpahlwa
Council Chairperson

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

I am pleased to present the 2023/24 Annual Report of the South African Heritage Resources Agency (SAHRA). As the current Council enters its final year in office, I would like to extend my gratitude to them for allowing me to lead this amazing institution during their term. The Council's leadership and support during the last two years has continued to guide us in extending our legacy of good corporate governance and clean administration. This financial year has seen the entity continuing its good work, both in terms of optimal operational performance with regard to achieving all its operational targets and in achieving a clean audit outcome. Despite the setbacks imposed by the budget constraints, the entity has displayed great agility in adopting to new ways of conducting its business and has maintained its record of commendable performance. To this end, I would also like to thank the SAHRA staff for their continued commitment to the organisation.

This year marked the penultimate year of the implementation of activities aimed at achieving SAHRA's four long-term strategic outcomes outlined in the approved 2020/25 Strategic Plan, operationalised through its five programmes.

Although the entity suffered from budget cuts, no amendments were made to its Strategic and Annual Performance Plan for 2023/24.

SAHRA has managed to uphold the accountability, professionalism and unity of purpose embedded in its values, the results of which are made evident in the Auditor-General (AG) report of 2023/24. SAHRA has both accomplished 100% of its performance targets, and received a clean audit status for a third consecutive year, the first time in its existence that this has been achieved.

GENERAL FINANCIAL REVIEW

On 31 March 2024, SAHRA's net asset value was R 148,8 million, compared to that of R 137,9 million on 31 March 2023. The increase means that SAHRA has achieved a growth in community assets of 8% from the previous financial year. SAHRA's heritage assets, other than cash reserves, remain its most significant and valuable component in terms of its non-current assets, with heritage assets comprising 37% of SAHRA's total asset base. Some of these heritage assets are part of PPE and one of the heritage assets has been disclosed under Investment Property.

Adv. Lungisa Malgas
(Chief Executive Officer)

Expenditure for the year under review is R78,1 million, which is R7,7 million higher than expenditure in the previous financial year. SAHRA generated a total revenue of R84,2 million, which is R8,5 million more than the R75,7 million achieved in the previous financial year.

The entity, as a regulatory body is not necessarily a revenue generating entity in terms of its key mandate and requires significant support from DSAC and National Treasury. This support is required to capacitate our teams to adequately execute the legislated mandate in order to meet operational targets, and to support growth initiatives and financial sustainability of the entity.

A surplus of R 6, 1 million has been achieved in 2023/24, notwithstanding the budget cuts the entity has experienced due to stagnant South African economy and persistently higher inflation rates.

As such, the entity still remains viable going concern as funds will be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

SPENDING TRENDS

Spending at SAHRA is strictly done in terms of the approved budget and is guided by the entity's Strategic Plan and the Annual Performance Plan. Cost containment measures as communicated by the National Treasury are adhered to in order to ensure that there is value for money in the spending by the entity. Expenditure on operations has increased to R 78,1 million, up by R 7,7 million (11%), from R 70, 5 million in 2022/23. Personnel Expenditure is a major costs driver for the entity and accounted for 55.5% of total expenditure. This is a reduction of 11% from the previous year in which Personnel Expenditure was 66% of total expenditure. Operational expenses, which comprise core function and administrative costs, accounted for 45.5% of total expenditure. The entity's financial sustainability continues to be under the spotlight due to the budget cuts, however the entity spending patterns have ensured that notwithstanding cost pressures, salary increases and inflation, and the need for additional staff to fill in the key vacancies, value for money and service delivery have not been compromised. The entity continues to implement several infrastructure projects, executing its mandate and public programmes despite constant staff vacancy challenges and the need to fill critical positions within the organisation.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

SAHRA has experienced myriad budget related challenges, the most significant of which has been the budget cuts for an entity that is already inadequately funded in terms of its mandate.

Currently SAHRA cannot afford to pay cost of living increments to its employees, creating instability risks that will impact delivery on planned targets.

Even with its highly constrained budget SAHRA has established new programmes that are aimed at responding to development applications, many of which are aimed at resolving the energy crisis in the Country.

SAHRA's heritage resources management programmes are public engagement intensive. This requires SAHRA officials to organise on-site community consultation sessions on matters relating to formal protection of heritage resources and risks that lead to desegregation of heritage resources. If SAHRA's budget is cut, this capacity will cease to exist and, rather than manage heritage resources, a lot will be needed to mitigate public outcry.

SAHRA's mandate in terms of the National Heritage Resources Act (NHRA) gives the entity a clearly defined responsibility for the identification, conservation, protection, and promotion our national heritage resources for the greater good of our society and humanity. The operations and funding of SAHRA continued to be affected throughout the year by the budget cuts emanating from both the fiscal constraints and the aftermath of the COVID-19 pandemic. Although Covid 19 pandemic is something of the past, the budget constraints are still a major challenge faced by the organisation, with ageing, decaying infrastructure and cost of employment expenditure being two continuous challenges that SAHRA has been confronted with over the last few years. The negative impact on SAHRA's budget was partially offset by an increase in own revenue in the form of applications and permit fees revenue, rental revenue, and interest on unused funds, particularly those unused funds from infrastructure maintenance funding received from the Department of Sport, Arts and Culture (DSAC) during 2022/23 and 2023/24.

These contributed significantly to the continuous financial sustainability of the organisation, as the entity managed to pay cost of living adjustment to the employees, although there has been no meaningful increase in the Programme Funding allocation from DSAC in the last 4 years.

The stagnant Programme Funding allocation from DSAC continues being a challenge as the 2024/25 budget allocation has also remained similar to the previous years, with no increase year on year from the 2023/24 financial year. Given the financial constraints faced, there was also an added challenge of the entity being unable to fill all the key vacancies during the year under review, and the organisation had to contend with this situation by the filling vacancies based on criticality and priority, which places severe strain on its capacity to fulfil its mandate in the most vital areas. Notwithstanding these challenges, the entity has performed admirably once again by achieving both the Clean Audit outcome and achieving all the targets in terms of its Annual Performance Plan. This is due to the commitment, dedication and resilience of the current staff members who, against all odds, continue giving their best in ensuring that service delivery is ameliorated in areas of SAHRA's responsibility. It is hoped that in the years ahead, particularly over the medium term, DSAC will provide SAHRA with sufficient financial resources to allow SAHRA to continue to execute its mandate. It is also hoped that the property maximisation strategies in the form of leasing of Heritage properties continues broadening the revenue base of the entity, and furthermore that the capacitation of the Development and Applications Unit (DAU) will result in incremental revenue for the entity in its quest of creating significant sustainable own revenue.

DISCONTINUED KEY ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

SAHRA's Council took a decision to discontinue the post-retirement medical aid benefit for retired employees. This decision was taken in consultation with the affected parties and communicated after some deliberations.

The benefit was found to be unsustainable and unaffordable for the entity and was applied inconsistently to the employees.

The entity, after engaging and focussing on its strategic alignment and having reviewed its Organogram in 2022, has recognised that the significance of all support functions responsible for ensuring good governance, compliance and the sustainability of own revenue streams. Therefore there are no units within the entity SAHRA's staff and management continued to implement programmes as outlined in the Annual Performance Plan during the period under review, as they remained relevant, interrelated and aligned to national priorities.

NEW OR PROPOSED KEY ACTIVITIES

The entity has, as part of its financial sustainability and property maximisation strategy, entered into a lease agreement with Blue Pot Renewable Energies (BPRE), in order to leverage a portion of the Dal Josafat property.

BPRE will be leasing the open space for a 20-year period. This is in accordance with SAHRAs Property Maximisation Strategy, whereby SAHRA has identified a highest and best use of the Dal Josafat property, that would assist in the organisation's financial sustainability, assist in the conservation of the property and provide social impact to the surrounding communities. This initiative, spearheaded by BPRE, not only seeks to provide sustainable electricity to the local municipality but also serves as a transformative force in conserving specifically the historical and cultural heritage at Dal Josafat, but also, through the benefits of this project, will result in assisting SAHRA execute its mandate. Through allowing this commercial lease agreement, the project aims to refurbish and conserve Dal Josafat, implement social impact and bolster SAHRAs financial sustainability.

SAHRA's existing space allocation is not suitable to carry out core business activities. The entity will, therefore, be refurbishing and upgrading its Office space at 111 Harrington Street. The project entails the upgrades to the existing building structures and facilities to accommodate the SAHRA Head office staff complement. The upgrade includes, but is not limited to, a library, registry facility, and essential storage space to largely accommodate the core business units' resources.

Consideration has also been given to the possible merger with the National Heritage Council resulting in the need to accommodate additional staff members in the SAHRA building as part of the future amalgamation.

The proposed project was presented to the DSAC Infrastructure Directorate for funding application and funding allocation was granted to SAHRA to commence with the project.

The project is expected to take 3 years to complete, and the entity has appointed all the built environment professionals. It is in the process of appointing the main contractor.

REQUESTS FOR ROLL OVER OF FUNDS

Section 53 of the PFMA states that a public entity may not budget for a deficit and accumulate surpluses unless prior written approval from the National Treasury has been obtained. For the financial year 2022/23, SAHRA received approval to retain and roll over R33 345 586 to the 2022/23 financial year. In terms of the audited annual financial statements of 2023/24 financial year, SAHRA will request approval to retain a surplus of R34 453 083 for funding operational and capital commitments.

SUPPLY CHAIN MANAGEMENT (SCM) PROCESSES AND SYSTEMS

SAHRA's supply chain management (SCM) processes and systems comply with the SCM Regulations and Practices in the Public Finance Management Act (PFMA) and Treasury Regulations. These policies and procedures ensure that SAHRA procures goods and services in a fair, competitive, transparent and equitable manner. The Code of Conduct for the SCM practitioners has been adopted and an approved SCM policy is in place that enables fair, equitable, transparent, competitive and cost-effective procurement and provisioning. Compliance with the various laws and regulations within the SCM environment is strictly observed at SAHRA, and the entity has created a strong control environment to prevent any possible irregular expenditure.

ALL CONCLUDED UNSOLICITED BID PROPOSALS FOR THE YEAR UNDER REVIEW

SAHRA's supply chain management (SCM) processes and systems comply with the SCM Regulations and Practices in the Public Finance Management Act (PFMA) and Treasury Regulations. These policies and procedures ensure that SAHRA procures goods and services in a fair, competitive, transparent and equitable manner.

There were no unsolicited bids or proposals received by SAHRA during the year under review.

CHALLENGES EXPERIENCED AND HOW THEY WILL BE RESOLVED

Adherence to cost containment measures, reprioritisation and identifying trade-offs are ongoing considerations. Initiatives to increase self-generated revenue must be prioritised and strengthened to cover fixed costs related to conservation, facilities management and market related staff salaries.

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED

The entity has received a third consecutive clean audit in the 2023/24 financial period and consequently there were no audit findings that require management actions. The entity's Accountability Eco System plays a crucial role in enabling and institutionalising a culture of performance, transparency, accountability, and integrity at the public entity.

The entity continues to strive for the implementation of the most efficient and transparent system that contributes to clean administration.

OUTLOOK/ PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

The entity, like all the government public entities, continues to experience financial constraints due to budget cuts. The entity has sought to respond to these challenges by harnessing and galvanising its Business Development Unit. The Business Development Unit continues to identify potential revenue generating opportunities and has sought to leverage more on the Heritage Properties it owns. This has made a significant contribution over the last few years, and the own revenue contribution to total revenue continues to increase in the right direction.

Although SAHRA has experienced dwindling Programme funding allocation due to budget cuts, the potential income from activities such as permit and application fees, as well as rental income for the use of Heritage Properties, will be explored fully and maximised.

EVENTS AFTER THE REPORTING DATE

SAHRA is not aware of any events after the reporting date of 31 March 2024 which are likely to have a material impact on SAHRA's financial results or operations. Events after the reporting date, both favourable and unfavourable, will be reported on as they become known and as appropriate.

ECONOMIC VIABILITY

SAHRA's economic viability extends beyond financial considerations and is predicated on its constitutional and legislative mandate to identify, conserve, protect, and promote our national heritage resources for the greater good of our society and humanity. Although SAHRA's financial circumstances remain sound, the programme funding subsidy allocated to SAHRA by the DSAC is not sufficient to meet the entity's annual operating expenses, and SAHRA is dependent on donor funding and self-generated income to meet operational needs. Budgetary constraints are a huge business risk notwithstanding the wonderful performance of the entity in achieving all its targets in terms its operational plans and could impact negatively in the future roll-out and delivery of key programmes.

The prospects, however, still look good in terms of generating more own revenue through the implementation of SAHRA's Property Maximisation Strategy.

SAHRA's ability to recruit and retain human resources has been identified as something that requires attention, and the organisation has sought to undertake a bench marking exercise. This will enable the organisation to not only manage the pool of talent at its disposal better, but to ensure operational efficiencies are not compromised.

The entity has also embarked on procuring the automated business systems required to increase the organisation's efficiency and effectiveness. This is in the form of accounting software, Drupal maintenance services for SAHRIS, and for core business site digitisation equipment.

This underlines the importance the organisation places on ICT as a business enabler.

SAHRA has resourced and capacitated its Business Development Unit to further accelerate fundraising and income generation activities, however this is an ongoing effort that remains a work in progress. While considerable success has been achieved, there is still quite a long way to go.

ACKNOWLEDGEMENTS

Finally, during the 5 years of serving as the Chief Executive Officer of this public entity, I have worked alongside many amazing, highly skilled and committed colleagues. The incredible achievements bear testament to the calibre of people who have worked hard to support our mandate and also achieve all our operational targets, including clean governance by attaining clean audit for 3 years in a row. A number of activities putting our Organisation and Department on the map have been undertaken, including the Dubai Expo and a partnership with Renewable Energy company to enhance our revenue through leasing arrangement for a piece of land in Dal Josafat that is potentially worth millions of rands over the next 20 years. Another revenue stream worth mentioning is the applications and permit fees that have increased our own revenue significantly.

I have many persons to thank especially the various Councils I served under from 2018 to the present. Each member of Council has influenced my strategic outlook in different ways and brought stability to the governance of the entity.

During the initial stages of my tenure, there was great turbulence within the organisation. Together with the Councils under the leadership of Prof Susan Bouillon, Mr Moses Makhweyane and subsequently Dr Luyanda Mpahlwa (2022–to date), many of these have been weathered. The leadership of Mr Makhweyane left a solid foundation for the new Council to take over and undoubtedly without their support we would not be where we are.

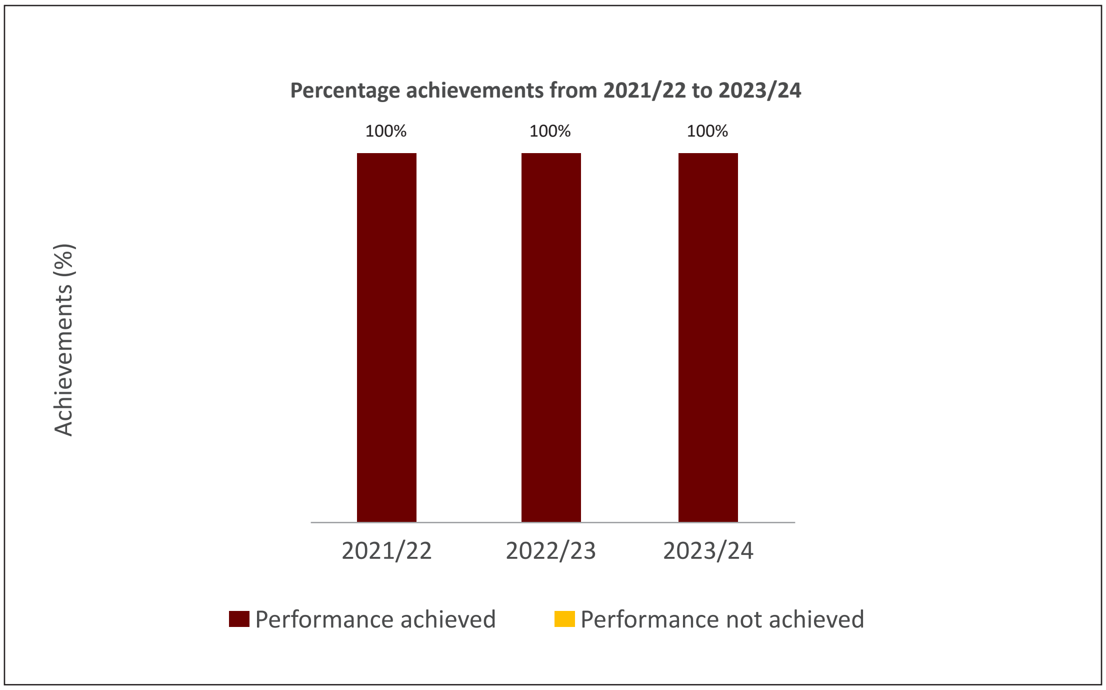
A significant development during this tenure of Council has been the setting up of the Repatriation and Restitution Office tasked with the important work of exhumation and repatriation of the human remains of the fallen heroes who died in conflict outside our borders. This is being done to ensure that Human Remains are afforded the respect and dignity they deserve and that the healing process of the families and closure is achieved. Redress, respect and dignity underpinned this initiative. Important international conferences and engagements have been held in the past to develop a coherent Human Remains Policy for Southern Africa during this period.

A planned event to commemorate the fallen struggle heroes and home coming of the mortal remains is planned for those who died in Zimbabwe and Zambia.

A special mention has to also go to the Audit and Risk Committee (ARC) for guiding us through some of the difficult times.

Adv. Lungisa Malgas
Chief Executive Officer

COMPARATIVE ACHIEVEMENT ANALYSIS



CLEAN AUDIT 2022/23 2023/24

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

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

All information and amounts disclosed in the annual report is 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 National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) 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.

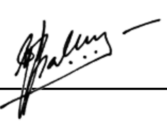
The accounting authority is responsible for establishing and implementing a system of internal control and has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

Adv. Lungisa Malgas
Chief Executive Officer
30 August 2024



Dr Luyanda Mpahlwa
Council Chairperson
30 August 2024

6. STRATEGIC OVERVIEW

SAHRA is a statutory organisation established by the National Heritage Resources Act, No. 25 of 1999 (NHRA), as the national administrative body responsible for the protection of South Africa's cultural heritage. It is an implementing agency of the Department of Sport, Arts and Culture (DSAC).

SAHRA conducted its last strategic review in October 2019 when developing the 2020-25 Strategic Plan, with an emphasis of pursuing the long-term four outcomes. SAHRA's 2023/24 Annual Performance Report was developed in accordance with the new strategy which was adopted using an outcomes-based approach and it is the second performance report based on the current strategic plan.

VISION

SAHRA aims to become:
The agency uniting people through heritage.

MISSION

SAHRA exists in order to fulfil its mandate as:

A regulatory body that co-ordinates and promotes the management of South Africa's heritage resources for community development and social wellbeing – for the benefit of present and future generations.

VALUES AND BEHAVIOURS

In line with by the Batho Pele principles and belief set ("we belong, we care, and we serve") SAHRA subscribes to the following institutional values:

- Integrity and honesty
- Accountability and professionalism
- Objectivity and consistency
- Teamwork and collaboration
- Unity of purpose

<table>
<tr><th>VALUES</th><th>INTEGRITY AND HONESTY</th><th>ACCOUNTABILITY AND PROFESSIONALISM</th><th>OBJECTIVITY AND CONSISTENCY</th><th>TEAMWORK AND COLLABORATION</th><th>UNITY OF PURPOSE</th></tr>
<tr><td rowspan="4">BEHAVIOURS</td><td>I lead by example</td><td>I own up to my mistakes</td><td rowspan="2">I always seek the facts before acting</td><td>I recognise the best qualities in my colleagues</td><td>I am purposeful and passionate in pursuit of our vision</td></tr>
<tr><td>I declare all conflicts of interest</td><td>I accept the consequences with my actions</td><td>I welcome opportunities to engage with my colleagues</td><td rowspan="2">I am proud to contribute to our success</td></tr>
<tr><td>I do not engage in illegal behaviour</td><td>I honour my work commitments</td><td rowspan="2">I am consistent in my decision-making</td><td>I am considerate of others' priorities and workloads</td></tr>
<tr><td>I communicate with honesty</td><td>I show up on time, everytime</td><td>I give regular, honest and constructive feedback</td><td>Above all else, I live our values</td></tr>
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7. LEGISLATIVE AND OTHER MANDATES

SAHRA is a schedule 3A public entity as defined in the Public Finance Management Act, No. 1 of 1999 (PFMA). It identifies, conserves, protects, and promotes our national heritage resources for the greater good of our society and humanity. In doing this, SAHRA contributes to Outcome 14 of the National Development Plan (NDP), social cohesion and nation-building.

The multi-stakeholder, multi-sectoral and multi-layered nature of the heritage sector is reflected in South Africa in the multiplicity of legislation relating to heritage identification, management, and protection. Two of these key pieces of legislation are discussed below.

I. National Heritage Resources Act, 1999, (the NHRA)

The main aim of the National Heritage Resources Act, 1999, (the NHRA) is to *:*

"introduce an integrated and interactive system for the management of the national heritage resources; to promote good government at all levels and empower civil society to nurture and conserve their heritage resources so that they may be bequeathed to future generations".

To this end, section 11 of the NHRA sets out the establishment of SAHRA.

Objectives, functions, powers and duties of SAHRA

Section 12 of the NHRA sets out the objective of SAHRA as follows:

The objective of SAHRA is "to co-ordinate the identification and management of the national estate".

More specifically, section 13(1) of the NHRA sets out the functions, powers, and duties of SAHRA as follows:

"(a) establish national principles, standards and policy for the identification, recording and management of the national estate in terms of which heritage resources authorities and other relevant bodies must function with respect to South African heritage resources;

(b) co-ordinate the management of the national estate by all agencies of the State and other bodies and monitor their activities to ensure that they comply with national principles, standards and policy for heritage resources management;

(c) identify, record and manage nationally significant heritage resources, and keep permanent records of such work;

(d) advise, assist and provide professional expertise to any authority responsible for the management of the national estate at provincial or local level, and assist any other body concerned with heritage resources management;

(e) promote and encourage public understanding and enjoyment of the national estate and public interest and involvement in the identification, assessment, recording and management of heritage resources;

(f) promote education and training in fields related to the management of the national estate; and

(g) perform any other functions assigned to it by this Act or as directed by the Minister."

A Three-tier approach to managing heritage resources

The NHRA further creates a decentralised, three-tier approach to identifying, managing and protecting heritage resources:

- SAHRA is tasked with managing Grade I heritage resources at the national level of Government;
- Grade II heritage resources are the responsibility of Provincial Heritage Resources Authorities (PHRAs) at the provincial level of Government; and
- Grade III heritage resources are managed at the local government level.

This therefore means that national, provincial and local authorities share the responsibility of identifying, managing and protecting heritage resources.

The functions, powers and duties of PHRAs are set out in section 24 of the NHRA and are similar to those of SAHRA with the additional duty to notify SAHRA of the presence of any heritage resource in the province that a PHRA considers as qualifying for protection at the national level.

Training and professional development

Section 5(2) further notes the following to ensure the effective management of heritage resources:

> "(a) the skills and capacities of persons and communities involved in heritage resources management must be developed; and
>
> (b) provision must be made for the ongoing education and training of existing and new heritage resources management workers."

Therefore, not only is there a requirement that qualified and competent persons must be appointed to deal with heritage resources, but also that the skills of anyone involved in heritage management must be developed.

II. World Heritage Convention Act, 1999

The World Heritage Convention Act serves to incorporate the World Heritage Convention into South African law and provides for the nomination, identification and management of World Heritage Sites in South Africa. Section 4(1) of the Act further requires that, among others:

- Cultural and national heritage management must be sensitive to the people and their needs and must equitably serve their physical, psychological, developmental, cultural and social interests,
- The participation of all interested and affected parties in the governance of cultural and national heritage must be promoted,
- All people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation,
- Participation by vulnerable and historically disadvantaged persons must be ensured, and
- Community well-being and empowerment must be promoted through cultural and national heritage education, the raising of cultural and national heritage awareness, the sharing of knowledge and experience and other appropriate means.

Other legislation that relates to heritage resources management, includes but is not limited to:

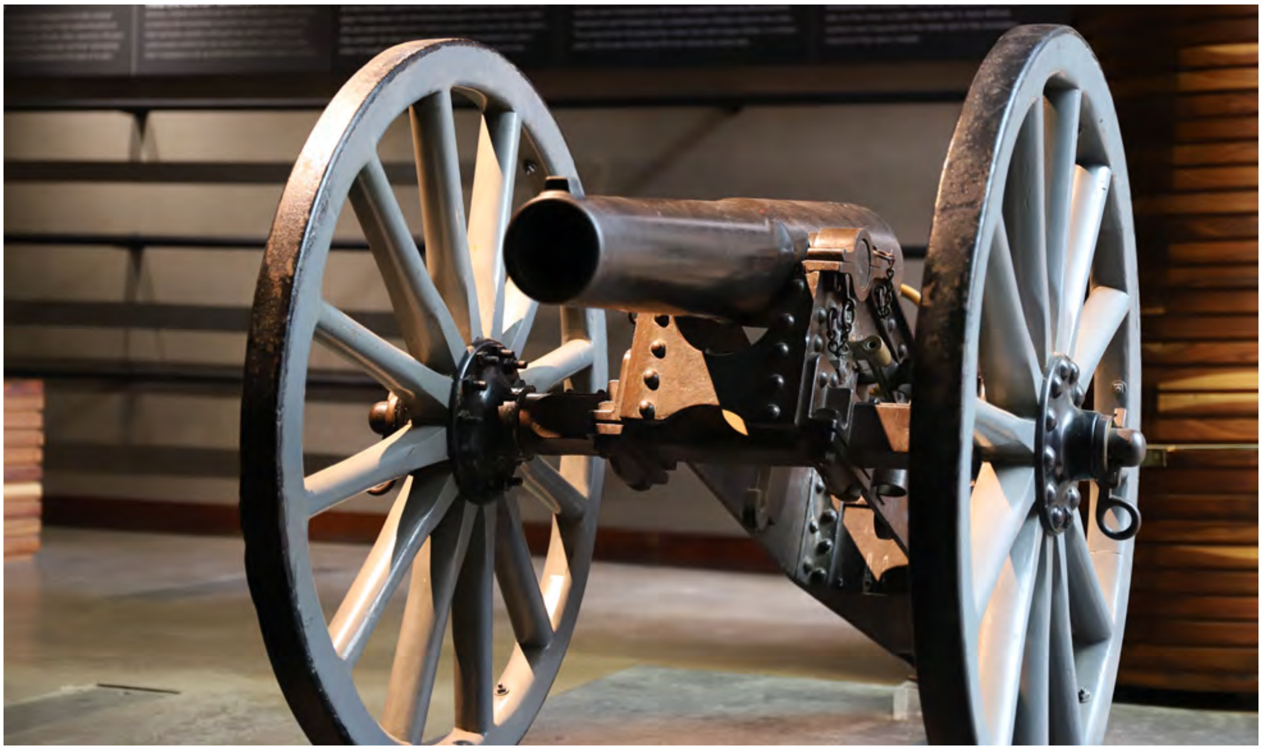
Other acts and policy papers that relate to the management of heritage resources include:

- National Heritage Council Act (Act No. 11 of 1999)
- Cultural Institutions Act (Act No. 119 of 1998)

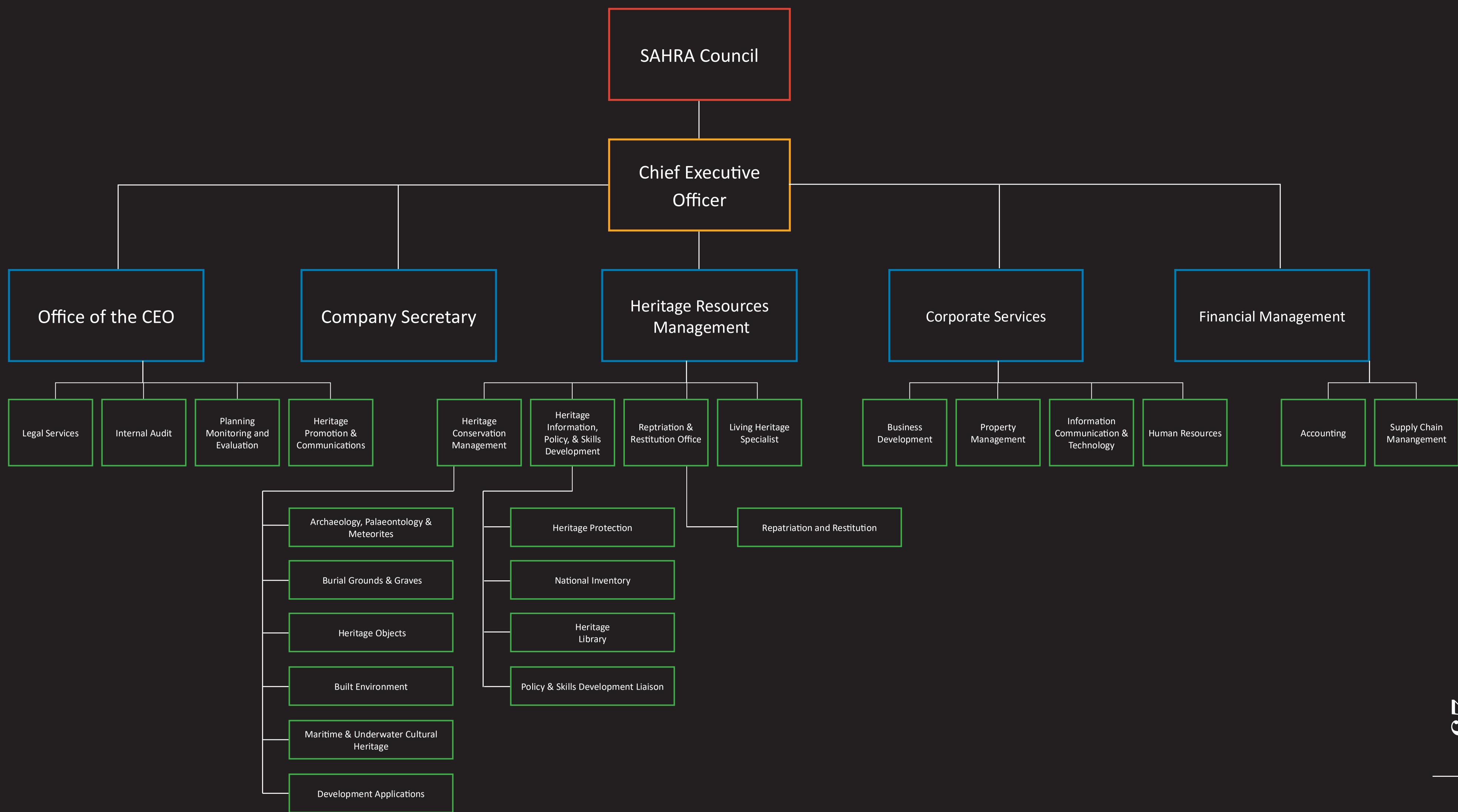
- South African Geographical Names Council Act (Act No. 18 of 1998)
- National Library of South Africa Act (Act No. 92 of 1998)
- National Environmental Management Act (Act No. 107 of 1998)
- National Environmental Management: Protected Areas Act (Act No. 57 of 2003)
- South African Library for the Blind Act (Act No. 91 of 1998)
- National Film and Video Foundation Act (Act No. 73 of 1997)
- National Arts Council Act (Act No. 56 of 1997)
- Legal Deposit Act (Act No. 54 of 1997)
- National Archives and Record Service of South Africa Act (Act No. 43 of 1996)
- Pan South African Language Board Act (Act No. 59 of 1995)
- Culture Promotion Act (Act No. 35 of 1983)
- Heraldry Act (Act No. 18 of 1962)
- Revised White Paper on Arts, Culture and Heritage, 2013
- National Policy on Living Heritage, 2009

Other relevant legislations and guiding documents include:

- Public Finance Management Act (Act No. 1 of 1999)
- The Annual Division of Revenue Act (Act 1 of 2018)
- Basic Conditions of Employment Act (Act No. 75 of 1997 as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)
- Skills Development Act (Act No. 37 of 2008)

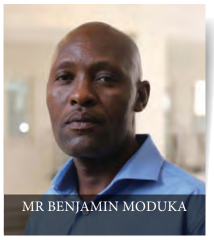


8. ORGANISATIONAL STRUCTURE

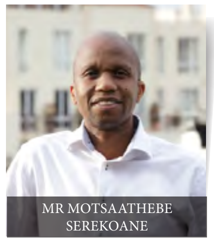


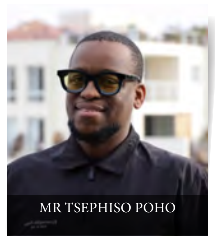
THE SAHRA COUNCIL


DR LUYANDA MPAHLWA
Chairperson

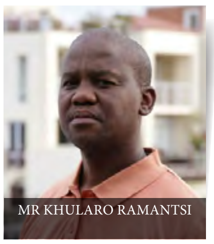

MR BENJAMIN MODUKA


MR PATRIC TARIQ MELLET


MR MOTSAATHEBE SEREKOANE


MR TSEPHISO POHO

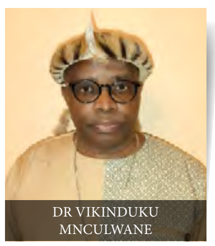

ADV. MANDLA MDLUDLU


MR KHULARO RAMANTSI


MS REHANA K PARKER


MR VINCENT MAUMELA


DR JONATHAN SHARFMAN


DR VIKINDUKU MNCULWANE

SAHRA EXECUTIVES


ADV. LUNGISA MALGAS
Chief Executive Officer


MR SIMPHIWE MOME
Head of Legal & Company Secretary, Legal Advisor


LENNOX TUKWAYO
Chief Financial Officer

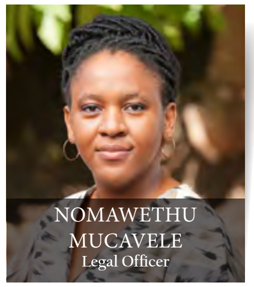

MS MAMAKOMORENG NKHASI-LESAOANA
Heritage Resources Management


NTOMBOZUKO MPHAMBANI
Executive Officer: Corporate Services

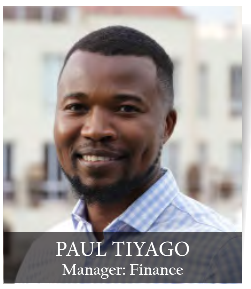
SAHRA MANAGEMENT

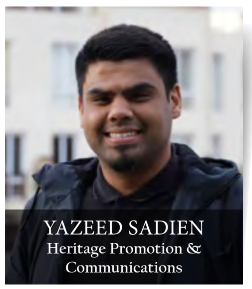

BEN MWASINGA
Senior Manager: Heritage Conservation Management


CLINTON JACKSON
Senior Manager: Heritage Information, Policy & Skills Development


NOMAWETHU MUCAVELE
Legal Officer


PHILLIP HINE
Manager: Archeology, Palaeontology & Meteorites: Maritime & Underwater Cultural Heritage

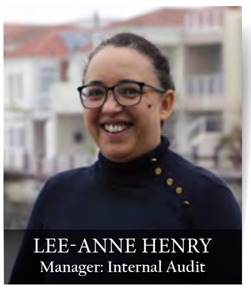

PAUL TIYAGO
Manager: Finance


YAZEED SADIEN
Heritage Promotion & Communications

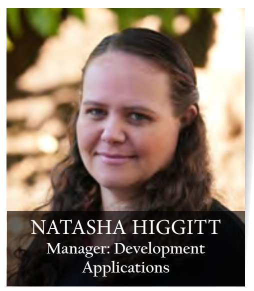

LESA LA GRANGE
Manager: Policy and Skills Development

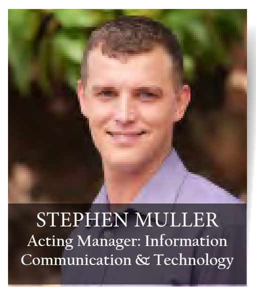

BANELE GWELE
Legal Officer

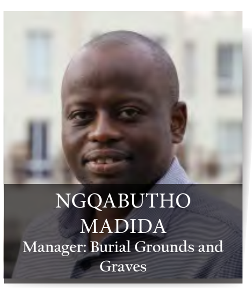

BONGIWE MADOLO
Management Accountant


LEE-ANNE HENRY
Manager: Internal Audit


DEVON BRUINERS
Manager : Business Development

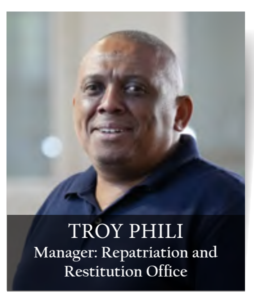

NATASHA HIGGITT
Manager: Development Applications


STEPHEN MULLER
Acting Manager: Information Communication & Technology


NGQABUTHO MADIDA
Manager: Burial Grounds and Graves


ZAIDA ALLIE
Manager: Properties Management


YONELA SOMTSEWU
Manager : Supply Chain


TROY PHILI
Manager: Repatriation and Restitution Office


NKOSAZANA QUEENIE MACHETE
Manager: Heritage Protection


SIBONOKUHLE MADLINGOZI
Former Manager : PME


LEOMILE MOFUTSANYANA
Acting Manager: Heritage Objects


LAUREN BUCHANAN
Manager : Built Environment


JAKE HARDING
Manager: National Inventory


CHRISTINA KUNENE
Manager: Human Resources

PART B

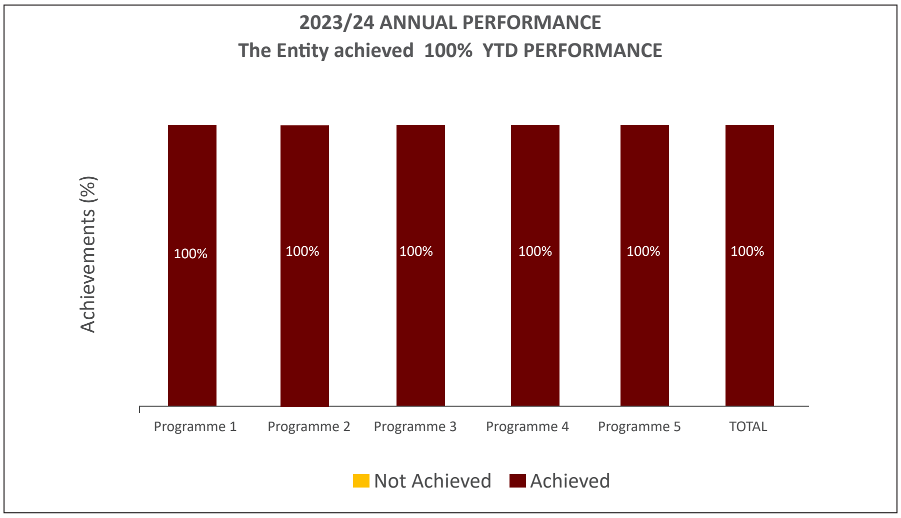
PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General has conducted audit procedures for usefulness and reliability of the reported performance information against predetermined objectives for a selected material performance indicators in the annual report. Refer to page 95-100 of the report for the Auditor General's Report, included in Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

SAHRA has managed to continue to co-ordinate and promote the management of South Africa's heritage resources. The Entity managed to deliver 100% (19 out of 19) of its applicable outputs for the 2023/24 financial year.



Discussed below are the salient external and internal environmental analysis influencing the entity's performance.

2.1 *SERVICE DELIVERY ENVIRONMENT*

SAHRA, faces a multitude of challenges stemming from the dynamic landscape of politics, economics, social disparities, technological advancements, environmental threats and legal challenges.

Political fluctuations often result in competing priorities and budget cuts, leaving SAHRA with limited resources and shifting mandates. Amidst economic uncertainties and a shrinking budget, SAHRA struggles to execute essential projects such as building memorials and rehabilitating properties. The non-functional Provincial Heritage Resources Authorities (PHRAs) adds complexity to this political terrain. To mitigate this challenge, the entity developed a Heritage Resources Management Coordination Plan (HRMCP) to bring together different stakeholders to work together seamlessly and cooperatively in preserving the national heritage. The financial year under consideration saw the first year of the implementation of the coordination plan.

Social and economic disparities pose additional hurdles, with poverty, unemployment, lack of access to education and crime hindering community engagement in heritage conservation. In the digital age, technology presents both opportunities and challenges for heritage management. Digital platforms offer extensive knowledge and resources, but high costs and infrastructure limitations impede widespread use, particularly in rural regions. Improving the social economic status of communities and closing the digital gap is crucial to ensure equal access to heritage information and sites.

At an organisational level, cybersecurity risks emphasize the importance of implementing strong policies to protect digital assets.

Environmental threats compound the challenges facing heritage preservation. Climate change, fires, floods, and acid rain pose significant risks to cultural heritage, necessitating proactive mitigation measures. The economic burden of rehabilitating damaged sites underscores the importance of preventative strategies and community education. Leveraging indigenous knowledge systems offers innovative solutions to mitigate the effects of climate change on heritage structures.

Navigating the legal landscape of heritage management demands a careful balance of awareness, review, and implementation of relevant legislation. This challenge was vividly highlighted when items associated with former President Nelson Mandela, which were nearly auctioned without prior assessment of their heritage significance. SAHRA, steadfast in its commitment to preserving the country's rich cultural legacy, intervened decisively to halt the auction. SAHRA initially approached the Pretoria High Court to compel the respondents to return of the heritage objects for proper assessment and to obtain the necessary export permits under the National Heritage Resources Act (NHRA). However, the application was unsuccessful, and a subsequent leave to appeal application was also denied. Undeterred, SAHRA is currently petitioning the Supreme Court of Appeal for leave to appeal the High Court's ruling. The case is in the preliminary stages, with SAHRA seeking permission from the Supreme Court of Appeal to review the High Court's decision. The outcome of this petition will significantly impact the future of heritage conservation in the country, potentially setting a precedent for how cultural artifacts are handled and protected.

Despite navigating a complex external landscape SAHRA managed to declare seven (7) Kramats situated at various locations around Cape Town, Western Cape, as National Heritage Sites, build and rehabilitated memorial as well as remain steadfast to conserving South Africa's rich cultural legacy using the available legal avenues. These action underscores SAHRA's dedication to safeguarding the nation's cultural legacy and highlights the critical importance of adhering to legal principles in matters of heritage conservation.

2.2 *ORGANISATIONAL ENVIRONMENT*

Strengths

SAHRA has established robust financial and non-financial management internal controls, resulting in consistently achieving clean audit outcome in recent financial years. These controls are meticulously monitored to ensure compliance and effectiveness. Additionally, SAHRA, in collaboration with stakeholders, proficiently identifies and manages heritage resources, supported by strong internal controls within its Heritage Resources Management function.

Aimed at enhancing employee performance the organization introduced a new performance management system which successfully implemented the 2023/24 financial year. With a dedicated and passionate team, SAHRA boasts a workforce committed to its mission and goals. Despite the need for improvement in ICT infrastructure, SAHRA has made significant strides in ICT governance, reflecting its commitment to modernizing its operations.

Furthermore, the South African Heritage Resources Information System (SAHRIS), developed by SAHRA, has gained international recognition for its role in centralizing heritage resource data and facilitating effective heritage management. Through its heritage promotion and communications efforts, SAHRA continues to produce high-quality content that contributes to preserving and promoting the nation's rich heritage for future generations. SAHRA remains committed to fulfilling its mandate under the stewardship of a committed Council. The entity remained stable in the 203/24 financial year as there were no changes in the Executive Committee.

Weaknesses

SAHRA, confronts a series of hurdles that impede its operational efficiency. Among these is the absence of systems integration, which complicates the organization's workflow. While efforts are underway to digitalize procurement and document management systems, many business processes remain manual and inefficient. Compounding these issues is the lack of clear Standard Operating Procedures (SOP), which disrupt smooth handover procedures and hinder business continuity. Additionally, the agency grapples with aging ICT infrastructure, making it susceptible to cyberattacks despite improvements in ICT governance. Limited funding further exacerbates the situation, hindering necessary infrastructure upgrades. Moreover, the National Heritage Resources Act, enacted in 1999, is in need of revision to better align with the current operational environment, underscoring the necessity for legislative updates to support SAHRA's activities effectively.

Opportunities

The entity, stands at a pivotal juncture, poised to leverage several opportunities to advance its mission. Foremost among these is an engaged council whose expertise spans heritage and other sectors, offering invaluable insights to guide the organization's initiatives.

The Council adeptly understand staff needs and advocate for SAHRA's vision at higher echelons. Concurrently, SAHRA diligently works towards compliance with the Protection of Personal Information Act (POPIA), bolstering its data management practices. In pursuit of financial sustainability, the entity continues to explore non-government funding streams, including increased permit fees, property optimization, and strategic partnerships.

Notably, the approval of leasing part of the Dal Josafat farm for a Solar Project marks a significant milestone, promising both financial stability and communal benefits through heritage restoration and renewable energy initiatives. Moreover, strategic collaborations with entities like the Nelson Mandela Museum amplifies SAHRA's impact in heritage preservation. As the organization prepares for amalgamation with NHC, it anticipates synergies that will harness combined resources and fresh perspectives.

Embracing the opportunities of the Fourth Industrial Revolution, SAHRA eyes advancements in machine learning and artificial intelligence to enhance operational efficiency through digital transformation. Concurrently, SAHRA addresses societal challenges, such as youth unemployment, through strategic partnerships that offer internship and employment opportunities.

Moreover, the recognition and appreciation of SAHRA's work by communities underscore the potential for deeper engagement and participation in heritage management initiatives, fostering stronger bonds and collective stewardship of cultural heritage resources.

Threats

SAHRA faces a multitude of threats that pose significant obstacles to its mission of preserving South Africa's rich heritage. Insufficient operational funding, compounded by steady decreases in budget allocations from the Department of Sport, Arts, and Culture (DSAC), threatens SAHRA's ability to fulfil its mandate effectively.

Moreover, competing government priorities such as housing, healthcare, and education over heritage preservation, both in terms of funding and focus impact on SAHRA obligations. Non-functional Provincial Heritage Resources Authorities (PHRAs) further impede SAHRA's work, hindering its ability to identify and protect the nation's heritage resources. Social instability poses a risk to heritage sites, while aging ICT infrastructure leaves SAHRA vulnerable to cyberattacks.

The impending amalgamation with the National Heritage Council (NHC) presents both opportunities and uncertainties, as budget cuts cast doubt on the merger's impact. Political interference and a shortage of specialist skills further complicate matters, along with the looming threats of climate change and land grabs. In the face of these challenges, SAHRA must navigate a complex landscape with resilience and innovation to safeguard South Africa's cultural heritage for future generations.

2.3 *KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES*

There have been no key policy developments or legislative changes that impacted the entity functions during the 2023/24 financial year.

2.4 *PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES*

The South African Heritage Resources Agency (SAHRA) Strategic Plan, 2020/25, which was developed and approved by Council with effect from 2020 was updated in accordance to SAHRA's mandate, the National Development Plan vision 2030, international and regional development trends, the country's Constitution, the various sector legislations, policies and planning frameworks. The plan set forth the SAHRA's long-term four outcomes, which were developed on an outcomes-based approach.

SAHRA's impact statement states that by 2030, SAHRA commits to foster inclusive participation in the conservation and management of South Africa's diverse heritage and contribute to building a national identity for the country through heritage.

Outcome 1: Improved Organisational Capacity (Human And Financial)

OUTCOME INDICATOR	5 YEAR TARGET
Increase in funding from streams other than the budget allocation over the five-year period.	5 partnerships that financially benefit SAHRA.
Retaining the staff turnover rate.	Maintain the staff turnover rate at or below 10%.
Implementation of a robust Human Resources and Performance Management Framework. This will include the development and approval of the framework over the 5-year period as detailed in the APPs. Emphasis will be placed on structured employee performance management and development and alignment to SAHRA's strategic intent over the five-year planning period (2020 to 2025).	50% implementation of the new performance management framework

PROGRESS

Outcome 1 focuses on identifying and converting additional sources of funding to augment the budget allocated to SAHRA by DSAC and strengthening SAHRA's human resources management practices (including training).

During the 2023/24 financial year, the entity initiated a donations program to enhance its financial sustainability. In partnership with the King Baudouin Foundation United States (KBFUS) the entity created a "Donate" section on SAHRA's website to facilitate donations from American philanthropists. KBFUS, acting as a "philanthropy architect," offers various charitable giving solutions and manages administrative tasks for SAHRA, enabling tax-deductible donations from U.S. donors. The foundation assists SAHRA in targeting donors aligned with its mission, enhancing fundraising efforts. The entity has ensured that it prominently features the donations page, facilitating easy access for potential donors.

Additionally, the entity secured approval for the leasing part of Dal Josafat farm to establish a solar energy generation farm. This project, aims to improve SAHRA's financial stability, restore heritage structures, and provide communal benefits to the local community. Both initiatives contribute to SAHRA's revenue generation and financial sustainability while preserving cultural heritage and benefiting the surrounding community.

Maintaining the staff over rate is vital to ensure that the entity functions effectively. SAHRA has managed to maintain the staff over rate below 10% with the rate for 2023/24 being 8.9%. The final revised organisational structure and new performance management system focuses on performance improvement which includes principles which will create a high performing environment by focusing on leadership development, talent management, reward, and recognition. The system is designed based on outcome-based scorecards (outputs, measures & targets) aligned to team, functional and organisational scorecards. The entity continues to ensure effective implementation of the organisational structure and performance management system in achieving the strategic intent of the entity.

Outcome 2: The Relevant Organs of State and Communities Participate Actively in the Identification, Management and Protection of Heritage Resources

OUTCOME INDICATOR	5 YEAR TARGET
The implementation, by SAHRA and other relevant organs of State, of the Strategic Co-ordination Plan. This will include the development and approval of the Strategic Co-ordination Plan over the 5-year period as detailed in the APPs and will include the roles, responsibilities and KPIs of SAHRA and other organs of State in the integrated management and protection of the country's heritage resources.	20% of the approved Strategic Co-ordination Plan implemented. The plan will be communicated in its development phase (year 1).
Improvement in knowledge of the communities on the importance of managing and protecting the country's heritage resources.	25% improvement in the communities' knowledge of the importance of managing and protecting the country's heritage resources.
Increase in the number of community members formally engaging with SAHRA in matters pertaining to the management and protection of heritage resources.	25% increase in the number of formal engagements with SAHRA in matters pertaining to the management and protection of heritage resources. A 5% increase in SAHRIS applications received.

PROGRESS

In terms of s13(1)(b) of the NHRA, SAHRA's main obligation under the NHRA is the requirement to "co-ordinate the management of the national estate by all agencies of the State and other bodies and monitor their activities to ensure that they comply with national principles, standards and policy for heritage resources management". The NHRA further explains that these activities should be performed across all three spheres of Government as follows:

- SAHRA is responsible for the management of heritage resources at the national level,
- PHRAs are responsible for the management of heritage resources at the provincial level, and
- Heritage resource management at the local level is the responsibility of municipalities.

The multifaceted nature of heritage resource management impacts on SAHRA's ability to effectively deliver on its mandate. The ineffective performance of certain Provincial Heritage Resources Authorities (PHRAs) and municipalities in fulfilling their obligations poses a significant obstacle to SAHRA's ability to fulfil its mandate. The NDP's Vision 2030 emphasizes the importance of community involvement in efforts to overcome obstacles hindering personal growth. Therefore, encouraging individuals closely connected to their heritage to engage in managing and safeguarding the nation's heritage resources is deemed essential for effective heritage preservation and management.

In recognition of the multifaceted nature of heritage resources management, outcome 2 seeks to enhance collaboration between SAHRA, the relevant state entities responsible for heritage resource management and the community at large. The entity developed a HerItage Resources Management Coordination Plan (HRMCP) to enhance coordination among stakeholders to enforce heritage legislative frameworks in South Africa. This plan is aligned with broader national and international agendas such as the South African National Development Plan 2030, the African Union Agenda 2063, and UNESCO's Sustainable Development Goals (SDGs). This alignment ensures that heritage management efforts are integrated into larger developmental goals.

During the 2023/24 fiscal year, the objective was to achieve a 10% implementation of the Seven Key Performance Indicator (KPI) specifically designated for Year one of the Plan across its five objectives. Two out of the seven planned KPIs had been achieved, resulting in an overall attainment of 28.6%. Among the targets that were met include the evaluation of the adoption and utilization of the South African Heritage Resources Information System (SAHRIS), as well as the assessment of the significance of provincial heritage resources (PHSs) officially recognized as national monuments under Section 58 (11)(a).

These accomplishments indicate tangible steps taken towards meeting the objectives of the HRMCP. Recognizing both achievements and areas where targets were not reached within the HRMCP, efforts have been made to assess and modify the Key Performance Indicators (KPIs) and associated targets in subsequent years of the plan to address any shortcomings.

SAHRA endeavours to engage individuals closely connected to their heritage (geographically, historically, or culturally) in actively participating and learning about heritage management and protection. Since the implementation of this strategy, the organization has conducted knowledge dissemination activities, witnessing an average increase of 46.3% over the current strategy's implementation period. Building on previous years' efforts, ongoing knowledge dissemination activities and training interventions led to a 6% increase in the number of applications received on SAHRIS during the 2023/2024 financial year compared to the previous period. Continued work on updating the SAHRIS system is expected to further boost the number of applications received through the system.

Outcome 3: A National Estate that is Representative of South Africa's Diverse Heritage

OUTCOME INDICATOR	5 YEAR TARGET
Increase in the percentage of recently declared heritage resources relating to previously disadvantaged groups.	95% of recently declared heritage resources relate to previously disadvantaged groups.

PROGRESS
SAHRA's strategic approach acknowledges the importance of diversity for the collective enrichment of the nation, as outlined in Chapter 15 of the National Development Plan (NDP) and Outcome 14 of the Medium-Term Strategic Framework (MTSF). Numerous studies have demonstrated that heritage, when effectively managed, can significantly contribute to social inclusion, shape the identity of communities or countries, and foster social cohesion. This underscores the necessity for inclusive growth to address inequalities in South Africa, with heritage playing a pivotal role in addressing this challenge. Therefore, SAHRA, through its mandated activities, seeks to uphold its responsibility in identifying, managing, and safeguarding heritage resources while advocating for the rights of underrepresented groups within the national estate. Outcome 3 is thus designed to advance a more transformed South Africa by not only increasing the number of identified heritage resources but also by enhancing the representation of the country's diverse populace within the national estate To gauge progress towards this goal, SAHRA utilizes the percentage increase in recently declared heritage resources associated with previously disadvantaged groups as a metric. This measure reflects the entity's commitment to achieving a more equitable and transformed representation of South Africa's population through heritage-related initiatives, such as the grading and declaration of various heritage resources. In the 2023/24 fiscal year, the entity has declared seven (7) heritage resources, all of which represent previously disadvantaged groups.

Outcome 4: Economic empowerment, including employment opportunities, for local communities through sahra's activities

OUTCOME INDICATOR	5 YEAR TARGET
Implementation of an employment strategy by SAHRA to actively empower communities economically through SAHRA's heritage resources management and protection activities. This will include the development and approval of the strategic plan over the 5-year period as detailed in the APPs.	10% of the employment strategy is implemented according to the employment plan developed and approved.

PROGRESS
SAHRA has offered many opportunities for students to gain experience through internships. The entity has employed eight (8) interns in 2023/24. Also, SAHRA offered thirty-three (33) indirect employment opportunities through the rehabilitation, refurbishment and erection of memorials, properties, and other infrastructure projects.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 PROGRAMME 1: ADMINISTRATION AND GOVERNANCE

Outcome: Improved Organisational Capacity (Human and Financial)

Programme 1 aims to build and maintain sound organisational financial and human capacity within SAHRA. The programme managed to achieve 100% of its output indicators.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 1 – Actual Achievements

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Programme 1: Administration and Governance								
Improved organisational capacity (human and financial)	Partnerships that can financially benefit SAHRA	1.1 Number of revenue generating streams implemented	100% implementation of the financial sustainability plan	1 Revenue generating stream implemented	3 Revenue generating stream implemented	3 Revenue generating stream implemented	N/A	N/A
	A revised organisational structure that supports the implementation of SAHRA's 2020 to 2025 strategy	1.2 Maintain the annual turnover rate at or below 10%	Annual turnover rate is at 7%	Annual turnover rate is at 8.6%	Maintain the annual turnover rate at or below 10%	Annual turnover rate is at 8,9%	N/A	N/A
	Staff training/ development opportunities	1.3 % of training interventions rolled out according to the HR training plan	100%	100%	100%	100%	N/A	N/A
	Development of an electronic individual performance management system	1.4 % Implementation of the new individual performance management system	100% implementation of individual performance management system	100% of the new individual performance management system implemented	100% implementation of the new performance management system	100% of the new individual performance management system implemented	N/A	N/A

Financial Sustainability

Donations Initiative - During the last financial year, the entity received approval to launch a donations initiative aimed at enhancing its financial sustainability. This initiative included the creation of a dedicated "Donate" section on SAHRA's website to facilitate direct contributions, complemented by targeted fundraising efforts to attract additional support. The donations tab features streamlined payment gateways to better engage potential donors and simplify the donation process.

SAHRA also established a formal partnership with the King Baudouin Foundation United States (KBFUS), which acts as an intermediary between American philanthropists and international nonprofit organizations. KBFUS, functioning as a "philanthropy architect," provides customized solutions for various forms of charitable giving, including one-time donations, recurring contributions through Donor Advised Funds, planned giving via Legacy Funds, and donations of artworks to international museums. This partnership enables SAHRA to receive tax-deductible donations from U.S. donors without needing to establish a U.S.-based charity, develop a separate website, or handle administrative tasks .

KBFUS maintains a comprehensive donor database and will assist SAHRA in identifying and targeting donors aligned with its mission and objectives, increasing the likelihood of securing grants and donations. The successful implementation of the donations page and the partnership with KBFUS positions SAHRA to generate revenue through grants and donations, ultimately contributing to the entity's financial self-sustainability.

Links to the SAHRA website and donations page are provided for reference.

https://www.sahra.org.za/

https://www.every.org/south-african-heritage-resources-agency

Dal-Josafat Farmland leasing – The entity gained approval for leasing a portion of the Dal-Josafat farm to establish a solar energy generation farm, aimed at bolstering SAHRA's financial sustainability. This endeavour incorporates a profit-sharing agreement of 10% from all profits generated by Lessee. The successful execution of this project is poised to have a positive impact on SAHRA's financial stability. Moreover, it will contribute to the restoration of buildings on SAHRA's sole grade 1 heritage property and deliver communal benefits to the surrounding community where they are most needed. This strategic initiative unlocks avenues for income generation through rental proceeds, profit distribution, and the restoration of heritage structures. It represents a favourable development by offering sustainable energy generation, preservation of Dal Josafat's historical and cultural heritage, revenue generation for SAHRA, and socioeconomic advantages for the local community.

Staff turnover, training, and performance management

The operational effectiveness of SAHRA remained stable by maintaining an annual turnover rate below 10%, achieving a rate of 8.9%. The organisation demonstrates a strong commitment to employee development, focusing on agility and adaptability to change, and prioritising human capital enhancement through comprehensive training programmes utilising various models. All essential training initiatives were successfully executed as per the HR Training Plan, with 16 prioritised interventions achieving a 100% rollout. The Supply Chain Management Unit actively engages and appoints diverse service providers to facilitate training aligned with the plan, covering areas such as Financial Management, Policy Development, and Geographic Information Systems. Beyond individual skill enhancement, these training sessions are poised to contribute significantly to SAHRA's overall effectiveness in fulfilling its mandate. Notably, SAHRA achieved a 100% compliance rate in the recordable performance management framework during the reporting period, reflecting its continuous efforts in improving both individual and organisational performance through the implementation of a newly developed performance management system.

3.2 PROGRAMME 2 : STRATEGIC COORDINATION

Outcome: The relevant organs of state and communities participate actively in the identification, management, and protection of heritage resources

Programme 2 is strategically focused in strengthening existing and newly formed external partnerships in the Heritage Resources Management sector. SAHRA as the national regulatory body for heritage resources management is interested in the further integration of its national management framework and is actively seeking partners that can assist us with realizing our strategic objectives and creating a sustainable heritage sector in South Africa. The entity achieved 100% of its output indicator for the programme.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 2 – Actual Achievements

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Programme 2: Strategic Coordination								
The relevant organs of state and communities participate actively in the identification, management, and protection of heritage resources	Finalised Co-ordination Strategy with Critical Stakeholders	2.1 Percentage implementation of the Heritage Resources Management Coordination Plan	100% of critical stakeholder groups represented at "Strategic Co-ordination Plan" workshops	1 developed and finalised Heritage Resources Management Coordination Plan	10% of the Heritage Resources Management Coordination Plan implemented	28.6% of the Heritage Resources Management Coordination Plan was Implemented	18.6%	The development and subsequent launch of the latest version of the South African Heritage Resources Information System (SAHRIS) provided the entity with a chance to comprehensively interact with the KPI 'assessing the adoption and use of SAHRIS'. By integrating tasks related to the deployment of the new system with the objectives tied to this KPI, it became feasible to address the issue more effectively, resulting in enhanced performance.

Over the span of more than twenty years of implementing the National Heritage Resources Act, No. 25 of 1999 ("NHRA" / "the Act"), the importance of involving a variety of stakeholders in the heritage sectors cannot be emphasised enough. The aim of this Heritage Resources Management Coordination Plan (HRMCP) is to bring together different stakeholders to work together seamlessly and cooperatively in preserving the national heritage. Through this ongoing endeavour, the goal is to improve the efficiency of heritage resource management, thereby fostering social harmony and national solidarity. In achieving this, the objectives of the NHRA can be realized through each instance of collaboration, partnership, program, project, and initiative aimed at protecting and celebrating our diverse cultural heritage.

The formulation of this plan was completed in the preceding fiscal year, with the intention to facilitate the coordination of actions among various participants and stakeholders to enforce heritage legislative frameworks within the Republic. Furthermore, it aligns with broader visions such as the South African National Development Plan 2030, the African Union Agenda 2063, and UNESCO's Sustainable Development Goals (SDGs). This plan is an essential component of SAHRA's implementation of the 2020/25 five-year Strategic Plan, with its execution scheduled to continue until 2027/28.

As part of the 2023/24 fiscal year, the target set for accomplishment is "10% implementation of the Heritage Resources Management Coordination Plan". It should be noted that this is the Key Performance Indicator (KPI) set specifically for Year one of the Plan, in accordance with the Annual Performance Plan (APP). Year one of the HRMCP introduced seven key performance indicators across the five objectives. By the end of the 2023/2024 fiscal year, two out of seven of the planned KPIs have been attained, resulting in a total achievement of 28.6% for year one of the HRMCP.

The targets that were met include the evaluation of the South African Heritage Resources Information System (SAHRIS) adoption and utilisation, as well as the assessment of the importance of provincial heritage resources (PHSs) that had been officially recognised as national monuments per provisions of Section 58 (11)(a).

Acknowledging both areas of accomplishment and those where targets were not met within the HRMCP, steps have been taken to review and adjust the KPIs and associated targets in subsequent years of the plan to mitigate any shortcomings.

3.3 PROGRAMME 3: PUBLIC ENGAGEMENT

Outcome: The relevant organs of state and communities participate actively in the identification, management, and protection of heritage resources

The purpose of programme 3 is to enhance and showcase diverse community participation in heritage related engagements. The entity was able to continue to disseminate knowledge and act as a leading heritage resources management regulative body by providing advisory support to stakeholders on the available platforms and thus achieved 100%.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 3 – Actual Achievements

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Programme 3: Public Engagement								
The relevant organs of state and communities participate actively in the identification, management and protection of heritage resources	Knowledge dissemination events and activities	3.1 Number of knowledge dissemination activities	18	24	15	21	6	Additional knowledge dissemination activities took place due to easier access and usage of digital platforms as a means of disseminating information
	Diverse representation at SAHRA hosted heritage events	3.2 Percentage of women, youth, people living in rural areas attending SAHRA-hosted events	% Of people attending SAHRA hosted events Women: 54% Youth: 53% Rural: 15%	% of people in the following groups attending SAHRA hosted events: Women: 57% Youth: 38% Rural: 4%	Minimum % of people in the following groups attending SAHRA hosted events: 50% Women or 40% Youth or 2% Persons with disabilities	% of people in the following groups attending SAHRA hosted events; Women: 59% Youth: 41% Persons with disabilities: 1%	N/A	N/A
	Engagement with communities when declaring a national heritage resource	3.3 Average number of community engagements/ consultations while declaring a national heritage resource	Average of 4 engagements/ consultations during declaration of national heritage resources	Average of 12 engagements/ consultations during declaration of national heritage resources	Minimum 1 engagement/ consultation per national heritage resource declared	13 Average engagements/ consultations during declaration of national heritage resources	12	The nature of the heritage resources declared required comprehensive community stakeholder engagements

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Programme 3: Public Engagement								
The relevant organs of state and communities participate actively in the identification, management and protection of heritage resources	Engagement with communities when developing HRM policies	3.4 Average number of community engagements/ consultations for developed/revised HRM policies	Average 1 advocacy engagement/ consultation per developed/ revised HRM policy	Average 1 advocacy engagements/ consultations for developed/ revised HRM policies	Minimum 1 engagement/ consultation per developed/revised HRM policy	1 Average engagement/ consultation per developed/ revised HRM policy	N/A	N/A
	Engagement with communities when rehabilitating and erecting memorials/ monuments	3.5 Average number of community engagements/ consultations while rehabilitating/ erecting memorials/ monuments	Average 1 engagements/ consultations while rehabilitating/ erecting memorials/ monuments	Average 13 engagements/ consultations while rehabilitating/ erecting memorials/ monuments	Minimum 1 engagement/ consultation per rehabilitated/ erected memorial/ monument	4 Average engagements/ consultations while rehabilitating/ erecting memorials/ monuments	3	The nature of the process of rehabilitating/ erecting memorials/ monuments required comprehensive community stakeholder engagements

SAHRA has a responsibility to promote and regulate heritage by disseminating knowledge at hosted or participatory conferences, workshops, seminars, and lectures both at a national and international level and in this regard, the entity overperformed. The entity conducted a total of 21 knowledge dissemination activities with 6 additional activities from the planned 15 activities during the 2023/24 financial year. These were part of the efforts by the entity in improving communities' knowledge of the importance of managing and protecting their resources. Some of the knowledge dissemination activities are highlighted as follows:

Workshops/Conferences/Seminar Webinar

Workshop with the Department of Agriculture, Land Reform and Rural Development (DALRRD) - The Burial Grounds & Graves Unit of SAHRA jointly organized a one-day online workshop with the Department of Agriculture, Land Reform and Rural Development (DALRRD) to address challenges faced in rural areas regarding graves. While the primary challenge was related to graves, the scope of the engagement was expanded to inform DALRRD on SAHRA mandate relating to Archaeology, Development applications, Heritage objects and heritage protection. This ensured that all affected heritage resources and aspects related to rural development's impact on heritage resources were covered. Various presentations were made, followed by a question-and-answer session where SAHRA addressed queries raised by DALRRD. An important outcome of the workshop was the agreement for SAHRA to prepare a document identifying possible areas of collaboration to be sent to DALRRD for consolidation. The workshop was successful with good attendance and participants mainly from DALRRD and various provinces. The CRL Commission, who is in the process of developing its protocols on access to graves on private property, also attended the workshop.

City of Ekurhuleni Metropolitan Municipality, Department of Human Settlements, and SAHRA - The Burial Grounds & Graves Unit recently convened a meeting with representatives from the City of Ekurhuleni Metropolitan Municipality and the Department of Human Settlements. The primary objective of the meeting was to assist these entities in understanding the mandate of the South African Heritage Resources Agency (SAHRA) and to provide guidance on a complaint raised by a community member regarding graves. The complaint pertaining to the exhumation of family graves was lodged by the Khumalo family. Given that the complaint involved graves protected by the National Heritage Resources Act 25 of 1999 (NHRA), SAHRA's involvement became necessary as the Gauteng Provincial Resources Authority lacked the competency to address Section 36 of the NHRA. The allegations were that that graves were exhumed without the family's consent during the development of Tswelopele Extension 6 township in Tembisa which are in the Ekurhuleni municipality. Additionally, concerns were raised about the Duduza Informal Settlement, where shacks were allegedly built on graves. SAHRA provided guidance on these matters during the meeting.

SAHRA's broad mandate concerning the conservation graves as outlined in Section 36 of the NHRA was explained. This included a discussion on the permitting process and the ideal procedures that should have been followed during the development of Tswelopele Extension. SAHRA advised the City of Ekurhuleni to locate the Environmental Impact Assessment (EIA) and Scoping Report for Tswelopele Ext 6, as well as any reports related to the removal of graves from the area. SAHRA recommended conducting a Ground Penetrating Radar (GPR) survey followed by a test excavation to verify the findings of the GPR. The City of Ekurhuleni expressed gratitude to SAHRA for raising awareness of compliance matters in heritage conservation and is committed to implementing the recommendations made by SAHRA.

SAMA Conference - The South African Heritage Resources Agency (SAHRA) attended the 87th South African Museums Associations' Conference at Luthuli Museum, KwaDukuza, KwaZulu-Natal. The primary objective was to engage with museum professionals and gain insight into the current issues and developments within the museum sector. The South African Museums Association (SAMA) is dedicated to promoting museums, museology, and the museum profession in South Africa. As a subscribed member of SAMA, SAHRA recognizes the importance of participating in the annual SAMA National Conference to stay informed about developments in the sector. The conference serves as a platform for representatives from South African museums and the heritage sector to discuss pertinent issues.

The theme for the conference, "Re/collections and Reconfiguring the South African Heritage Landscape," emphasized the evolving role of museums in shaping cultural understanding and addressing environmental concerns such as climate change. The SAHRA's team presented a paper titled "Museum and Legislation: Reimagining collections identified through legislative requirement," focusing on SAHRA's role outlined in the National Heritage Resources Act No.25 of 1999 (NHRA) regarding museum collections.

The presentation highlighted the need for museums to comply with legislative requirements and emphasized the importance of expanding museum functions, including community engagement and addressing current issues. Although time constraints prevented a comprehensive panel discussion, significant conversations arose regarding the role of museums in representing collections versus interpreting them, as well as the importance of conservation management plans (CMP) for safeguarding collections. Additionally, discussions on tourism underscored the connection between heritage, museums, and tourism, highlighting the museum's role in providing heritage experiences for visitors. The conference provided valuable insights into the challenges and opportunities facing museums. SAHRA recognizes the need for further engagement with museums to clarify its role and processes, ensuring a mutually beneficial relationship while upholding its mandate of protecting the National Estate. SAHRA remains committed to supporting museums in navigating these challenges while ensuring compliance with heritage regulations.

Overall, the conference provided valuable insights and opportunities for collaboration, reinforcing SAHRA's commitment to the preservation and promotion of South Africa's rich cultural heritage.

Jindal Africa - SAHRA received an invitation from Jindal Africa, a mining company intending to mine Iron Ore in the Melmoth Area of KwaZulu Natal Province. Jindal Africa organized a mini summit inviting various stakeholders from provincial government to discuss their mandates and how they would impact mining activities. The company specifically requested SAHRA to share information about the processes of grave relocation. SAHRA' presented on its mandate, focusing on the process of grave relocation. Community perceptions and concerns regarding resettlement as well as its implications for graves were brought to the fore. Emphasis was placed on the role of the relevant provincial heritage resources authority, AMAFA, in KwaZulu Natal. SAHRA successfully helped stakeholders better understand the process of grave relocation and its implications for mining activities in the Melmoth Area.

Lectures

UCT Honors Module - The Heritage Resources Management sector faces challenges in recruiting skilled individuals, particularly in sub-disciplines like archaeology and Maritime and Underwater Cultural Heritage, due to limited capacity and formal training opportunities. To address this, a collaboration between the MUCH and NIU units of SAHRA led to the development of a module offered as part of the University of Cape Town's Honours in Archaeology program. This module, implemented for six years, has garnered significant interest and support. In 2023, additional expertise and support were enlisted, resulting in a more comprehensive module with new content. The UCT Heritage Resources Management Honours Module 2024 comprised seven detailed lectures over nearly two weeks, culminating in a module test. The curriculum aimed to familiarize students with fundamental aspects of Heritage Resources Management, covering various topics such as heritage significance, policies, development applications, and disaster risk management. Practical components included site inspections and visits to heritage sites like the Mendi Memorial. Despite a decline in student enrolment compared to the previous year, feedback suggests a satisfactory understanding of the material, indicating a positive outlook for future iterations of the module. Recommendations include updating course content and formalizing the partnership with UCT to ensure its sustainability.

SAHRA Hosted Events

Museums Lab23 Programme - The Museums Lab is a collaborative knowledge-exchange programme aimed at museum professionals seeking to initiate and implement institutional development. The programme, developed by various partners including SAHRA, focuses on fostering strong networks and addressing pressing issues such as global equality, social justice, and climate change. It is funded by the German Federal Foreign Office and other German governmental bodies. With over 90 Fellows from Africa and Europe, the programme aims to shape the future of museums.The Museums Lab23 fellows visited the University of Pretoria Museums and the Ditsong Museum of Cultural History to explore aspects of Mapungubwe's management. They engaged with Dr Sian Tiley-Nel at the UP Museums and Dr Frank Teichert at the Ditsong Museum. Discussions covered collection conservation, archaeology, and human remains management.

The programme included visits to archaeological sites within the Mapungubwe cultural landscape, providing insight into heritage resources and ongoing developments. Fellows also assisted at the Interpretation Centre, contributing to the audit and conservation of loaned collections. While limited by the remoteness of Mapungubwe, cultural activities such as a general game drive and a bush braai were organized for the fellows, offering a glimpse into local traditions and experiences. The Museums Lab23 programme successfully exposed fellows to various aspects of museum practice, particularly in remote areas. The residency provided valuable insights and experiences, contributing to the professional development of museum practitioners, and fostering collaboration in heritage management.

Heritage Month Webinar Series - SAHRA organized the Heritage Month Webinar from September 18th to 21st, 2023, aimed at celebrating South Africa's cultural heritage. The webinar also aimed to address critical topics related to heritage conservation, crime, compliance, development, community engagement, and the future of heritage conservation management. The discussions clothing forth from the webinar are webinar, summarized as follows discussions, insights, and outcomes from each day.

Sustainable Conservation Practice - Sustainable Conservation Practice, emphasized the role of technology, community involvement, and sustainable tourism in heritage preservation. Experts discussed innovative tools for documentation, restoration, and maintenance, along with strategies for managing heritage sites in the face of climate change. A case study illustrated successful collaboration between government agencies and local communities.

Heritage, Crime, and Compliance - The presentation on Heritage, Crime, and Compliance, explored the rise in heritage-related crimes and strategies for combatting them through legislation and enforcement. Ethical dimensions of heritage conservation and the importance of ethical sourcing in the art trade were highlighted. Successes and challenges of international collaborations in combatting illicit trade were discussed.

Development, Conservation, and Community Engagement - The discussion on Development, Conservation, and Community Engagement, highlighted conflicts between development and conservation goals and strategies for harmonizing them. Discussions emphasized engaging local communities, economic benefits of heritage tourism, and interdisciplinary collaborations for balanced development.

The Future of Heritage Conservation Management - The final day explored The Future of Heritage Conservation Management, discussing emerging technologies, inclusivity, and long-term planning. Themes included the role of artificial intelligence, diversity in heritage management, digital preservation, and forward-thinking strategies.

The Heritage Month Webinar provided a platform for engaging with the heritage community and pursuing partnerships beneficial to the South African heritage sector. It facilitated meaningful dialogues and illuminated challenges and opportunities in heritage conservation. The attendance of local and international partners demonstrates SAHRA's importance in the global heritage sector. Partnerships with local universities aim to contribute to the development of skilled practitioners in heritage management. Overall, the webinar was a success in advancing heritage conservation efforts and fostering collaboration.

Attendance at SAHRA Hosted Events

In its commitment to align its goals with the MTSF, SAHRA made sure to invite women, youth and people living in rural areas to attend SAHRA hosted events. The Heritage Week Webinar was an opportunity for inclusion of this specific subgroup of stakeholders as their participation in heritage related activities is vital as they are an important part of custodianship of South Africa's Heritage. The minimum targeted attendees were achieved with women and youth yielding majority of the attendees at the webinar.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3.4 PROGRAMME 4: BUSINESS DEVELOPMENT AND TRANSFORMATION

Outcome: A national estate that is representative of South Africa's diverse heritage

Programme 4 is aimed at implementing SAHRA's mandate through inclusive identification, conservation, promotion, and management of heritage resources. Programme 4 achieved 100% of the expected outputs for this financial year.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 4 – Actual Achievements

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
PROGRAMME 4: Business Development and Transformation								
A national estate that is representative of South Africa's diverse heritage	Engagements/ consultations with communities when formally protecting heritage resources	4.1 Number of heritage resources assessed for grading	5	12	5	5	N/A	N/A

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
PROGRAMME 4: Business Development and Transformation								
A national estate that is representative of South Africa's diverse heritage	Knowledge dissemination events and activities Diverse representation at SAHRA hosted heritage events	4.2 Number of heritage resources declared	5	9	4	7	3	Additional resources were declared due to the serial declaration of the seven (7) Karamat's
		4.3 Number of heritage resources inspected	42	68	25	61	36	Additional heritage resources were inspected/monitored due to: • Possible contravention complaints of damaged resources • Saving financial resources by combining activities at heritage sites
		4.4 % of received contravention complaints that SAHRA has responded to	100%	100%	100%	100%	N/A	N/A
		4.5 Number of monuments and memorial sites rehabilitated and erected	24	5	4	4	N/A	N/A
		4.6 Number of formal partnership agreements with identified strategic institutions	5	6	4	4	N/A	N/A
		4.7 % of heritage resources representative of previously disadvantaged people through heritage activities	100%	100%	80%	100%	20%	100% of declared heritage resources are representative of the previously disadvantaged

The National Heritage Resources Act 25 of 1999 mandates SAHRA to protect, manage, grade, declare and conserve the national estate. This mandate has been carried out successfully as the entity overachieved having assessed 5 sites for grading and declared seven (7) heritage resources.

Declaration

The Kramats - SAHRA declared **seven** (7) Kramats situated at various locations around Cape Town, Western Cape, as National Heritage Sites. The Kramats, forming part of the "Circle of Tombs," hold significant cultural and historical value. Believed to fulfil a prophecy made over 250 years ago about a "Circle of Islam" around the Cape, the shrines represent the arrival of Islam in southern Africa and the resistance against religious and political oppression by Dutch, slavery, and British colonization. Referred to as Maqaars or Kramats, these sacred places are associated with influential spiritual leaders and are revered for their spiritual benefits and historical significance. Despite facing harsh oppression, the Saints buried in the shrines continued to promote unity and peace among different faiths. The tradition and history of these Saints have been passed down through generations, contributing to the cultural character of the Cape. Additionally, non-Muslims also visit the Kramats regularly, honouring the teachings of unity and peace. A brief description of the Kramats is given in the table below.w

Kramat	Location	Brief Description
Sayed Abdul Aziz	Muizenberg	The presence of runaway slaves in the False Bay area likely led to the establishment of Kramats in Muizenberg and Simonstown during the seventeenth century. However, little information exists about the Kramat in Muizenberg. Its discovery, prompted by a dream, revealed a grave with no clear identity or history. It raises the possibility that the individual may have been one of the slaves hunted along the False Bay coast, as documented by Simon van der Stel in 1687.
Sayed Jaffer	Cape Town	A Sheikh of the Alawiah Tariqa, Sayed Jaffer's was exiled to the Cape by the Dutch. Discovered by Sheikh Abdurahman ibn Muhammad al Iraqi in the late 19th century, his grave lies among many others, including those of his disciple Sayed Alie and his wife, near Sheikh Muhammad Zaid's tomb. Despite frequent flooding in the area, Jaffer's grave has miraculously remained intact, surviving Cape winter storms while neighbouring tombs were swept away in 1970.
Sheikh Ali Sayad Bassier	Cape Town	The grave of Sheikh Ali, also known as Sayed Bassier, lies along the Signal Hill Ridge, closer to Camps Bay on the Camps Bay Drive side. This burial site, reportedly recently discovered according to oral accounts, lacks any known historical background about Sheikh Ali. However, legend tells of a stone mason who, while seeking special rocks along the mountainside, stumbled upon a captivating rock resembling a reclining man. Upon touching it, the rock came to life and urged the stone mason to persuade authorities to halt the construction of a school on the site. Allegedly, the authorities complied, and the stone mason assumed the role of guardian for this enigmatic grave.
Sayed Abdul Malik	Cape Town	Sayed Abdul Malik's shrine, situated near St Cyprians School in Upper Buitenkant Street, Vredehoek, houses a grave within a striking Mausoleum. Despite historical inaccuracies on its walls, Sayed Abdul Malik's true story reveals him as a late 18th-century arrival from Batavia, a slave who married Ruska of the Cape. He was esteemed as a Malay Doctor and Priest, actively contributing to spiritual guidance and medicine, and assisting Tuan Guru in establishing the Dorp Street Madrasah. Renowned for his spiritual impact, legends of his miraculous appearances, including interactions with students at St Cyprians school, endure in Cape Peninsula folklore.

Kramat	Location	Brief Description
Sayed Abdul Haq	Cape Town	Oral history relates that the grave of Sayed Abdul Haq was discovered by a lady who used to do her washing at the mountain stream. She regularly saw a person performing his prayers at this site. The shrine is situated in a mountain ravine, adjacent to a fast-flowing mountain stream. The title 'Sayed', on the name plate at the grave suggests that he might have been a descendent of the family of the Prophet Muhammad. The followers of Sayed Abdul Haq have a reverend respect for their spiritual guide. This is clearly evident from the impeccable condition of the shrine and its surroundings.
Hazrat Sayed Mehboob Ali Shah	Cape Town	Hazrat Khwaja Sayed Mehboob Ali Shah Chisti Nizaami, a revered spiritual leader whose teachings and legacy profoundly impacted countless lives. Born in 1925 in Ahmadnagar, India, he hailed from a lineage tracing back to the Prophet Muhammad, migrating from the holy city of Medina. Hazrat Mehboob Ali Shah dedicated his life to spreading the teachings of Islam, particularly in Africa, where he learned English to better communicate his message. He founded the Sufi organization BAZME CHIRAG-E-FAQIR CHISHTI INTERNATIONAL and authored numerous Sufi publications, including the quarterly "Shoa-e-Tassawwuf," embodying his mission to illuminate hearts with spiritual wisdom.
Sheikh Abdul Kader	Cape Town	The shrine of Tuan Sayed Abdul Malik of Batavia, located near St Cyprians School in Vredehoek on Upper Buitenkant Street, is housed within a striking green and white Mausoleum. Despite historical inaccuracies on its interior wall, such as claims of his arrival on the Voetboeg with Prince Yusuf and his death in 1669, records suggest he arrived as a slave in the late 18th century. Married to Ruska of the Cape, he was known as a 'Malay Doctor and Priest,' offering spiritual guidance and medicine. He played a significant role alongside Tuan Guru in establishing the Dorp Street Madrasah and was entrusted with Tuan Guru's estate and the guardianship of his sons. Renowned for his spiritual prowess, legends of his miraculous encounters abound, including interactions with students of St Cyprians school, where he reportedly vanishes as quickly as he appears.

Assessments

Umqwashu memorial site - The umQwashu Memorial site, located in Peddie, Amathole District, Eastern Cape, was presented to the Committee for Grade I status. This submission marked the third presentation to the Committee regarding the grading of the site. The nomination was initially received by the South African Heritage Resources Agency (SAHRA) on the 9th of July 2019.

The site holds historical significance dating back to the migration of various people from the KwaZulu-Natal area during the rise of the Zulu Nation under King Shaka. Seeking refuge, these migrants found themselves under the protection of King Hintsa near Butterworth in the Eastern Cape. Rev. Ayliff then offered the land near Peddie to the amaMfengu, acting as a buffer between the expanding British Colony and the amaXhosa. The site became symbolic as the place where the amaMfengu pledged allegiance to God, the British throne, and committed to educating their children.

Furthermore, the site's significance extends to its association with the early conversion to Christianity in the Eastern Cape, missionary activities, colonial expansion, interference in traditional governance, and the agency of the amaMfengu in self-determination.

The umQwashu Memorial site was reported to be in good condition, albeit with minor maintenance issues. The land is under the custodianship of the Tyhefu Traditional Council, which has expressed support for the declaration. Both the Traditional Council and the Municipality, responsible for nominating the site, agreed to manage and maintain the site. The umQwashu Memorial site was approved as a Grade I site.

The approval of site as a Grade I status for the umQwashu Memorial site acknowledges its historical significance and underscores the importance of preserving and recognizing South Africa's diverse heritage. The collaboration between stakeholders, including the Traditional Council and Municipality will ensures the site's continued protection and management for future generations.

Adam Kok III - The Adam Kok III grave, situated in Kokstad, Greater Kokstad Local Municipality, KwaZulu Natal Province, was presented to the Committee for Grade I status.

The significance of the grave lies in its cultural importance under Section 27(5) of the NHRA. Adam Kok III, born on October 16, 1811, and passing away on December 30, 1875, was a prominent leader of the Griqua people in South Africa. He was educated at the Philippolis Mission School and became a member of the Griqua Council at a young age, eventually succeeding his father, Adam Kok II, as ruler after his father's death in 1835. Kok III played a significant role in interactions between different groups, including signing the Napier Treaty in 1843, which recognized Moshoeshoe I's jurisdiction over his land between the Orange and Caledon rivers. Kok III also leased land to Trekboere settlers but later restricted sales of leased land and asserted his authority over Griqua territory. In 1861, he accepted a British offer to settle his people in Griqualand East, leading them on a two-year trek across South Africa. Despite challenges such as droughts and raids, they successfully established Griqualand East and set up efficient governance and economy. However, in 1874, the Cape Colony placed Griqualand East under custodial government, effectively removing Kok III from power. The grave site was nominated based on its historical and cultural significance, meeting criteria I and III of the NHRA. The presence of heritage objects, specifically cannons, on the site were noted for inclusion of heritage objects in the nomination, as they are affixed structures.

The approval of Grade I status for Adam Kok III grave site acknowledges its importance in South Africa's heritage landscape. This decision underscores the commitment to preserving and honouring the legacy of Adam Kok III and the Griqua nation. Further coordination and clarification on site management and ownership will ensure effective preservation measures.

Solomon Popoli Linda's Grave Site - The grading submission for Solomon Popoli Linda's grave site, located in Doornkop Cemetery, Zola Township, Johannesburg, as a Grade I National Heritage Site was presented to the GDRC. The history and impact of Solomon Linda, the native son of Pomeroy, Msinga, KwaZulu Natal, particularly known for his iconic song "Mbube" was highligted. Solomon Linda's contribution to music, both locally and globally, was highlighted, along with his unfortunate death in poverty in 1962. The Pomeroy community, including the King of Majozi and the Qamu Traditional Authority, expressed a desire to honor Solomon Linda with various legacy projects, including renaming the village of Pomeroy to Solomon Linda and establishing a cultural precinct in his honor. The significance of Solomon Linda was emphasized, particularly in capturing the broader impact of colonialism on African cultural heritage. The important aspects of Solomon Linda's history, such as the contributions of the "Evening Birds" group and the development of the Isicathamiya music genre, were adequately represented. The grading of Solomon Popoli Linda and his son's grave was approved as a Grade I site, recognizing its cultural, historical, and musical significance.

Thulamela - The grading submission for Thulamela, as a Grade I National Heritage Site was presented to the GDRC. Perched atop a mountain plateau with views of the Livuvhu river floodplains, Thulamela graces the Pafuri area of Kruger National Park. This dry stone-walled archaeological site marks the heart of a once-flourishing trade route, evidenced by artifacts such as glass beads, bronze items, Chinese porcelain, ivory bracelets, gold, and textiles. These relics testify to the indigenous peoples' presence from 1200 to 1600 AD, who crafted this historical site. The spatial arrangement, with the King's palace atop the hill and commoners' dwellings below, reflects a hierarchical social and spiritual order.

Thulamela's significance extends beyond its walls; it's part of a network of similar sites within the region, each marked by triple stone walls denoting ancient living spaces. Initially nominated to the National Monuments Council, Thulamela's rich tapestry of trade networks speaks to a complex social stratification previously unrecognized, challenging the misconception of a pre-colonial Africa devoid of history.

Discovered in 1983, subsequent excavations have unearthed a wealth of artifacts now housed at the Ditsong Museum of Cultural History. Among these treasures is the Thulamela gold collection, a rare archaeological find in South Africa, although it has suffered losses due to theft during an exhibition at Skukuza in 2016 and remain unfound. The site's significance was recognized under Historic, Social and Scientific criteria. The grading of Thulamela was approved as a Grade I site.

Inzalo Yelanga - The grading submission for Inzalo Yelanga as a Grade I National Heritage Site was presented to the GDRC. A remarkable stone circle spanning 30 meters with towering central monoliths, it is hailed as one of the earliest human-made structures to chart solar movements. This ancient calendar operates by tracing the setting sun's shadows. In African traditions, certain locales and natural landmarks—rivers, forests, waterfalls, mountains, and caves—are imbued with deep cultural and spiritual significance, serving as hallowed grounds for communion with the divine.

Located on Blouswaelvakte farm in Mpumalanga, Inzalo Yelanga lies along the 31 degrees East longitude, sharing a celestial alignment with the Egyptian pyramids and the ruins of Great Zimbabwe. Proponents argue that this site stands shoulder to shoulder with the world's most revered monuments like Egypt's pyramids, South America's Mayan temples, and Stonehenge, in its historical, cultural, and spiritual stature.The stone arrangement is purportedly in sync with the heavens and the sun's path, casting shadows that mark the calendar year, the changing seasons, and the pivotal equinoxes and solstices. The sun, a potent emblem of vitality, creation, and guidance, is deeply woven into African cultural practices and ancestral veneration.

The geological backdrop of Inzalo Yelanga was thoroughly examined, revealing the presence of the Kaap Valley Pluton and a series of robust dolerite dykes, which form striking, weather-resistant ridges. These findings suggest that the stones perched atop the escarpment are part of a natural dyke system, a common geological feature in the region. Scholarly debates suggesting that the site's man-made origins and alignments may be speculative, highlighting the ongoing discourse on the interplay between natural geology and human history in this culturally rich landscape.

Currently, there is no evidence that the site holds Archaeological significance and is a naturally occurring feature while the intangible significance of the site requires further investigation. Therefore, it was recommended that the site is not graded as a Grade 1 site in terms of the archaeological significance proposed by the nominator.

Inspections of Heritage Resources

The entity inspected a total of **61** heritage resources, some amongst them that hold significant importance. We wish to draw your attention to these particular heritage resources by providing a more detailed explanation about them.

Oliver Reginald Kaizana Tambo & Adelaide Frances Tambo graves - Oliver Tambo and Adelaide Tambo were prominent figures in the fight against apartheid in South Africa. Oliver Tambo, a founding member of the ANC Youth League and long-serving President of the ANC, played a pivotal role in the revival of the ANC and led the external chapter of the ANC during the apartheid era. Adelaide Tambo, an anti-apartheid activist and community leader, went into exile with Oliver Tambo and provided support to exiles in London. Both individuals made significant contributions to the struggle against apartheid and the building of a democratic South Africa. The inspection of the gravesite of Oliver and Adelaide Tambo was deemed to be in good condition with minor areas that need attention to prevent deterioration. In its commitment to fulfil its mandate SAHRA will undertake its periodic monitoring to ensure the continued good condition of the gravesite as well ensuring replacing missing items around the site with the relevant authorities.

Sharpeville Massacre Memorial - The Sharpeville massacre site holds significant historical importance, as it was the site of a tragic event on 21st March 1960, when the South African Police opened fire on peaceful protestors, resulting in the deaths of 69 individuals, including women and children. This event marked a turning point in the struggle against apartheid in South Africa. To commemorate the lives lost and the struggle for democracy, a memorial garden was established in 2009. Human Rights Day, observed annually on 21st March, serves as a reminder of the atrocities committed at Sharpeville and honours those who sacrificed their lives for freedom.

The Sharpeville Heritage Precinct, encompassing the memorial garden, the old police station, the gravesites of the victims, and the protest route, has been earmarked as a potential National Heritage Site by SAHRA in collaboration with the Emfuleni municipality and Sedibeng district. The purpose of the site inspection was to assess the structural and physical needs of the site to ensure its conservation and proper management.

The inspection aimed to evaluate the condition of the Sharpeville Memorial Garden and other areas within the Sharpeville Heritage Precinct. The delegation conducted a site visit to the gravesites and observed deteriorating conditions. Recommendations were made to address maintenance issues and develop a Conservation Management Plan for the site. Additionally, plans to erect new memorials for the victims were suggested to honour the victims of the Sharpeville massacre. It is imperative that these recommendations are implemented to ensure the site's enduring legacy for future generations.

Boschendal Founders Estate - Boschendal Founders Estate holds profound historical and cultural importance within the Western Cape region. Renowned for its colonial-era architecture, indigenous landscapes, and deep-rooted history, the estate serves as a prominent landmark representing South Africa's diverse heritage. SAHRA's visit to the estate was driven by the need to evaluate its heritage resources, preservation efforts, and management strategies to ensure their protection and sustainable development. The inspection aimed to foster collaboration between SAHRA and the estate's management, emphasizing the importance of safeguarding Boschendal Founders Estate's heritage for future generations; Resolve outstanding conditions of approval for the Founders' Estates, Clarify unauthorised work and compliance with heritage regulations and Inform authorities of Boschendal's development plans while committing to fulfilling outstanding matters. The findings of the Boschendal Estate showed that Boschendal is well-maintained Estate with structures retaining the Cape Dutch architectural style.

However, several outstanding heritage regulatory requirements need to be addressed. Therefore, the entity recommended that the estate draft a working framework to prioritize projects and streamline operations. The entity also reminded the estate that it is imperative to review and update the Conservation Management Plan to ensure relevance. Boschendal (Pty) Ltd showed williness to rectify the situation and collaborate with SAHRA to ensure the estate's continued conservation and sustainable development.

Vele Aaluwani Colliery - Vele Aluwani Colliery, a subsidiary of MC Mining Limited, commenced operations in 2011 and operated until 2013 before entering a phase of care and maintenance. Located near the Mapungubwe National Park in Limpopo Province, the colliery's proximity to heritage sites necessitates careful monitoring and management. The South African Heritage Resources Agency (SAHRA) was not initially consulted about the mine's establishment, leading to appeals and subsequent involvement in an Environmental Management Committee (EMC). The EMC oversees compliance with environmental and heritage regulations, including the implementation of a Heritage Management Plan (HMP).

SAHRA has been participating in EMC meetings to monitor heritage conservation efforts and conducts annual site visits to inspect heritage sites within the colliery's operational area. SAHRA, along with an independent heritage practitioner and representatives from Vele Aluwani Colliery, conducted a thorough inspection of designated sites during the visit. The inspection aimed to ensure compliance with environmental authorizations and safeguard heritage resources. No major problems with site conservation were identified during the visit. A concern noted was the grading of the access roads leading to the heritage sites. It was recommended that measure need to be taken to mitigate road impact, such as test trenches and that monitoring reports for specific sites, should be submitted as required. A request was made to the colliery to provide updated maps indicating current pit extensions and potentially impacted sites to facilitate monitoring and mitigation efforts.

Human Remains at Palmietfontein Farm – A site assessment was conducted on the vandalized graves and exposed human remains at Palmietfontein farm, situated in the Klerksdorp district of the North-West Province. The Human bone fragments, semi-fossilized brain tissue, as well as wood and metal fragments, were discovered by a community member and reported to the authorities accordingly. A task team from the Local Criminal Record Centre (LCRC) confirmed the exposed remains as human and took necessary steps to preserve the evidence. The desecrated graves were found in the informal cemetery on the Palmietfontein farm, demarcated by a stonewall, likely built to protect the graves from livestock. The remains and fragments are believed to be old, dating back to the early 20th century based on the dates on the vandalized headstones. A visual inspection was conducted, and cultural materials such as vandalized headstones and corrugated iron sheeting were documented and photographed. The inspection revealed that the threats to the remaining skeletal remains are further deterioration due to weather and the possibility of future desecration of the remaining graves.SAHRA recommended that urgent intervention is required to ensure the rescued remains are reinterred in a dignified manner. This will involve appointment of an accredited Heritage Specialist/Archaeologist who should conduct the exhumation process, store the remains securely, and ascertain next of kin or connected communities for reburial.

Josephine 'Josie' Palmer (Mpama) Gravesite - Josephine 'Josie' Palmer (Mpama) was a significant South African figure born in 1903 in Potchefstroom. She emerged as a political force in the late 1920s, joining the Communist Party of South Africa (CPSA). As a writer for the CPSA's journal Umsebenzi, she highlighted the struggles of Black workers and their connection to broader political oppression. She collaborated with various organizations advocating against discriminatory laws and played a crucial role in founding the non-racial Federation of South African Women (FEDSAW) in 1954. Facing banning orders and detention, she persisted in her activism, notably organizing the 1956 anti-pass Women's March. In recognition of her lifelong commitment to the liberation struggle and workers' rights, Mpama was posthumously awarded the Government's National Order of Luthuli in Silver in 2004.

Josie Palmer (Mpama) grave is situated in the Avalon Cemetery, Klipriviersoog, Soweto, under the jurisdiction of the City of Johannesburg Metropolitan Municipality. The Avalon Cemetery is a historic landmark, serving as the final resting place for many Struggle heroes and heroines. The inspection showed that the entire cemetery is fenced, but a portion has fallen, allowing unregulated access. It was found that Josie Palmer (Mpama) Grave is intact and in good condition, requiring minimal maintenance due to wear and tear because of natural elements.

SAHRA recommended that the local heritage organizations must collaborate with the Municipality and stakeholders to address unregulated access and crime in the cemetery. The entity also recommended that coordination efforts among stakeholders need to be enhanced to conserve heritage resources and address the maintenance required using appropriate materials. The assessment evaluated the maintenance and conservation needs of Josie Palmer (Mpama) grave. More importantly the assessment underscored the importance of collaborative efforts to preserve heritage sites.

Birkenhead Shipwreck - SAHRA's MUCH unit received a report concerning illegal salvage activities within the Gansbaai and Danger Point area. The reported salvage was suspected to be affecting a nearby shipwreck, specifically the renowned Birkenhead wreck near Danger Point. Despite limited information, the potential threat to the Birkenhead warranted immediate investigation. The inspection aimed to assess the Birkenhead wreck for any signs of recent salvage activity and to locate potential salvage sites along the shore. The inspection revealed that the Birkenhead wreck is in good condition, with no apparent signs of recent illegal salvage activity. However, the presence of modern nylon rope attached to various parts of the wreck raised concerns. Although the rope appeared aged, its potential role in salvage attempts cannot be dismissed. SAHRA recommended that Further inspections of the Birkenhead wreck, particularly the unvisited sections, be conducted. SAHRA recognises that collaboration with local authorities, such as SAPS and DFFE as well as its continued partnership with Neptune's Divers is crucial in safeguarding the wreck and to combat illegal salvage activities effectively.

Monuments and Memorial Sites Rehabilitated and Constructed

The entity rehabilitated and constructed a total of 4 monuments and memorial sites, some amongst them that hold significant importance. We wish to draw your attention to one memorial project by providing a more detailed explanation.

Nkosi Ncapayi Memorial Project – SAHRA received a letter of request from Nkosi Ngwenyathi Dumalisile of the Amajingqi Traditional Council (ATC) in Willowvale Eastern Cape to erect a memorial for Nkosi Ncaphayi. Following discussions, it was agreed that a memorial would be erected to commemorate Nkosi Ncaphayi's contribution to the struggle against colonial expansion and land dispossession. Nkosi Ncaphayi, who fought in the Ninth War of Dispossession and was killed in the Battle of Gwadane, fits the category of victims of conflict as defined by the NHRA. Given the unknown location of his grave, erecting a memorial was deemed appropriate to honour his memory. SAHRA collaborated with the Amajinqi Traditional Council and other stakeholders to design and approve the memorial. The site for the memorial was chosen in Gwadane Village, Idutywa Eastern Cape Province, where Nkosi Ncaphayi fell during the Battle of Gwadana. Stakeholder engagements were conducted with various organizations and authorities to garner support and input for the project.

Despite delays in implementation were encountered due to the unavailability of specified materials and adverse weather conditions the Nkosi Ncaphayi memorial was successfully constructed.

Partnerships

The entity entered into a total of 4 partnerships, some amongst them that hold significant importance. We wish to draw your attention to some of these partnerships by providing a more detailed explanation

American Friends Fund Agreement - The American Friends Fund Agreement was established between the King Baudouin Foundation United States (KBFUS) and SAHRA on September 25, 2023. The Board of Directors of KBFUS evaluated the organizational structure, programs, and activities of SAHRA and determined that supporting SAHRA's charitable and educational projects aligns with KBFUS's charitable purposes. Following a thorough review process, KBFUS created the American Friends Fund, named Friends of South African Heritage Resources Agency (the "Fund"), dedicated to supporting SAHRA's programs and activities. Under this agreement SAHRA will be required to inform its donors and potential donors about the opportunity to make charitable gifts, contributions, and grants to the Fund to support its projects. SAHRA will have access to regular reports of all donations received and deposited into the Fund. Donations deposited into the fund will be accessible to upon to submission of an updated description of a project for which a grant is requested, along with a project budget. The grants will be made solely for the approved the project and will not be used for past activities. KBFUS will retain exclusive discretion and control over the use of the Fund and will disburse grants in intervals and amounts deemed most likely to accomplish the charitable purposes. The agreement requires SAHRA to pay an initial set-up fee and a management fee on the total amount contributed to the Fund within a calendar year to cover operating costs. SAHRA will be required to submit reports to KBFUS for each Grant received, describing the progress toward the goals of the Charitable Project and the Grant expenditures made.

Heritage Management & Development Cooperation - The Memorandum of Understanding (MoU) between SAHRA and Heritage Management & Development Cooperation (HERITΛGE) aims to establish a framework for cooperation in cultural heritage management, information sharing, heritage tourism promotion, and economic development in South Africa. The agreements and commitments include appointment of HERITΛGE as its Capacity Development Partner for training human resources in heritage management. HERITΛGE will provide advice, consulting, and training for effective heritage management. The obligations of SAHRA amongst others include facilitating HERITΛGE's acceptance of South Africa into its international capacity network. The partnership agreement between SAHRA and HERITΛGE provides a comprehensive framework for cooperation in heritage management and development in South Africa. This will enhance capacity, promote sustainable conservation, and foster economic growth through heritage tourism.

The Nelson Mandela Museum (NMM) - The Nelson Mandela Museum (NMM) was established as a Cultural Institution in accordance with section 3(1) of the Cultural Institution Act 119 of 1998, as officially designated by Government Gazette Notice no. 21566 published on 22 September 2000. Hereinafter referred to as NMM.The South African Heritage Resources Agency (SAHRA) is a public entity created under section 11 of the National Heritage Resources Act No 25 of 1999 (NHRA). SAHRA is listed as a public entity in Schedule 3A of the Public Finance Management Act No 1 of 1999 and is entrusted with the oversight of the national estate, including the management of all national heritage resources as per the NHRA.This Memorandum of Understanding ("MOU") aims to establish a collaborative partnership between SAHRA and NMM to share digital records, comprising images and metadata associated with heritage resources under the jurisdiction of NMM. This collaboration seeks to improve the upkeep and expansion of the accuracy and comprehensiveness of information within the South African Heritage Resources Information System (SAHRIS), thereby benefiting all stakeholders and the broader public.

Engagements

Stakeholder engagements and consultations assist SAHRA to fulfil its mandate with relation to empowering communities to participate in management of heritage resources. These engagements take place during the process of declaring national heritage resource, developing HRM policies and rehabilitating memorials /monuments. SAHRA engaged the communities and stakeholders using letters, meetings, and emails. The minimum targeted engagements took place accordingly and as such the outputs relating to declarations, policies and rehabilitations were met.

3.5 PROGRAMME 5: ECONOMIC EMPOWERMENT

Outcome: Economic empowerment, including employment opportunities, for local communities through SAHRA's activities

Programme 5 was introduced as a means of SAHRA accounting for its contribution towards economic empowerment. Although SAHRA is not a job creation entity, the entity identified potential areas in which it could either directly, or indirectly, contribute to economic empowerment. The 100% achievement of the programme is evidence that the entity has had made a positive contribution.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 5 – Actual Achievements

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
PROGRAMME 5: Economic Empowerment								
Outcome 4: Economic empowerment, including employment opportunities for local communities through SAHRA's activities	Increase in the number of employment opportunities created through partnerships with SETAs	5.1 Number of employment opportunities created through internships	5	6	5	8	3	An additional internship opportunity was created through partnerships with SETA's
	The number of employment opportunities for local communities created, indirectly, through SAHRAs memorials and/or infrastructure projects	5.2 Number of employment opportunities for local communities created, indirectly, through SAHRA's memorials and/or infrastructure projects	17	23	10	33	23	Additional employment opportunities were created for local communities through SAHRA's memorials and infrastructure projects

In collaboration with SETAs SAHRA has offered opportunities for students to gain experience through internships. Many of these interns have even gained further internal opportunity through contracts, and some have even been provided permanent positions within the Entity. The Entity employed 8 interns during the 2023/24 financial year.

SAHRA offered indirect employment opportunities through the rehabilitation, refurbishment, and erection of memorials, properties, and other infrastructure projects. The Entity provided opportunities to SMMEs and other businesses that often source local labour to complete these projects. A total of 33 individuals were employed through the structural maintenance to the Cradock Church and the Union Mesonic Temple property all in the Eastern Cape and Northern Cape respectively. SAHRA will continue playing a role in contributing towards economic empowerment.

LINKING PERFORMANCE WITH BUDGETS

	2022/2023			2023/2024		
Programme/activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000		R'000	R'000	R'000
Programme 1: Administration and governance	62 775	47 036	15 739	87 073	44 294	42 779
Programme 2: Strategic Coordination	1 201	1 497	-296	1 314	1 314	0
Programme 3: Public Engagement	1 877	1 801	76	2 106	2 106	0
Programme 4: Business Development and Transformation	45 274	16 242	29 032	34 211	27 126	7 085
Programme 5: Economic Empowerment	13 606	3 905	9 701	22 964	3 324	19 640
Total	**124 733**	**70 481**	**54 252**	**147 668**	**78 164**	**69 504**

The adjusted budget shows that the Entity has spent 53% of its budget in achieving 100% of its predetermined objectives. The expenditure for the period under review is R78,1 million including the project funds and personnel costs. The variance is R69.5 million attributable to the projects which could not be fully implemented during the financial year. Cost containment measures were strictly adhered to.

4. REVENUE COLLECTION

	2022/2023			2023/2024		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Grant from DSAC	59 301	62 839	-3 538	62 207	62 207	0
Interest	850	4 024	-3 174	850	7 529	(6 679)
Rent Revenue	1 814	1 604	210	1 850	2 449	(599)
Permit Fees and Other Income	2 450	4 529	-2 079	5 302	7 284	(1 982)
Realisation of Deferred Revenue	**60 318**	**2 742**	**57 576**	**77 459**	**4 774**	**72 685**
Total	**124 733**	**75 738**	**48 995**	**147 668**	**84 243**	**63 425**

Funding for the Agency comprises of grants received from the Department of Sport, Arts and Culture, project funds and own generated income from rentals with interest earned on investments in deposit accounts. Rental income is generated from properties owned by SAHRA. Included in the permit fees and other is legal fees re-imbursement and insurance claim process. The variance on deferred revenue and interest is due to delays in implementations of the projects

5. CAPITAL INVESTMENT

	2022/2023			2023/2024		
INFRASTRUCTURE PROJECTS	Budget	Actual Expenditure	(Over)/ Under Collection	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Restoration and repurposing of Heritage Properties	3 500	3 500	0	4 169	1 103	3 066
Restoration Delvillewood	0	0	0	14 674	0	14 674
Upgrade of Head Office	30 968	30	30 938	33 494	46	33 448
Fencing and Security	10 000	2 117	7 883	9 745	1 203	8 542
Total	**44 468**	**5 647**	**38 821**	**62 082**	**2 352**	**59 730**

During the 2023/2024 financial year SAHRA`s budget for Capital Investments was spread over four projects, the Restoration and Repurposing of SAHRA`s Heritage Properties. The budget for this project was set at R4,1 million and included the SAHRA property restorations work at Daljosphat Farm, the upgrades and restoration of the Cradock Church, Mooimeisiesfontein, and Welcome Cottage. The works include replacement of ceiling boards, timber window, door frames, painting of interior and exterior walls, construction of apron. There was no movement on the Delvillewood project, the project commencement date has been revised to the 2024/2025 financial year. The Upgrade of the Head office project did not have significant expenditure because of the stage where the activities included appointment of professional. It is expected that significate progress will be made from the 2024/2025 financial year. The Security and Fencing project saw the supply and installation of perimeter fence and security upgrades, including lighting to various properties, the project is ongoing and significant progress has been made in the appointment of of service providers at various sites.

PART C

GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance regarding 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's Report on Corporate Governance.

Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEE

There were two (2) meetings held with the Portfolio Committee in the 2023/24 financial year.

3. EXECUTIVE AUTHORITY

Reports Submitted to Executive Authority	Dates
Quarter 1 Performance Report	30st July 2023
Quarter 2 Performance Report	31st October 2023
Quarter 3 Performance Report	31st January 2024
Quarter 4 Performance Report	30th April 2024
Annual Report	30th August 2024

4. THE ACCOUNTING AUTHORITY/ THE COUNCIL

Responsibilities and duties of the council

The primary role of the Council is to provide leadership to the Executive of the Entity in discharging the responsibilities assigned to it under its establishment statute (NHRA), the DSAC policies, other relevant legislation, and approved codes of good practice in governance and business behaviour.

Council members of SAHRA are valued as professionals based on their individual expertise, and they are not to represent the sole interest of their companies or institutions. The functions below should be read with the governance manual developed by the DSAC.

Function of the Council

Functions as outlined in section 14 read with section 16 and other relevant provisions of the NHRA, PFMA and other relevant legislations shall include the following:

- Run the affairs of SAHRA in line with the NHRA, the PFMA, DAC priorities, Medium Term Strategic Framework (MTSF), Medium Term Expenditure Framework (MTEF), the National Development Plan (NDP) and other relevant government strategies and policies.
- Setting broad strategy for the SAHRA to meet its objectives and performance targets.
- Ensure proper preparation of and approve Strategic and Annual Performance Plans, compliance reports, key procedures, and policies.
- Approve decisions related to strategic initiatives such as commercial ventures, significant acquisitions, internal restructures, and disposals.
- Approve the annual budget of the SAHRA.
- Ensure that SAHRA follows corporate planning provided by the Minister of Arts & Culture, National Treasury and the DSAC.
- Set SAHRA's values and standards of conduct and ensuring that these are adhered to, in the interest of stakeholders, employees, customers, suppliers and communities in which it operates and generally safeguarding the reputation of SAHRA.
- Provide leadership of SAHRA within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Set the direction, strategies and financial objectives and ensure that the necessary resources are available for SAHRA to meet its mandate and obligations.
- Always act in the best interest of SAHRA.

Council Charter

The Council Charter that sets out the roles, responsibilities, membership, and other key governance information is reviewed at least annually. The Council Charter was accordingly reviewed and approved by Council on the 31 March 2023.

Composition of Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date of the end of the Term	Area of Expertise	Other Committees (e.g.: Audit committee)	No. of Meetings attended
Dr Luyanda Mpahlwa	Chairperson	1 August 2019	Term ended 31 July 2022 & reappointed 1 August 2022	Architecture	Council	5
Mr Benjamin Moduka	Council Member	1 August 2019	Term ended 31 July 2022 & reappointed 1 August 2022	Heritage Resource Management	Business Development (BDC) Chairperson & Corporate Services (CSC) Appeals Committee	13
Mr Tariq Patrick Mellet	Council Member	1 August 2019	Term ended 31 July 2022 & reappointed 1 August 2022	Historian	Corporate Services (CSC) Chairperson	7
Mr Motsaathebe Serekoane	Council Member	1 August 2019	Term ended 31 July 2022 & reappointed 1 August 2022	Medical Anthropology	Heritage Resources Management (HRM) Chairperson and Business Development (BDC) & Appeals Committee	13
Mr Tshepiso Poho	Council Member	01-Aug-22	31 July 2025	Chartered Accountant (SA)	Audit and Risk Committee (ARC) & Business Development (BDC)	8
Adv. Mandla Mdludlu	Council Member	01-Aug-22	31 July 2025	Law	Corporate Services (CSC)	8
Mr Khularo Ramantsi	Council Member	01-Aug-22	31 July 2025	Education	Heritage Resources Management (HRM) and Business Development (BDC)	2
Ms Rehana K Parker	Council Member	01-Aug-22	31 July 2025	Law	Audit and Risk Committee (ARC) & Corporate Services (CS) & Appeals Committee	8
Mr. Vincent Maumela	Council Member	01-Aug-22	31 July 2025	Bachelor of Arts	Heritage Resources Management (HRM) and Business Development (BDC) & Appeals Committee	7
Dr Jonathan Sharfman	Council Member	01-Aug-22	31 July 2025	Maritime Archeology	Corporate Services (CSC) and Heritage Resources Management (HRM) & Appeals Committee Chairperson	12
Dr. Vikinduku Mnculwane	Council Member	01-Aug-22	31 July 2025	Public Administration (Public Policy Implementation)	Heritage Resources Management (HRM)	5

Commision of Council

Committee	No. of meetings held	No. of members	Name of members
Business Development Committee (BDC)	3	6 (Current from 01 Aug 2022)	Mr Benjamin Moduka (reappointed as Chairperson of BDC from 1 Aug 2022)
			Mr Vincent Maumela (Council member from 01 August 2022)
			Mr Khularo Ramantsi (Council member from 01 August 2022)
			Mr Tshepiso Poho (appointed from 01 July 2022)
			Mr Motsaathebe Serekoane (from 1 Aug 2022)
			Mr Vincent Maumela (Council member from 01 August 2022)
Corporate Services Committee (CSC)	3	5 (Current from 01 Aug 2022)	Mr Tariq Patrick Mellet (Committee Chairperson following re-appointment as Council member from 01 August 2022)
			Mr Mandla Mdludlu
			Ms Rehana Parker (Council member from 01 August 2022)
			Dr Jonathan Sharfman
			Mr Benjamin Moduka (reappointed as Chairperson of BDC from 1 Aug 2022)
Heritage Resources Management Committee (HRM)	2	5 (Current from 01 Aug 2022)	Mr Motsaathebe Serekoane (reappointed as Chairperson of HRM from 1 Aug 2022)
			Dr Jonathan Sharfman
			Dr Vikinduku Mnculwane (appointed as a Council member from 01 August 2022)
			Mr Khularo Ramantsi (Council member from 01 August 2022)
			Mr Vincent Maumela (Council member from 01 August 2022)
Audit & Risk Committee (ARC)	7	5 (Current from 01 Aug 2022)	Mr Khotso James Sello
			Mr Isaac Dlhomo
			Ms Reyhana Gani
			Ms Rehana K Parker (representative of Council)
			Mr Tshepiso Poho (representative of Council)

Remuneration of Council members

- Members are remunerated per meeting attended.
- Members who are employed by the State are not remunerated.
- Travel, accommodation, and meals are paid to members who attend meetings.
- The Chairperson and Chairperson of each subcommittee receive a cell phone allowance.

Remuneration of Council members

Name		Total Remuneration (R)
1.	Dr Luyanda Mpahlwa	184 243
2.	Mr Benjamin Moduka	118 296
3.	Mr Tariq Patrick Mellet	113 387
4.	Mr Motsaathebe Serekoane	282 181
5.	Mr Tshepiso Poho	106 299
6.	Adv. Mandla Mdludlu	64 926
7.	Mr Khularo Ramantsi	0
8.	Ms Rehana K Parker	54 711
9.	Mr. Vincent Maumela	0
10.	Dr Jonathan Sharfman	86 906
11.	Dr. Vikinduku Mnculwane	26 235

SAHRA's Council and its Committees are remunerated in line with the maximum rates prescribed by the Minister of Finance for Non-Official members. It must be noted that Committee members who are employees at any level of government including state owned institutions and agencies are not entitled to or paid any additional remuneration..

5. RISK MANAGEMENT

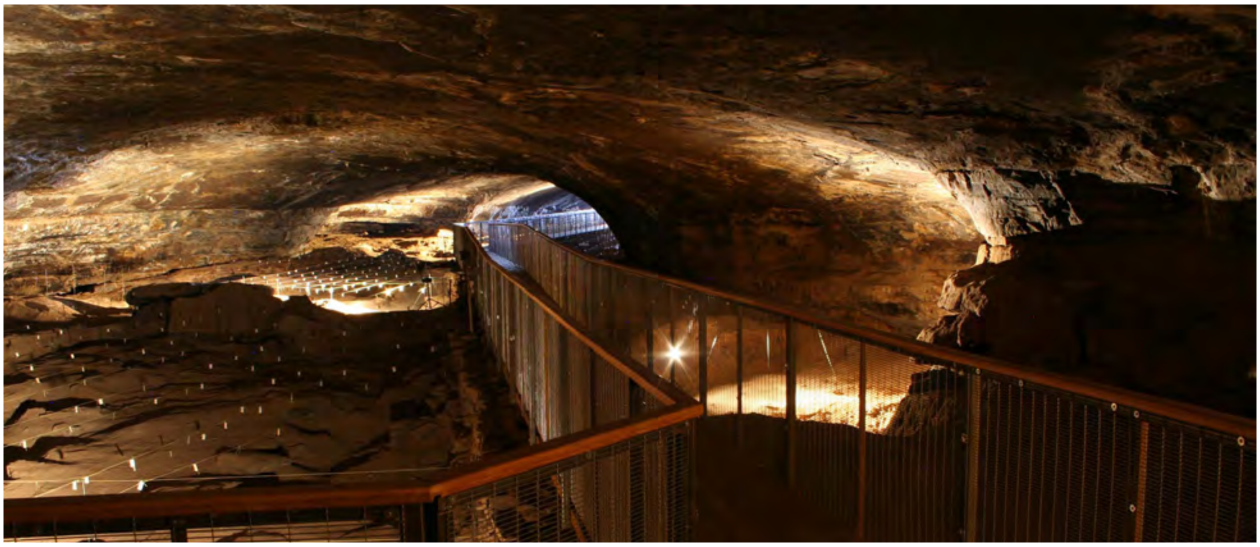
The Company Secretary and Head of Legal is the Chief Risk Officer (CRO) for SAHRA and takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the Public Sector Risk Management Framework (PSRMF).

SAHRA's Risk Management Policy is based on the Enterprise Risk Management Framework published by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission and updated with the requirements of the PSRMF. The SAHRA ERM Policy provides a proactive, systematic and integrated approach to risk management.

A comprehensive analysis of key risks based on SAHRA's objectives is undertaken annually to inform the operational and strategic risks which are further entrenched into the operational processes of the Entity. Risk registers are compiled by management under the guidance of an internal audit function and monitored accordingly by the Audit and Risk Management Committee and Council. In the quest by SAHRA to improve risk management processes, a full review of the strategic risks is performed by management to ensure that risks are aligned to the strategic objectives of the Entity.

The risk management process is put in place by management to improve the identification and management of risks, amongst others:

- Ongoing risk assessments and review of risk management activities that includes the review of strategic risk registers on a quarterly basis by the Audit and Risk Committee and Council;
- Facilitating/attending risk training workshops;
- Facilitating and co-ordinating the development of risk registers at strategic and operational levels and aligned to the Entity's strategic objectives;
- Entrenching risk management as a standard agenda item in committee and unit meetings across the organisation; and
- Review of the ERM Policy to reflect the current risk assessment methodology.
- The Internal Audit Unit's three-year rolling plan and annual risk-based plan is based on the updated Entity's Strategic and Operational Risks identified.



6. INTERNAL AUDIT

The Internal Audit Unit reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.2.

The Internal Audit Unit provides management with independent, objective assurance and consulting services designed to add value and to persistently improve the operations of the Entity. Internal Audit assists the Entity to accomplish its objectives by bringing a systematic, disciplined approach by evaluating and improving the effectiveness of risk management, control, and governance processes.

The following key activities are performed in this regard:

- A valuable contribution is made by the Internal Audit Unit in improving the risk management processes through its input and co-ordination in embedding the key risk management processes within the Entity;
- Assisting the Entity in maintaning adequate controls by evaluating those controls to determine their adequacy and effectiveness, and by developing recommendations for enhancement; and
- Assessing and making appropriate recommendations for enhancing or improving the governance processes in achieving the Entity's objectives.

The functions of the Internal Audit Unit are executed by a co-sourced arrangement between the in-house Internal Audit Manager with the assistance of the firm Nexia-SAB&T, an independent audit and assurance firm which was appointed for a period of three years to provide SAHRA with comprehensive internal audit services.

7. AUDIT AND RISK COMMITEE

The Audit and Risk Committee is established as an oversight body, providing independent oversight in evaluating the adequacy and efficiency of risk management, control and governance processes in the Entity, which include oversight and responsibilities relating to amongst others, the:

- Internal Audit Unit;
- Internal Control and Financial Control;
- ICT Cyber and Information Security
- External Audit (Auditor-General of South Africa - AGSA);
- Financial reporting and Accounting practices;
- Annual Financial Statements and Accounting policies;
- Performance Management Systems;
- Risk Management processes and Fraud Prevention;
- Compliance with laws and regulations.

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

Name	Qualifications	Internal or External	Date appointed	Date Resigned/ Term ended	No. of Meetings attended
Mr Khotso James Sello	Certified Information Systems Auditor (CISA); Certifications in Risk and Information Systems Control (CRISC); General Accountant ACCA (Association of Chartered Certified Accountants); Technician Accountant ACCA (Association of Chartered Certified Accountants); General Internal Auditor (IIA SA) (Institute of Internal Auditors South Africa)	External	Previous term ended on 31 July 2022 and reappointed from 27 August 2022	N/A	7
Ms Reyhana Gani	Chartered Accountant (SA)	External	Previous term ended on 31 July 2022 and reappointed from 27 August 2022	N/A	6
Ms Rehana K Parker	B-Proc Degree, Certificate in Labour Law	External	01-Aug-22	N/A	3
Mr Tshepiso Poho	Chartered Accountant (SA)	External	01-Aug-22	N/A	6
Mr Isaac Dlhomo	Computer Systems Engineering, Information Technology and Computing	External	Previous term ended on 31 July 2022 and reappointed from 27 August 2022	N/A	6

8. COMPLIANCE WITH LAWS AND REGULATIONS

The South African Heritage Resources Agency complies with the relevant legislations and regulatory frameworks applicable. These include but are not limited to the NHRA, the PFMA, Treasury regulations, Practice Notes and the King Code of Corporate Governance.

9. FRAUD AND CORRUPTION

SAHRA has adopted the Fraud Prevention Strategy which confirms the Entity's zero tolerance stance towards fraud and corruption. Various channels for reporting allegations of fraud and corruption exist, which includes, amongst others, the SAHRA Fraud hotline email address fraud@sahra.org.za; which one can also access via SAHRA's website. The Fraud Prevention process is managed by the Internal Audit unit within SAHRA and all allegations received through the various reporting channels is recorded in a Fraud Register which is used as a tool to monitor and report on progress made. These cases are reported quarterly to the Audit and Risk Committee. None of the cases received in the financial year through the fraud prevention channels', were related to fraud. Cases related to complaints which was redirected to the applicable business units to address. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the representative to whom they report the matter(s) to.

The following measures were put in place to create awareness of fraud and corruption in the workplace:

- Fraud Prevention Communication sessions and induction.
- Branding the Entity with banners and posters.
- Fraud Prevention email communications.
- Awareness raised on SAHRA's social media platforms.

The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, the representative to whom they report the matter to is obligated to keep their identities confidential if so, requested in line with the Entity's Whistle-Blowing policy.

10. MINIMISING CONFLICT OF INTEREST

The Entity has implemented a process where all new employees complete a conflict-of-interest form at the point of signing the employment contract. The signing of these forms is updated thereafter on an annual basis, and a Conflict of-Interest Register is kept. Attendance registers of all formal meetings within the Entity has a standard Declaration of Interest column that needs to be completed by all attendees.

The current Fraud Prevention Strategy of the Entity highlights that any conflict of interest by any official within the Entity should be disclosed. Declaration of interest forms are sent out by the Human Resources unit, at least annually to all employees to declare any business and personal relationships /interests relating to the Entity.

All members of Council and sub-committees are required to declare any conflict of interests at appointment as well as at every meeting. Operational units, such as certain Human Resources and Supply Chain Management meetings entails having to declare any conflict of interests based on its nature, prior to the commencement of meetings. No cases of conflict were identified in the Entity during this reporting period by Internal Audit or External Audit.

11. CODE OF CONDUCT

The code of conduct is provided to all new employees at the point of joining the Entity. All employees are then made to commit through signing the code that they are aware of it. SAHRA's bid adjudication and evaluation committees are also appointed in writing by the CEO and provided with the code of conduct upon appointment.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the year the Entity has reviewed its Occupational Health and Safety Policy and continues with its Occupational Health and Safety system implementation by conducting training for all Safety Representatives including first aiders and fire marshals. The OHS Act has also been displayed in the open areas for ease of access by staff, contractors and visitors. SAHRA has a very active Occupational Health and Safety Committee that often make constructive suggestions in addressing health and safety issues in the office environment. The Committee reviews SAHRA's health and safety practices on a quarterly basis in accordance with an industry-accepted checklist. Regular maintenance of the buildings, systems and equipment where SAHRA's employees are located is carried out according to a plan to ensure safety of all employees.

13. COMPANY SECRETARY

SAHRA's Company Secretary who is also the Head of Legal is well versed in good Corporate Governance, SAHRA's legislation which is the NHRA and its Regulations and any other related piece of legislation. The Company Secretary among other things performs the following duties in ensuring proper governance:

- Advise Council on the implementation of corporate governance programs.
- Maintains a direct line of communication to the Council Chairperson.
- Provides direct support to Council and guides Executive Management on issues related to Council.
- Provides a central source of guidance and advice to Council, on matters of good corporate governance, legal obligations, and ethical conduct, as well as providing administrative support to the Council and its Committees.
- Provides guidance and advice to Council on how to discharge their responsibilities in the best interest of SAHRA.
- The Company Secretary ensures that the procedure for the appointment of Council is properly carried out and assists in the proper induction, orientation and development of Council, including assessing the specific training needs of Council and Executive Management in their fiduciary and other responsibilities.

14. SOCIAL RESPONSIBILITY

In the execution of our mandate for the protection of heritage resources in communities, the entity engages with key communities in the protection of their heritage. Such is displayed by SAHRA's commitment to 100% response to complaints which is a key performance indicator that the entity has achieved. In our engagements with stakeholders such as higher learning institutions, nominating, grading and declarations processes we promote conservation of heritage resources. The advocating of protection and management of heritage resources creates awareness by communities and allows protection of these resources for generations to come.

The entity contributed towards nation building, social cohesion and economic empowerment which form part of the national development plan priorities of the South African government. Although SAHRA is not a job creation entity, the entity has created indirect employment opportunities for interns and local communities through its memorial and infrastructure projects. These have been the entity's commitment and key performance indicators, having created 6 internships and employed 23 individuals from local communities through its memorial and infrastructure projects opportunities during the 2022/23 financial year.

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

The Audit and Risk Committee (ARC) plays an important role in ensuring that the South African Heritage Resources Agency (SAHRA) functions adhere to the implementation of the strategy approved by the Council, good governance, accounting, and audit standards. It also monitors the adoption of appropriate risk management framework; risk measurement and assessment; risk mitigation; risk reporting and monitoring; and risk governance, risk tolerance levels, and risk appetite.

Primary Responsibilities of the Audit Committee

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted an appropriate formal and approved terms of reference as its Audit and Risk Committee Charter, has conducted its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein, and we have reviewed the changes in accounting policies and practices.

The Charter is updated regularly and complies with the principles of good governance as per the King IV guidance and with the requirements of the PFMA. The Audit Committee reported and made recommendations to the Accounting Officer and Council in its oversight function covering:

- Financial Management
- Performance Management
- IT Governance
- Risk Management and Internal Audit
- Compliance with relevant Laws, Regulations and Ethics
- Reporting Practices
- External Audit

In the meetings of the ARC, among other matters we have monitored and exercised an oversight aligned to the duties of our charter and in compliance with the PFMA, we have fulfilled our responsibilities with the following key activities:

- Reviewed the execution of the Entity Mandate and Strategy by the Executive of SAHRA as approved by the Council.
- Reviewed the quarterly reports on Financial Performance including the Entity's analysis of Budget versus Expenditure, the registers of unauthorised, fruitless, wasteful, and irregular expenditure.
- Reviewed the quarterly performance information reports, as well as the annual report which were recommend for approval to the Council for submission to the Auditor General South Africa (AGSA).
- Monitored and reviewed the activities of the Internal Audit as per the approved audit plan in conformance with the Institute of Internal Auditors (IIA) Standards.
- Considered the Internal Audit plans and reports and made recommendations as appropriate.
- Monitored progress with the Internal Audit coverage plans as well as management's follow-up on matters requiring attention.
- Monitored and reviewed the Risk Management activities and measures instituted by the Entity to enhance Risk Management Framework, and also its mitigating action plans in support of the Business Continuity, Internal Control and Ethics management within SAHRA.
- Monitored and reviewed the implementation of the Information Communication and Technology (ICT) plans and the measures put in place to accelerate modernisation and enhancement of cybersecurity.
- Continued to report the ICT and cyber security challenges to the Accounting Officer and Council.
- Provided guidance to the Council and Accounting Officer on the IT Governance issues and alignment to applicable legislation.
- We monitored and reviewed the implementation of the Legal Services and Compliance plans.
- Monitored compliance with policies and applicable legislation.

- Considered and approved the AGSA's Audit Strategy and Engagement letter and recommended it to the Council for approval. Also monitored the interaction between AGSA and Internal Audit as part of the combined assurance plan to bring about efficiencies, effectiveness, economies of scale, and synergies.
- We monitored and reviewed the implementation of the Action Plan of the AGSA's external audit findings as well as the findings of the Internal Audit function along with the intervention plans that have been put in place by management.
- We have monitored the independence of the External, Internal Auditor and co-sourced Internal Auditors.
- The Audit Committee has considered and reviewed the technical competence of the finance team at SAHRA.

The Council is also satisfied that together, the members of the Audit and Risk Committee, bring a broad range of relevant skills, experience, aptitude, and expertise, from a wide variety of industries and backgrounds, and as a whole have competencies relevant to the SAHRA business model in which it operates.

Audit and Risk Committee Meetings

The Committee met seven (7) times during the year. Typically, the EXCO which includes amongst others, the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Entity Secretary and the Head of Internal Audit, as well as representatives of the external auditor are invited to attend meetings of the Committee. When required, other key executives and senior management are invited to attend to present and provide deeper insight on various topics as are required by the Committee to discharge its duties. The External auditor and the Head of Internal Audit always have a direct access to the Committee Chairperson. After each Committee meeting, the Chairperson of the Committee reports to the Council on the key issues which have been discussed.

Internal Control and Risk Management

The system of controls within the Entity is designed to provide reasonable assurance but not absolute that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

We have noted the adequacies and effectiveness in the internal controls, internal control deficiencies, the associated compensating (controls) measures, and the challenges reported to the Committee by Management, the AGSA, and the Internal Audit in the past financial year.

We remain committed to providing the Entity with assurance in terms of the Committees role in the oversight of and monitoring the controls of the Entity.

The Audit Committee supports the Council in its duties to review and monitor, on an ongoing basis, the adequacy and effectiveness of the Entity's risk management framework, and internal control systems.

Throughout the year, the Committee:

- Reviewed and recommended the approval of the Risk Framework including risk tolerance and appetite to the Council.
- Reviewed and recommended the approval of the assessment of the principal risks and uncertainties, including consideration for climate change and emerging risks, that could impact the achievement of the Entity's strategic objectives.
- We received presentations on a selection of Strategic risks and discussed with Senior management the material internal controls that exist to mitigate these to levels within the Entity's risk appetite.

- We further considered and made recommendations on the Strategic Risk reports presented by the Entity's Chief Risk Officer that included quarterly updates on the planned actions that are set out by the Entity for mitigation of Risks as well as for the improvement of controls of the Entity.
- Reviewed quarterly reports from the Head of Internal Audit based on internal audits completed outlining non-compliances with Entity controls and managements' action plans to address them.
- We considered the Business Updates by the Accounting Officer that provided the Committee with detailed insight into the Entity's strategy implementation, internal control, risk management and updates on ongoing investigations.
- We considered reports from the Head of Internal Audit as well as from Senior Management on incidents of reported fraud and the resultant preliminary investigations or other significant control matters which occurred during the year and approved plans by all key stakeholders to address and remediate the issues identified.
- As well as reviewed the report from the External Auditor (AGSA) in respect of significant financial accounting and reporting issues, together with significant internal control weakness observations.
- We have considered the quarterly updates from ICT management with regard to the Entity's ICT governance and information security programme and its ability to address cybersecurity threats particularly in the context of its criticality to the business and an increase in the global risk level.

From the Committee's review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the Management Report of the Auditor-General South Africa (AGSA), we can conclude that the system of internal control as applied over financial matters and enterprise risk management at the Entity is satisfactory. The Committee has noted management's commitment to address the lack of control effectiveness. The Committee will be monitoring management's progress in resolving these issues on a quarterly basis.

INTERNAL AUDIT

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the Entity has a system of internal audit under the control and direction of the Audit Committee. The Internal Audit Unit operated objectively and independently and assisted the Entity within their limited capacity with value added services.

The internal audit unit's performance against the approved plan:

Number of approved Audits	Additions to the Plan	Internal Audits Completed	Work in progress at financial year end	Not Completed / Deferred
16	0	10	5	1

Quality of In-Year Management and Monthly/ Quarterly Reporting

The Entity's Accounting Authority has complied with the National Treasury regulation 29.3.1 submitting quarterly performance reports to the Council and has instituted procedures to facilitate the monitoring, evaluation, and corrective action of quarterly performance reporting.

During the year under review, the Audit and Risk Committee considered and recommended amongst other reports the Annual Financial Statements, Quarterly Financial Performance Reports that included reporting of expenditure against budget, Quarterly Non-Financial Performance Reports as well as the quarterly ICT Reports that were recommended to Council for approval.

Challenges with reducing budget allocation

During the financial year we have noted the challenges of the Entity pertaining to the lack of growth of the budget allocated to the Entity. We acknowledge that this challenge is not unique to SAHRA, however we are concerned that the risks of these ongoing budget cuts may result in amongst other things; the possible instability of the Entity due to its inability to increase the cost-of-living increment to meet the SAHRA Employees needs as well as meaningfully fulfilling its mandate with a reducing budget across the Entity as well as the resultant reduction of performance targets to align to the available budget. We remain committed to monitoring the performance of the Entity and to continue to provide support with our recommendations to the Management of the Entity.

External Auditor (The Auditor-General of South Africa ("AGSA"))

On behalf of the Council, the Audit Committee has primary responsibility for overseeing the relationship with, and performance of, the external auditor. This includes making recommendations to the Council on assessing their independence and effectiveness and approving the audit fee.

The Committee is responsible for ensuring that the external auditor is independent and for implementing appropriate safeguards where the external auditor also provides non-audit services to the Entity.

The AGSA is the mandated External Auditors of SAHRA, who by its nature is an Entity of government in terms of the Public Audit Act and the Constitution of South Africa.

The AGSA has elected to contract the services of the Pannell Kerr Forster (PKF), a professional service firm that specialises in amongst other services audit and advisory assurances for the audit of SAHRA's Annual Financial statements for the 2023-2024 financial year.

We have note that it is the third (3rd) year that PKF has undertaken the External Audit of SAHRA with the oversight of the AGSA's Senior Management. In their presentation of the Audit Engagement letter and Strategy, including the fees, the Committee was comfortable with the composition, qualifications, experience, and independence of the audit team as well as the independence of PKF as a firm from the general operations of the Entity, and were recommended for approval by the Council.

Whistleblowing and Fraud Arrangements

In accordance with the Fraud prevention strategy, the responsibility for overseeing whistleblowing is within the remit of the Council. During the 2023-2024 financial year the Committee considered the Entity's whistleblowing arrangements and assisted the Council in its assessment of the adequacy of these arrangements. Details of the Entity's whistleblowing arrangements are outlined in Part C Governance within the Annual Report. The Committee also considered the Entity's procedures for fraud prevention and detection to ensure that these arrangements allow for the proportionate and independent investigation of such matters and appropriate follow up action. Following this review, the Audit Committee confirmed to the Council that it was satisfied that the Council's fraud prevention procedures which were found to be adequate but this is not an absolute assurance.

Evaluation of Financial Statements

The Audit and Risk Committee has reviewed the audited financial statements prepared by the Entity which is included in this Annual Report with the AGSA and the Accounting Officer.

- Reviewed the AGSA's Management Report and Management's response thereto.
- Reviewed accounting policies and practices as reported in the Annual Financial Statements.
- Reviewed the Entity's processes for compliance with legal and regulatory provisions.
- Reviewed the information on predetermined objectives as reported in the Annual Report.
- Reviewed adjustments resulting from the audit of the Entity.
- Reviewed and where appropriate, recommended changes to the Annual Financial Statements as presented by the Entity for the year ending 31 March 2024.

We have also assessed the review by key assurance providers in line with King IV code including the SAHRA Executive, Internal Audit, and the External Auditors. We are satisfied that the reports in all material respects, reflect the state of affairs for the financial year under review.

There were no significant matters that the audit committee considered in relation to the AFS – all matters raised were addressed to the satisfaction of the Audit Committee.

The Audit and Risk Committee, having considered the AFS, has not identified any issues to indicate that the going concern assumptions applied by management that were inappropriate.

Given the insights and details provided by management, the Audit and Risk Committee is thus supportive of the going concern assumption being appropriate.

Having considered the above, in conjunction with the consistency of the various elements of the reports, the narrative reporting and the language used, the Committee confirmed to the Council that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholder to assess the Entity's position, performance, business model and strategy.

Overall Audit Outcome from the audit done AGSA on the AFS

The Audit Committee concurs and accepts the opinion of the external auditor on the Annual Financial Statements and findings on the Annual Performance Report and is of the opinion that the audited Annual Financial Statements and Annual Performance Report be accepted and read together with the Report of the external auditors.

We congratulate the Council, and Management of the Entity for maintaining an unqualified without findings (a clean audit) issued and reported by the external auditor (AGSA). We further convey our appreciation to the AGSA audit team for holding the Entity to account in all material aspects with the utmost professionalism within the budget and timelines.

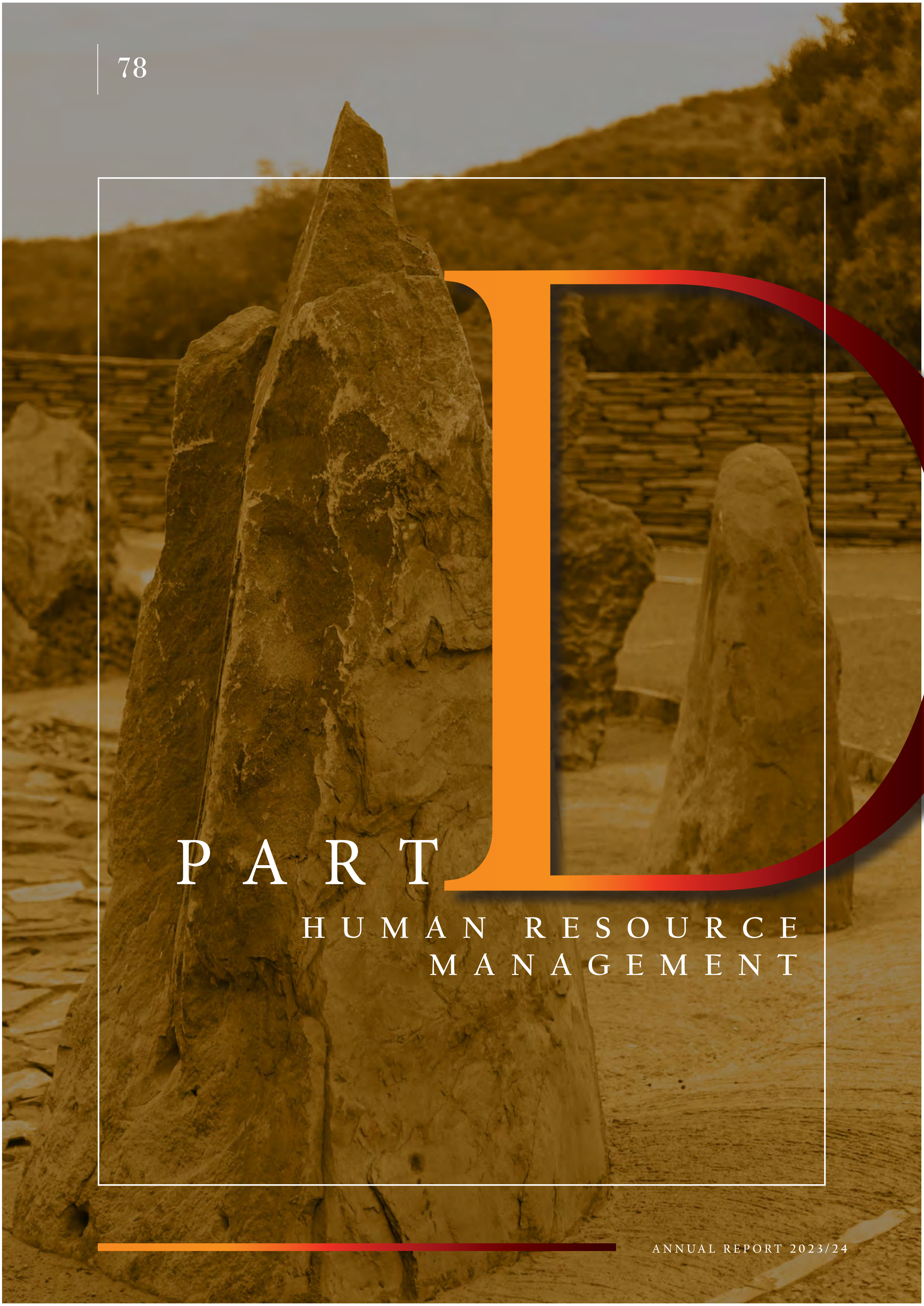
CONCLUSION

We wish to express our sincere gratitude to the Minister and Deputy Minister for their leadership and guidance. The Council, the Executive Management and staff for their support during the year, as well as AGSA and Internal Audit for their co-operation and assistance in enabling us to discharge our responsibilities.

Mr. Khotso James Sello
Chairperson of the Audit and Risk Committee
South African Heritage Resources Agency

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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?	N/A	SAHRA does not issue licences, concessions, or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	SAHRA has developed and implemented an enterprise and supplier development (ESD) strategy in accordance with new Preferential Procurement Regulations (2022 Regulations) under the Preferential Procurement Policy Framework Act, 2000 (PPPFA). In the review of SAHRA procurement policy we also included points to be awarded for specific goals as stipulated in the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	SAHRA is not in the business associated with the sale of state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	N/A	SAHRA does not have development criteria in place for entering into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	N/A	SAHRA does not award incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment



PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

As an organ of state, SAHRA must continue to exercise good governance as required by the different legislations (such as PFMA, LRA, OSH Act, BBBEE Act, EE Act). Amendments to existing legislation (such as changes to the Conditions of Service) and new legislation, for example the Protection of Personal Information Act, need to be embedded within the organisation through training and awareness initiatives. The Human Resource will focus on the development and implementation of training plans during the 2023/24 financial year with the intent, firstly, to increase compliance to legislation, policies and procedures, and secondly, to mitigate audit findings and minimise risks of non-compliance.

Employee performance management framework

During the reporting year, the recordable performance management framework compliance was 100%. SAHRA continues to improve individual and organisational performance using the newly developed performance management system.

Employee wellness programmes

SAHRA's Employee Health and Wellness programme is a comprehensive employee health and wellness promotion programme that focuses on the most crucial needs of the organisation as a way of improving the overall wellbeing of employees:

The following programmes took place:

Addiction Support for Families	Mental Health – Diabetes and the economic impact	Relationships, Gender Based Violence	Living a Resilient Life – Loss of Health or Limb
Eye Care Awareness	HIV/AIDS	Depression	Level up Longevity and Health Span

Highlight achievements

- **Training**

SAHRA has been extremely conscious about the development of employees who are agile and are adaptable to change, SAHRA prioritises human capital development through extensive training and uses various models to train its employees. Budget has been set aside to train and develop the employees so that they can cope with all the changes and innovations coming in their way. SAHRA through the HR (Human Resources) department rolled out 100% of the training's interventions planned and budgeted for the financial year.

Challenges faced by the public entity.

Organisations that aspire to sustain their competitive edge, both at present and in the future require human force well equipped with recent technologies and techniques to face the changes and upcoming challenges. There are number of demands on organisations such as SAHRA today, few of them includes frequent changes in technology which requires financial resources, revised organisational structures which at the present is not fully funded to execute the mandate of SAHRA, change in methods of working, inability to retain top talent due to limitations in compensation budget, with all these changes, there is a huge amount of pressure on SAHRA and especially HR function has a very critical role to play to help and navigate through the challenges.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme/ activity/ objective

Programmes/ activity/ objective	Total Expenditure for the Entity (R)	Personnel Expenditure (R)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R)
CEO	17,510,809	10,085,664	58%	14	720 405
FINANCE	13,026,576	5,851,645	45%	14	417 975
CORPORATE	25,151,393	13,772,127	55%	27	510 079
HRM	22,474,851	17,349,395	77%	43	403 474
TOTAL	**78,163,629**	**47,058,831**	**60%**	**98**	**480,192**

Personnel cost by salary band

Level	Personnel Expenditure (R')	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R')
Top Management	6,982,856	15%	5	1,396,571
Senior Management	1,595,568	3%	3	531,856
Middle Management	12,663,314	27%	19	666,490
Skilled	20 908 096	44%	51	409,963
Semi-skilled	3,626,084	8%	9	42,898
Unskilled	**1,282,914**	**3%**	**11**	**116,629**
Total	**47,058,832**	**100%**	**98**	**480,192**

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	N/A -no performance awards were granted during the year under review.
Senior Management	0	0	
Skilled	0	0	
Semi-skilled	0	0	
Unskilled	0	0	
TOTAL	**0**	**0**	

Training Costs

Programme/activity/objective	Total Personnel Expenditure for the Entity (R)	Training Expenditure (R)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee (R)
CEO	10 085 664	14 160	0%	8	1 770
FINANCE	5 851 645	23 483	0%	12	1 957
CORPORATE	13 772 127	160 224	1%	26	6 162
HRM	17 349 395	160 351	1%	40	4 009
TOTAL	**47 058 832**	**358 218**	**1%**	**86**	**4 165**

Employment and vacancies

Programme/activity/objective	2023/2024 No. of Fixed Term Contracts	2023/2024 No. of Employees	2023/2024 Approved Posts	2023/2024 Vacancies	% of vacancies
CEO	1	13	15	2	13%
FINANCE	1	13	14	1	7%
CORPORATE	1	26	27	1	4%
HRM	9	34	38	4	11%
TOTAL	**12***	**86**	**94**	**8**	**9%**

Programme/activity/objective	2023/2024 No. of Fixed Term Contracts	2023/2024 No. of Employees	2023/2024 Approved Posts	2023/2024 Vacancies	% of vacancies
Top Management	0	5	5	0	0%
Senior Management	0	3	3	0	0%
Middle Management	1	18	18	0	0%
Skilled	2	49	55	6	11%
Semi-skilled	3	6	6	0	0%
Unskilled	6	5	7	2	29%
TOTAL	**12***	**86**	**94**	**8**	**9%**

* The contract employees relate to individuals appointed on a short and specified period and are funded from other funds other than the actual allocation. The total number of employees during the period under review is 98 comprising of 86 permanent staff forming part of the funded post as well as 12 contract worker. The total payroll cost included both the permanent and contract workers. Further analysis below on employees changes and employment equity status also comprise both the permanent and contract employees.

The 2023/2024 reporting period, SAHRA's staff turnover rate has increased to 8% however there has been consistent appointments to lower the vacancy/turnover rate as well as fixed-term contracts appointments outside the approved funds (this is from fees and other streams of funds), to compensate and support the SAHRA operations in need, to meet the strategic deliverables.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	5	0	0	5
Senior Management	0	3	0	3
Middle Management	18	5	4	19
Skilled	53	4	6	51
Semi-skilled	4	6	1	9
Unskilled	9	6	0	11
TOTAL	**85**	**24**	**11**	**98**

Building a diverse talent and a sustainable future supply, which recognises the critical role that human capital has in meeting the immediate talent demands of SAHRA and responding to the strategy demands in addressing long- and short-term talent requirements. This encompasses building and retaining our own talent. SAHRA new organisational structure contributed in occupational levels split to align with the strategy and departmental deliverables.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	9%
Resignation	8	73%
Dismissal	1	9%
Retirement	1	9%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	**11**	**100%**

The drive to retain high-potential staff is delivered through the roll out of the new organisational structure which supports the organisational strategy. SAHRA is committed to the development of potential staff and succession planning and continues to invest and put stringent measures in place to attract highly skilled talent. There are three (3) Involuntary terminations which comprises death, dismissal and retirement. SAHRA continues to strive for developing and ensuring filled positions in department for smooth operation to support the organisational structure

Labour Relations: Misconduct and disciplinary action

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

Equity Target and Employment Equity Status

SAHRA recognises that, from a business and ethical perspective, it is important to entrench employment equity and diversity in the workplace, and to comply with legislative requirements. To further this end, SAHRA has established an Employment Equity and Skills Development Committee and Consultative Forums. These platforms represent SAHRA employees with the view to effectively address strategic employment equity and skills development issues. SAHRA seeks to address, through the committee and forums, the inequalities in racial, gender and skills development which, in the past, have created barriers to full and equal participation of the majority of the population in economic life. There were no major variances compared to the previous year.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	1	0	0	0	0	0	0
Senior Management	1	0	1	0	1	0	0	0
Middle Management	3	0	0	0	1	1	2	0
Skilled	19	16	4	5	0	1	3	5
Semi-skilled	2	3	2	3	0	0	0	0
Unskilled	2	0	1	3	0	0	0	0
TOTAL	**29**	**20**	**8**	**11**	**2**	**2**	**5**	**5**

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	3	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Middle Management	8	4	1	0	1	0	3	0
Skilled	19	17	1	5	0	0	5	0
Semi-skilled	4	0	1	0	0	0	0	0
Unskilled	7	3	1	1	0	0	0	0
TOTAL	**41**	**27**	**4**	**6**	**1**	**0**	**8**	**0**

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Middle Management	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

(a) Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance		
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing Total	**0**	**0**

No irregular expenditure was incurred in the current and previous year, i.e., SAHRA complied with all applicable legislation in the procurement processes.

Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	0	0
Irregular expenditure that relates to 2022/23 and identified in 2023/24	0	0
Irregular expenditure for the current year	0	0
Total	**0**	**0**

(b) 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	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	**0**	**0**

No Irregular Expenditure was incurred in the current and previous year; i.e. SAHRA complied with all applicable legislation in the procurement processes.

1 Group similar items

2 Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

(c) Details of current and previous year irregular expenditure condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	0	0
TOTAL	**0**	**0**

No irregular expenditure was incurred in the current and previous year, i.e. SAHRA complied with all applicable legislation in the procurement processes. However, the entity has applied to the National Treasury for the condonment of irregular expenditure of R3 420 145 incurred in the 2020/21 financial period. Reasonable steps have been taken to confirm that such irregular expenditure did not result in any losses or damages to the entity and that the entity did obtain value from such a transaction having noted the disciplinary processes of the responsible official.

(d) Details of current and previous year irregular expenditure removed - (notcondoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
TOTAL	**0**	**0**

No irregular expenditure was incurred in the current and previous year, i.e. SAHRA complied with all applicable legislation in the procurement processes. There is no irregular expenditure removed - (not condoned).

(e) Details of current and previous year irregular expenditure recovered

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recovered	0	0
TOTAL	**0**	**0**

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

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off	0	0
TOTAL	**0**	**0**

Additional disclosure relating to Inter-Institutional Arrangements

(g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
N/A - SAHRA has not entered into an inter-institutional arrangement in the 2023/2024 financial year.

(h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2023/24	2022/23
	R'000	R'000
N/A - SAHRA has not entered into an inter-institutional arrangement in the 2023/2024 financial year.	0	0
TOTAL	**0**	**0**

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

Disciplinary steps taken
Not Applicable- No irregular expenditure was incurred in the current nor prior financial year, thus no disciplinary or criminal steps were taken in any of these two periods.

1.2 Fruitless and wasteful expenditure

(a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	2	2
Add: Fruitless and wasteful expenditure confirmed	0	65
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	(63)
Closing balance	**2**	**2**

No fruitless and wasteful expenditure was incurred in the 2023/2024 financial year. None of the prior year fruitless and wasteful expenditure were recovered or written off.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	0	0
Fruitless and wasteful expenditure that relates to 2022/2023 and identified in 2023/24	0	0
Fruitless and wasteful expenditure for the current year	2	2
Total	**2**	**2**

(b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	2	2
Fruitless and wasteful expenditure under investigation	0	0
Total	**2**	**2**

Fruitless and wasteful expenditure under determination in the previous year relate to interest on late submission of EMP201s to SARS.

(c) Details of current and previous year irregular expenditure recovered

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
TOTAL	**0**	**0**

(d) Details of current and previous year irregular expenditure not recovered and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Total	**0**	**0**

(e) Details of current and previous year Fruitless & Wasteful Expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless & Wasteful Expenditure NOT written off and removed	0	63
Total	**0**	**63**

SAHRA received an abatement in the amount of R63 453 for penalty on late submission of EMP201 on 7 May 2022 this amount was removed from fruitless and wasteful expenditure.

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

Disciplinary steps taken
No disciplinary or criminal steps were taken as a result of fruitless and wasteful expenditure.

3 *Group similar items*

4 *Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)*

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))

(a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2023/2024	2022/2023
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	**0**	**0**

No material losses occurred through criminal conduct in the current and previous year.

(b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
No material losses occurred through criminal conduct in the current and previous year	0	0
Total	**0**	**0**

No material losses occurred through criminal conduct in the current and previous year.

(c) Other material losses recovered

Nature of losses	2023/2024	2022/2023
	R'000	R'000
No material losses occurred in the current and previous year	0	0
Total	**0**	**0**

No material losses occurred in the current and previous year.

(d) Other material losses written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
No material losses occurred in the current and previous year	0	0
Total	**0**	**0**

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	713	27 550
Invoices paid within 30 days or agreed period	661	24 301
Invoices paid after 30 days or agreed period	9	165
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoices paid after 30 days or agreed period:

Invoices paid after 30 days or agreed period relate to nine (9) invoices, of these invoices four (4) were received from ADP (Always Designing People) amounting to R147,000 to the Human Resources Unit for the payroll processing function. These invoices were submitted by email detailed that a Company by the name ADP (Always Designing People) had acquired the payroll processing business from SAGE and would be taking over that specific function on the same terms as the underlying contract between SAGE and SAHRA. Notable changes were however indicated as the bank payment changes whereby the billing would be made by ADP and payments were required to be settled into a provided bank account for ADP. From our investigation it emerged that a Cession had taken place between SAGE and ADP and Assignment (communication with SAHRA) had been done through email correspondence in April 2022. The details of a cession were provided and further documentation in the form of company registration were also provided. These invoices were not paid pending the finalisation of the cession agreement between SAHRA, SAGE and ADP to enable the continued payroll processing function as well as settling of our financial obligation for services rendered. The invoices were finally settled in July 2023.

Another invoice was received from a supplier Khora Masutsa for R8,395 on 17 August 2023 and was only settled 43 days later on 29 September 2023, the delay was a result of partial service being provided and no corresponding adjustment to the invoice amount. Invoice was paid upon resolution of the matter.

Four invoices from attorneys Brandon Guy were settled after 50 days because the supplier had made amendment of the banking details on the invoices without effecting the same changes on the CSD. As a control measure to guard against fraud it is the entity`s payment procedure the invoice detail match those on the CSD. Payment was concluded upon CSD update. The four invoices amounted to R9,922.

Included in the total of valid invoices received total of 27 550 are 43 invoices relating to accruals and trade payables amounting to a total of R3084 which were not due at year end.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
The MUCH unit must renew insurance through the Divers Alert Network on an annual basis. The insurance cover for Ms Williams and Mr Brand will lapse on 1 March 2023.	Diver's Arlet network	Deviation	N/A	14
Annual subscriptions for national papers	Independent Media	Deviation	N/A	3
The MUCH unit must obtain their annual medical certificate of fitness to dive. The medical examinations are for Briege Williams and Ruan Brand.	Drs Rosendorff De Kock Daya and Greeff	Deviation	N/A	6
Parking space at 111 Harrington Street is insufficient to accommodate staff vehicles and the need for additional parking space is required.	The 79 Partnership	Deviation	N/A	596
Gov. Gazette to Declare Seven Kramats	Government Printing Works	Deviation	N/A	9
Total				628

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Lease of office accommodation	SKG Properties	Variation	PO15986	2 256	0	221
Lease of office accommodation	The 79 Partnership	Variation	PO16084	3 699	2 782	1 786
Insurance cover	Afrika Risk Insurance Services	Variation	PO16105	937	0	47
Insurance cover	Afrika Risk Insurance Services	Variation	PO16083	937	0	20
Legal Services	Bowmans Attorneys	Variation	PO15480	2 000	0	3 000
Total				**9 829**	**2 782**	**5 074**

PART F

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN HERITAGE RESOURCES AGENCY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Heritage Resources Agency set out on pages 106 to 181, 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.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Heritage Resources Agency 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).

Basis for opinion

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

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

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

Emphasis of matter

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

Impairment – Receivables from exchange transactions

7. As disclosed in note 4 to the financial statements, the public entity has provided for the impairment of trade and other receivables from exchange transactions amount to R2 943 591 (2022-23: R3 032 270).

Responsibilities of the accounting authority for the financial statements

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

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

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

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

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 95 - 97, forms part of my auditor's report.

Report on the annual performance report

12. 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.

13. I selected the following material performance indicators related to Programme 4: Business Development and Transformations 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 heritage resources assessed for grading
- Number of heritage resources declared
- Number of heritage resources inspected
- % of received contravention complaints that SAHRA has responded to
- Number of monuments and memorial sites rehabilitated and erected
- Number of formal partnership agreements with strategic institutions

14. 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.

15. 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 mandated and prioritised functions and planned objectives are included

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be 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 those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

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

Report on compliance with legislation

18. 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.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa 4(AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

20. 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.

21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators i the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

23. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

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

Other reports

28. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

29. On 12 July 2019, through Proclamation R38 of 2019 as published in Government Gazette No. 42577, the president directed the Special Investigating Unit (SIU) to investigate the affairs of the South African Heritage Resources Agency (SAHRA). The SIU referred two criminal matters to the National Prosecuting Authority (NPA) on 6 March 2024. The case is currently on the court roll at the Specialised Commercial Court in Bellville. All disciplinary matters were dealt with by the Department (SAHRA) before the matter was reported to the SIU. The SIU investigation was completed on 6 March 2024 and the Presidential report was submitted to the Presidency on 15 April 2024.

Auditor-General

Cape Town

30 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56(1); 57(b)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2 Regulation 16A3.2; 16A3.2(a); 16A 6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii);16A9.1(d); 16A9.1(e); 16A9.1(f)16A9.2; 16A9.2(a)(ii); Regulation 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Act: Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 7.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4; 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Preferential Procurement Policy Framework Act, 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.8; 7.8;8.2;8.5;9.1;10.1;10.2;11.1
Preferential Procurement Regulations 2022	Paragraph 4.4; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Public Entity Schedule 3A
Nature of business and principal activities	SAHRA is a schedule 3A public entity as defined in the Public Finance Management Act, No. 1 of 1999 (PFMA). It identifies, conserves, protects, and promotes our national heritage resources for the greater good of our society and humanity (National Heritage Act, No. 25 of 1999 (NHRA).
Accounting Authority	Mdludlu,M Mellet, PWT Moduka, B Mpahlwa, L (Dr) (Chairperson) Mphomela,I Mnculwane,V (Dr) Parker,RK Poho,T Ramantsi,K Serekoane, MJ Sharfman, J (Dr) Maumela, VK
Business address	111 Harrington Street Cape Town 8001
Postal address	P.O. Box 4637 Cape Town 8000
Bankers	ABSA Bank Limited South African Reserve Bank Nedbank Limited

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ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The council is required by the Public Finance Management Act (Act 1 of 1999) to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the council to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the period 31 March 2024 and the results of the entity`s operations and cash flows for that period. The external auditors are engaged to express an independent opinion on the annual 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 judgments and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial controls established by the entity and places considerable importance on maintaining a strong control environment. To these responsibilities, the Council 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 minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by the 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 Council has reviewed the entity's cash flow forecast for the year ending 31 March 2025 and, in the light of this review and the current financial position, have every reason to believe that South African Heritage Resources Agency (SAHRA) will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements. The Council is primarily responsible for the financial affairs of the entity.

The financial statements set out on pages 6 to 76, which have been prepared on the going concern basis, were approved by the Council on 31 May 2024 and were signed on its behalf by:

Dr Luyanda Mpahlwa
Council Chairperson

ACCOUNTING AUTHORITY'S REPORT

The members of the council submit their report for the period ended 31 March 2024.

1. REVIEW OF ACTIVITIES

1.1 Main business and operations

South African Heritage Resources Agency (SAHRA) is established in terms of Section 11 of the National Heritage Resources Act No. 25 of 1999 (NHRA). The Act outlines an integrated interactive system for the management of the national heritage resources of South Africa. There is a three tier system for heritage resources management, in which national level functions are the responsibility of SAHRA, provincial level functions are the responsibility of Provincial Heritage Resources Authorities and local level functions are the responsibility of local authorities.

South African Heritage Resources Agency (SAHRA) is established in terms of Section 11 of the National Heritage Resources Act No. 25 of 1999 (NHRA). The Act outlines an integrated interactive system for the management of the national heritage resources of South Africa.

There is a three tier system for heritage resources management, in which national level functions are the responsibility of SAHRA, provincial level functions are the responsibility of Provincial Heritage Resources Authorities and local level functions are the responsibility of local authorities. As the implementing Agency of the Department of Sport, Arts and Culture, SAHRA plays a critical role in the identification, conservation, protection and promotion of our heritage resources for the present and future generations. Heritage resources are formally protected through a notice in the Government Gazette.

Our business and operations include amongst other things to promote and encourage public understanding and enjoyment of the national estate and public interest and involvement in the identification, assessment, recording and management of heritage resources; promote education and training in fields related to the management of the national estate. Oversight on the business is provided through a Council which is appointed by the Minister. The Council is constituted by representatives from Provincial Heritage Resources Authorities in the nine provinces and 6 other members appointed by the Minister.

1.2 Going concern

As of 31 March 2024, the entity had an accumulated surplus of R100 482 922 and a positive total net assets value of R148 841 039. Management has considered its cash and cash equivalent position against both the short term and long term obligations and concluded that the liquidity position is sufficient to settle obligations to stakeholders as they become due.

The annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

1.3 Subsequent events

The Council is not aware of any matter or circumstance arising since the end of the financial period that requires adjustment to or disclosure in the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Operating lease asset	3	1 233 081	797 676
Receivables from exchange transactions	4	3 993 576	1 915 747
Prepayments	5	168 251	269 982
Cash and cash equivalents	6	99 002 337	91 228 201
		104 397 245	**94 211 606**
Non-Current Assets			
Operating lease asset	3	25 192 124	24 376 879
Property, plant and equipment	7	24 844 738	25 522 890
Intangible assets	8	303 363	810 547
Heritage assets	9	53 640 607	54 633 623
Investment property	10	9 200 000	-
		113 180 832	**105 343 939**
Total Assets		**217 578 077**	**199 555 545**
Liabilities			
Current Liabilities			
Operating lease liability	3	22 043	32 764
Finance lease obligation	11	-	6 929
Payables from exchange transactions	12	5 616 648	4 681 431
Employee benefit obligation	13	-	197 657
Unspent conditional grants and receipts	14	59 562 783	51 485 226
Short-term - Employee benefits	15	3 337 189	3 393 495
		68 538 663	**59 797 502**
Non-Current Liabilities			
Operating lease liability	3	4 170	-
Employee benefit obligation	13	-	1 643 912
Other financial liabilities	16	194 205	174 269
		198 375	**1 818 181**
Total Liabilities		**68 737 038**	**61 615 683**
Net Assets		**148 841 039**	**137 939 862**
Reserves			
Revaluation reserve	17	48 358 117	43 535 885
Accumulated surplus		100 482 922	94 403 977
Total Net Assets		**148 841 039**	**137 939 862**

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Permit fees		1 825 439	340 451
Rental income		2 448 945	1 604 466
Reversal of debt impairment	4	88 679	243 822
Gain on derecognition of employee benefits	13	1 836 268	-
Actuarial gain	13	5 732	160 369
Other income	18	111 347	118 081
Reimbursement - Legal fees	19	3 394 988	1 250 030
Insurance refund	20	21 480	2 416 304
Interest received	21	7 294 444	3 891 893
Total revenue from exchange transactions		**17 027 322**	**10 025 416**
Revenue from non-exchange transactions			
Transfer revenue			
Trust funds - Interest received		234 095	131 605
Public contributions and donations	22	-	300
Other grants	22	4 774 155	2 741 896
Government grants and subsidies	23	62 207 000	62 839 000
Total revenue from non-exchange transactions		**67 215 250**	**65 712 801**
Total revenue	22	**84 242 572**	**75 738 217**
Expenditure			
Loss on disposal of assets		(373 795)	-
Loss on foreign exchange		(68 844)	-
Repairs and maintenance		(1 535 950)	(1 026 779)
Impairment loss	7&9	(486 675)	(199 667)
Salaries and benefits	24	(47 058 832)	(43 396 227)
Depreciation and amortisation	25	(943 623)	(1 307 994)
Finance costs	26	(146 076)	(213 450)
General expenses	27	(27 549 832)	(24 336 965)
Total expenditure		**(78 163 627)**	**(70 481 082)**
Surplus/ (Deficit) for the year		**6 078 945**	**5 257 135**

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand		Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported		42 567 899	89 030 048	131 597 947
Adjustments				
Correction of errors	34	-	116 794	116 794
Balance at 01 April 2022 as restated*		**42 567 899**	**89 146 842**	**131 714 741**
Changes in net assets				
Revaluation of a Heritage Asset		1 185 293	-	1 185 293
Depreciation on asset directly recognised in net assets		(217 307)	-	(217 307)
Net income recognised directly in net assets		967 986	-	967 986
Deficit for the year		-	5 226 939	5 226 939
Correction of errors		-	30 196	-
Total recognised income and expenses for the year		967 986	5 257 135	6 225 121
Total changes		967 986	5 257 135	6 225 121
Restated* Balance at 01 April 2023 as restated*		**43 535 885**	**94 403 977**	**137 939 862**
Changes in net assets				
Revaluation of Land		5 092 496	-	5 092 496
Impairment losses on revalued capital assets		(52 957)	-	(52 957)
Depreciation on asset directly recognised in net assets.		(217 307)	-	(217 307)
Net income (losses) recognised directly in net assets		4 822 232	-	4 822 232
Surplus for the period		-	6 078 945	6 078 945
Total recognised income and expenses for the year		4 822 232	6 078 945	10 901 177
Total changes		4 822 232	6 078 945	10 901 177
Balance at 31 March 2024		**48 358 117**	**100 482 922**	**148 841 039**
Note		17		

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Grants		75 058 712	92 307 539
Interest income		7 548 475	4 034 908
Other cash receipts		4 648 066	4 326 247
		87 255 253	**100 668 694**
Payments			
Employee costs		(47 260 739)	(43 552 785)
Suppliers		(28 209 899)	(22 074 083)
Finance costs		(41)	(13 445)
		(75 470 679)	(65 640 313)
Net cash flows from operating activities	29	**11 784 574**	**35 028 381**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(786 673)	(2 131 314)
Purchase of intangible assets	8	(22 137)	(39 865)
Heritage property improvements	9	(3 194 699)	(4 082 582)
Net cash flows from investing activities		**(4 003 509)**	**(6 253 761)**
Cash flows from financing activities			
Net movement Finance lease obligation		(6 929)	(372 505)
Net increase in cash and cash equivalents		**7 774 136**	**28 402 115**
Cash and cash equivalents at the beginning of the year		91 228 201	62 826 086
Cash and cash equivalents at the end of the year	6	**99 002 337**	**91 228 201**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Permit Fees	2 022 000	-	**2 022 000**	1 825 439	**(196 561)**	37.1.1
Rental Income- facilities and equipment	1 850 000	-	**1 850 000**	2 448 945	**598 945)**	37.1.2
Reversal of debt impairment	-	-	**-**	88 679	**88 679**	37.1.3
Other Income	-	3 280 000	**3 280 000**	111 347	**(3 168 653)**	37.1.4 & 37.2.1
Actuarial gain	-	-	**-**	5 732	**5 732**	37.1.5
Reimbursement - Legal fees	-	-	**-**	3 394 988	**3 394 988**	37.1.6
Insurance refund	-	-	**-**	21 480	**21 480**	37.1.7
Gain on derecognition of employee benefits	-	-	-	1 836 268	**1 836 268**	37.1.8
Interest received - investment	850 000	-	**850 000**	7 294 444	**6 444 444**	37.1.9 & 37.2.1
Total revenue from exchange transactions	**4 722 000**	**3 280 000**	**8 002 000**	**17 027 322**	**9 025 322**	
Revenue from non-exchange transactions						
Realisation of deferred transfers	77 459 000	-	**77 459 000**	-	**(77 459 000)**	37.1.10
Transfer revenue						
Government grants & subsidies	62 207 000	-	**62 207 000**	62 207 000	-	
Trust Funds - Interest received	**-**	-	-	234 095	**234 095**	37.1.11
Other Grant Revenue	**-**	-	-	4 774 155	**4 774 155**	37.1.12
Total revenue from non-exchange transactions	**139 666 000**	**-**	**139 666 000**	**67 215 250**	**(72 450 750)**	
Total revenue	**144 388 000**	**3 280 000**	**147 668 000**	**84 242 572**	**(63 425 428)**	
Expenditure						
Personnel	(47 605 000)	(1 000 000)	**(48 605 000)**	(47 058 832)	**1 546 168**	37.1.13 & 37.2.1
Depreciation and amortization	(1 682 000)	-	**(1 682 000)**	(943 623)	**738 377**	37.1.14
Impairment loss	(60 000)	-	**(60 000)**	(486 675)	**(426 675)**	37.1.15
Finance costs	-	-	**-**	(146 076)	**(146 076)**	37.1.16
Bad debts written off	(122 000)	-	**(122 000)**	-	**122 000**	37.1.17
Loss on disposal of assets	(64 000)	-	**(64 000)**	(373 795)	**(309 795)**	37.1.18
Loss on foreign exchange	-	-	**-**	(68 844)	**(68 844)**	3.1.19
Acquisition of PPE	(57 039 000)		**(57 039 000)**	-	**57 039 000**	37.1.20
Repairs and maintenance	(1 949 000)		**(1 949 000)**	(1 535 950)	**413 050**	37.1.21
General expenses	(35 867 000)	(2 280 000)	**(38 147 000)**	(27 549 833)	**10 597 167**	37.1.22 & 37.2.1
Total expenditure	**(144 388 000)**	**(3 280 000)**	**(147 668 000)**	**(78 163 628)**	**69 504 372**	
Operating Surplus	**-**	**-**	**-**	**6 078 944**	**6 078 944**	
Surplus for the year	**-**	**-**	**-**	**6 078 944**	**6 078 944**	

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999). These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. All monetary information and figures presented in these financial statements are stated in South African Rand rounding to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP. A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

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

1.1.1 Judgements

Rental of property

The entity considers the new Dal Josafat tenant a strategic partner in terms of revenue generation. The entity had taken a decision to unbundle one of its key strategic assets, in order to lease out the vast portion of agricultural land that had been laying idle. This is one of the heritage properties that contains old Heritage buildings that require major refurbishment and restoration. The unbundling of the property resulted in the property being demarcated separately for rental income. The heritage nature of the property is influenced by the ancient buildings, and thus management has used significant judgement in the classification of the demarcated portion of land as an Investment Property. The fair value of the Investment Property has been determined using the future discounted cash flows (DCF).

Trade receivables

Trade receivables consist mainly of amounts receivable for rental of heritage properties, amount owing by the Department of Sports, Arts and Culture and other sundry debtors.

The entity 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 entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provision for Expected credit losses

The entity uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables and other receivables. The provision rates are based on days past due and historic default rates.

The provision matrix is initially based on the entity's observed default rates. The entity will calibrate the matrix to adjust the historical credit loss experience with forward looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the property portfolio, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions.

The entity’s historical credit loss experience and forecast of economic conditions may also not be representative of debtors’ actual default in the future. The information about the ECLs on the entity’s trade receivables and other receivables is disclosed in note 4. ECLs for other receivables are based on management’s best estimate of the recoverability of the other receivables at year end. Management anticipates formulating a provision matrix for the ECLs on other receivable once there is enough data to do so.

1.1.2 Estimation of uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below

Impairment testing

The entity 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 cflows 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 such as inflation and interest.

Investment Property

Investment Property is recognised when it is probable that the future economic benefits or service potential that is associated with the Investment Property will flow to the entity.

Whilst the lease period is for a 20 year period, it is dependent on the positive outcome of the initiation period of 18 months which includes both the Heritage Impact assessment as well as the Environmental assessment considerations. It is unclear at this stage what will be the outcome of the initial period of 18 months, which could affect the duration of the lease, however it is anticipated that there will be a positive outcome in the initial period of 18 months and that the lease will continue for the envisaged 20 year period. Should the initial period of the first 18 months not yield positive outcome it could result to an impairment of the Investment Property.

Significant uncertainty also remains on the contingent rental of 10% of reported profit of the tenants operations. Management anticipates including the 10% profit share consideration only once there is enough data to do so (The rental of property was introduced in the current year and therefore there is no collection data available at year end). The tenant has not yet fully established its operations fully on the property,

Additional details on these significant judgements are provided in note 10. The remainder of the Heritage property which includes the Heritage Buildings remains as part of the Heritage Assets asdisclosed in Note 9.

Useful lives of property, plant and equipment and other assets

The entity’s management determines the estimated useful lives and related depreciation / amortisation charges for property, plant and equipment and other assets. This estimate is based on the pattern in which an asset’s future economic benefits or service potential are expected to be consumed by the entity.

Depreciation

At the end of each financial year management reviews property, plant and equipment to assess whether the estimated useful lives and estimated residual values applied to each asset are appropriate. The useful lives of assets are estimated by reviewing the degree to which assets are fully depreciated but still remain on the asset register and are in use. The entity for the most part uses its asset until there are no further future economic benefits or service potential expected from an asset. Additional details on these assumptions are provided in note 7.

These assets are assessed as having no residual value when calculating the depreciable amount because assets are of little value at the time they are sold or derecognised.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations. The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve. Additional details on these significant estimates are provided in note 13

Effective interest rate

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

Allowance for doubtful debts

On 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.

Finance lease or operating lease

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. Factors considered include the useful lives compared against the lease term and present value of the lease payments.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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 are 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.

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 Land and Buildings at 111 Harrington Street which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

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

Item	Depreciation method	Average useful life
Land	-	Indefinite
Buildings	Straight-line	75 years
Plant and machinery	Straight-line	5-15 years
Furniture and fixtures	Straight-line	5-15 years
Motor vehicles	Straight-line	5-10 years
IT equipment	Straight-line	3-17 years
Leasehold improvements	Straight-line	5-12 years
Vessels-Deck equipment, rib, winches, cranes and anchors	Straight-line	12 years
Vessels-Propulsion system, engine, gearbox and propellers	Straight-line	20 years
Vessels-Research and patrol hull	Straight-line	20 years
Library books	Straight-line	10-20 years
Leased assets	Straight-line	3 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimates.

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

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

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

• is separable, i.e., is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or

• arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations. A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

• it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist overthe useful life of the asset.

Where an intangible asset is separately acquired it shall be measured at cost.

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless:

(a) there is a commitment by a third party to acquire the asset at the end of Issued its useful life; or

(b) there is an active market for the asset and:

(i) residual value can be determined by reference to that market; and

(ii) it is probable that such a market will exist at the end of the asset's useful life. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Item	Useful life
Computer software, other	2-10 years
Intangible assets under development	2-10 years

Intangible assets are derecognised:

• On disposal; or

• When no future economic benefits or service potential are expected from its use or disposal.

The gain or loss from the derecognition of an intangible asset is determined as the difference between the net proceeds, if any, and the carrying amount of the intangible asset. Such difference is recognised in surplus or deficit when the intangible asset is derecognised.

1.4 Heritage assets

The principal issues in accounting for heritage assets are the recognition of the assets. The National Heritage Resource Act 25, of 1999 describes Heritage Assets as follows: "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." The National Heritage Resource Act 25, of 1999 state the following regarding the national estate:

(1) For the purposes of this Act, those heritage resources of South Africa which are of cultural significance or other special value for the present community and for future generations must be considered part of the national estate and fall within the sphere of operations of heritage resources authorities.

(2) Without limiting the generality of subsection (1) the national estate may include but not limited to:

(a) places, buildings, structures and equipment, books, records, documents of cultural significance.

SAHRA has adopted the following criteria in accessioning heritage assets:

(i) an item is important in the course, or pattern, of cultural or natural history;

(ii) an item has strong or special association with the life or works of a person, or group of persons, of importance in cultural or natural history;

(iii) an item is important in demonstrating aesthetic characteristics and/or a high degree of creative or technical achievement;

(iv) an item has strong or special association with a particular community or cultural group for social, cultural or spiritual reasons;

(v) an item has potential to yield information that will contribute to an understanding of cultural or natural history

(vi) an item possesses uncommon, rare or endangered aspects of cultural or natural history;

(vii) an item is important in demonstrating the principal characteristics of a class of cultural or natural places; or cultural or natural environments.

Classification of Heritage Assets

Assets valued have been categorised under the following headings:

a) Arts and Artifacts including objects and artwork

b) Library Books Heritage

c) Building and Monuments

If library books meet the definition of heritage assets, they are accounted for in accordance with GRAP 103 on Heritage assets. Examples of such items include:

i) The books are scarce copies from various sources and limited copies are available.

ii) No publishers are willing to reproduce these books

iii) The books will only be available for research purposes.

iv) The general public will not be allowed to take them out; they can only be viewed in the library.

v) The books will be held for an indefinite period, unless destroyed by circumstances beyond human control.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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.

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.

Recognition

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

If the entity holds assets that might be regarded as heritage assets but which, on initial recognition, do not meet the recognition criteria of a heritage asset because it cannot be reliably measured, information on such a heritage asset is disclosed in note 8 of Heritage assets.

Initial measurement

For the purpose of initial measurement for the adoption of GRAP 103, the fair value of the subject assets has been applied to determine deemed costs in accordance with Directive 7 Application of Deemed Costs. Directive 7 is used to determine the cost of assets that were acquired prior to the measurement date outlined in paragraph .04, and only if information about the historical cost of those assets is not available. Measurement is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information, in its first financial statements prepared using Standards of GRAP.

Dual purpose assets (used for service delivery and preserved and defined as a heritage asset) can only be classified as a heritage asset when a significant portion of the asset meets the definition of a heritage asset.

Valuation of heritage assets and library books

The method of valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43). The sale would be “arm’s length” with no undue pressure on purchaser or seller. In determining the value of the library books, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role, however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; then plausible value can be applied by an experienced valuation professional.

The fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. GRAP 103 provides the following methods of valuation with regard to the valuation of heritage assets:

a) In the case of specialised heritage buildings and other man-made heritage structures, such as monuments, SAHRA has used the market costs and replacement cost approach to determine fair values.

i) An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.43).

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

Subsequent measurement

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Heritage assets owned by the entity are revalued every three to five years.

Impairment

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

Useful lives of Heritage Assets have been assessed as follows:

Item	Average useful life
Buildings	Indefinite
Art and artefacts	Indefinite
Library books	Indefinite

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 determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when heritage asset is derecognised.

1.5 Investment property

Investment property is property that comprises of land and building held to earn rentals or for capital appreciation or both, rather than for:

• use in the production or supply of goods or services; or

• administrative purposes; or

• sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition. The residual value is assumed to be zero.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The gain or loss arising from the derecognition of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the investment property. Such difference is recognised in surplus or deficit when the investment property is derecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.6 Financial instruments

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

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

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions (excluding rental debtors)	Financial asset measured at amortised cost
Receivables from exchange transactions (rental debtors)	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised 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, other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures all other financial assets and financial liabilities initially at its fair value.

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 amortised cost.

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

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 rate method of any difference between that initial amount and the maturity amount, and minus any reduction directly for impairment or uncollectability in the case of a financial asset.

Fair value measurement considerations

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

• combined instrument that is required to be measured at fair value; or

• an investment in a residual interest that meets the requirements for reclassification.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

• the contractual rights to the cash flows from the financial asset expire, are settled or waived;

• the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset or

• the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has

transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- derecognises the asset; and

- recognises separately any rights and obligations created or retained in the transfer

The carrying amount of the transferred asset is 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 differences between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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.

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 nonexchange 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.

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.

1.7 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 - 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.

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

Operating leases - lessor

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

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. Any contingent rents are recognised separately as revenue in the period in which they are received.

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.

The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.8 Components of cash and cash equivalents

An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its cash flow statement with the equivalent items reported in the statement of financial position.

We have assessed and established the cash and cash equivalents to the bank balances on both operating activities as well as projects activities. No other cash component has been identified.

Included in the cash and cash equivalents are restricted funds and are held in short term deposits and may only be used in accordance with agreements with various transferors for non-exchange revenue recognition.

Bank balances contains cash and cash equivalents of the Main Bank account, and another operational bank account for permit fees. The permit fees bank account was opened in order to avoid possible unallocated deposits.

The short term deposit relate to the bank balances with restrictions and requirements for ring fencing such as the unspent conditional grants, as well as the trust funds. Also included are the funds for rental of properties to be considered for future maintenance of properties.

1.9 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

• the period of time over which an asset is expected to be used by the entity; or

• the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cashgenerating assets, are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A non-cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

• the period of time over which an asset is expected to be used by the entity; or

• the number of production or similar units expected to be obtained from the asset by the entity.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the assets' remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential.

This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

• an entity's decision to terminate an employee's employment before the normal retirement date; or

• an employee's decision to accept voluntary redundancy in exchange for those benefits.

Short-term employee benefits

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

Short-term employee benefits include items such as:

• wages, salaries and social security contributions;

• short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

• bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

• non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

• as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

• as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

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 entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Other post-retirement obligations

The entity used to provide post-retirement health care benefits upon retirement to some retirees. The council however took a decision to cease payment of these benefits.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

• estimated future salary increases;

• the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those

terms) at the reporting date; and

• estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit

plan, if, and only if, either:

• those changes were enacted before the reporting date; or

• past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.12 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

• Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

• Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 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 tosettle 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 the 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 expenditure.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is:

• a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

• a present obligation that arises from past events but is not recognised because:

- it is not probably that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;

- the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 30.

1.14 Revenue from exchange transactions

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.

Measurement

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

Interest

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; or

• 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

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

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.

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.

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 nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

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

When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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.

1.16 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.17 Finance costs

Finance costs are interest and other expenses incurred by an entity in connection with the discounting of financial liabilities.

Finance costs are recognised as an expense in the period in which they are incurred.

1.18 Fruitless and wasteful expenditure

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

Any expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance and financial position in the event 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 or financial position.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the Public Finance Management Act means expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a 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.

1.20 Segment information

A segment is an activity of an entity:

• that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

• whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

• for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The entity has satellite offices in Gauteng province as well as Eastern Cape however management has determined the operations as one of a single segment because decision making and all operating activities affecting revenue and expenditure are determined, directed and implemented centrally as such no geographical or business segments are recognised.

1.21 Budget information

The approved budget is prepared on an accrual basis.

The approved budget covers the 12 months ending 31 March 2024.

The annual financial statements and the budget are on the same basis of accounting therefore a reconciliation with the budgeted amounts for the reporting period have not been included in the Statement of comparison of budget and actual amounts.

The budget included in the Statement of Comparison of Budget and Actual Amounts is the budget as included in the Annual Performance Plan which was approved by the Accounting Authority.

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 considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

NOTES TO THE FINANCIAL STATEMENT

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

The entity has not adopted any standard and interpretation for the current financial year.

Guideline: Guideline on Accounting for Landfill Sites

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal.

Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is for years beginning on or after 01 April 2023.

The entity has adopted the guideline for the first time in the 2023/2024 annual financial statements.

The impact of the standard is not material.

GRAP 25 (as revised): Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically,the Board:

• Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.

• Required the recognition of past service costs in the year that a plan is amended,rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these revisions is for years beginning on or after 1 April 2023.

The entity has adopted the revisions for the first time in the 2023/2024 annual financial statements.

The impact of the revisions is not material.

GRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.

- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

The interpretation becomes effective with the amendments to GRAP 25.

The impact of the revisions is not material.

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements.

The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities. The entity has adopted the guideline for the first time in the 2023/2024 annual financial statements. The impact of the standard is not material.

GRAP 21: The Effect of Past Decisions on Materiality

Background

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) applies to the selection of accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events (hereafter called “items”).

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an ongoing basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially “misstated” over time. If the effect was considered material, retrospective adjustments were often made.

This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

iGRAP 21 addresses the following two issues:

• Do past decisions about materiality affect subsequent reporting periods?

• Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

The effective date of these interpretation is for years beginning on or after 01 April 2023.

The entity has adopted the interpretation for the first time in the 2023/2024 financial statements.

The impact of the interpretation is not material.

GRAP 2020: Improvements to the standards of GRAP 2020

Every three years, the Accounting Standards Board undertakes periodic revisions of the Standards of GRAP, in line with best practice internationally among standard setters.

Improvements to Standards of GRAP are aimed at aligning the Standards of GRAP with international best practice, to maintain the quality and to improve the relevance of the Standards of GRAP.

Amendments include,

GRAP 13 – Leases

• Operating leases & Sale and leaseback transactions are currently assessed for impairment in accordance with GRAP 26

• Clarify that these arrangements may also be assessed in accordance with GRAP 21

GRAP 16 – Investment Property

• Clarify that GRAP 21 may be applied to assess investment property for impairment

• Include heading "Classification of property as investment property" (par 6 and 7) & delete existing headings

• Investment property under construction (within scope of GRAP 16)

- Added heading "Guidance on initially measuring self-constructed investment property at fair value"

- Added clarification that investment property is measured at fair value at earliest of:

o completion of construction or development; or

o when fair value becomes reliably measurable

• Clarify requirements on transfers to and from Investment property

- Change in use involves an assessment on whether:

o property meets, or ceases to meet definition of investment property and

o evidence exists that a change in use has occurred

- List of examples of a change in use is regarded as non-exhaustive

GRAP 17 – Leases

• Delete example indicating that quarries and land used for landfill may be depreciated in certain instances

- Land has an unlimited useful life and cannot be consumed through its use

GRAP 20 – Related Party Disclosures

• Clarify that entity, or any member of a group of which it is part, providing management services to reporting entity (or controlling entity of reporting entity) is a related party

- Disclose amounts incurred by the entity for the provision of management services that are provided by a separate management entity

- If an entity obtains management services from another entity ("the management entity") the entity is not required to apply the requirements in paragraph .35 to the remuneration paid or payable by the management entity to the management entity's employees or those charged with governance of the entity in accordance with legislation, in instances where they are required to perform such functions

- Management services are services where employees of management entity perform functions as "management" as defined

GRAP 24 – Presentation of Budget Information in Financial Statements

• Terminology amended

- Primary financial statements amended to "financial statements" or "face of the financial statements"

GRAP 31 – Intangible Assets

• Extend requirement to consider whether reassessing useful life of intangible asset as finite rather as indefinite indicates that asset may be impaired

- Both under cost model or revaluation model

The effective date of these improvements is 01 April 2023. The entity has adopted the improvements for the first time in the 2023/2024 annual financial statements. The impact of the improvements is not material.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

• information should not be obscured by aggregating or by providing immaterial information;

• materiality considerations apply to all parts of the financial statements; and

• even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived asbeing potentially unhelpful. An entity applies judgement based on past experience and current facts and circumstances. The effective date of this amendment is 01 April 2023. The entity has adopted the improvements for the first time in the 2023/2024 annual financial statements. 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 01 April 2024 or later periods:

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

• Financial guarantee contracts issued

• Loan commitments issued

• Classification of financial assets

• Amortised cost of financial assets

• Impairment of financial assets

• Disclosures

• Interest Rate Benchmark Reform - Amendments to provide a practical expedient not to treat changes in

contractual cash flows as a modification.

• Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

• Remove encouraged disclosures with limited information value.

• Amendments to clarify the fees that an entity includes when it applies the "10 percent" test to derecognise afinancial liability.

The effective date of the revisions is for years beginning on or after 1 April 2025. It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 2023: Improvements to the standards of GRAP 2023

Every three years, the Accounting Standards Board undertakes periodic revisions of the Standards of GRAP, in line with best practice internationally among standard setters. Improvements to Standards of GRAP are aimed at aligning the Standards of GRAP with international best practice, to maintain the quality and to improve the relevance of the Standards of GRAP.

Amendments include:

GRAP 1 - Presentation on Financial Statements

• Disclosure of Accounting Policies: Changes from “significant accounting policies” to “material accounting policies” because the Standards of GRAP do not define the term “significant”.

• Provide clarity to the terms “publicly available” and “publicly accountable”.

• Remove encouraged disclosures with limited information value.

GRAP 2 – Cash Flow Statements

• Amend disclosures to read as “useful additional information that may be disclosed” as opposed to “encouraged disclosures”.

GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors

• Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

GRAP 13 – Leases

• Remove encouraged disclosures with limited information value.

GRAP 17 – Property, Plant and Equipment

• Amendments are made to prohibit proceeds from selling items produced before that asset is available, to be deducted from the cost of property, plant and equipment.

GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets

• Remove encouraged disclosures with limited information value.

GRAP 20 – Related Party Disclosures

• Update the definition of “significant influence” to align with the Standard of GRAP on Investments in Associates and Joint Ventures (GRAP 36).

GRAP 24 – Presentation of Budget Information in Financial Statements

• Provide clarity to the terms “publicly available” and “publicly accountable”

• Disclosure of Accounting Policies: Changes from “significant accounting policies” to “material accountingpolicies” because t ards of GRAP do not define the term “significant”.

• Simplify the disclosures on the presentation of a reconciliation to improve the quality of reporting, by not prescribing the line items to reconcile to.

• Re-instate the Illustrative Examples that were deleted when GRAP 24 became effective.

GRAP 31 – Intangible assets

• Remove reference to fully depreciated assets.

• Remove encouraged disclosures with limited information value.

Directive 12 – Directive on The Selection of an Appropriate Reporting Framework by Public Entities

• Disclosure of Accounting Policies: Changes from “significant accounting policies” to “material accounting policies” because the Standards of GRAP do not define the term “significant”.

Guideline: Guideline on The Application of Materiality to Financial Statements

• Disclosure of Accounting Policies: Changes from “significant accounting policies” to “material accounting policies” because the Standards of GRAP do not define the term “significant”.

• Amendments resulting from the review of the Standard of GRAP on Cash Flow Statements (GRAP 2) and the Standard of GRAP on Presentation of Budget Information in Financial Statements (GRAP 24).

The effective date of this amendment is yet to be determined by the Minister of Finance.

It is unlikely that the revisions will have a material impact on the entity’s annual financial statements.

GRAP 103: Heritage Assets

Key amendments

Changes to the following definitions were made:

• Cultural significance

• Heritage assets

Changes to the following sections were made:

• Cultural significance was added

• Heritage assets with more than one use

• Recognition of heritage assets

• Measurement of cost

• Measurement after recognition

• Impairment

• Derecognition

• Disclosure

• Transitional provisions

The effective date of this amendment is yet to be determined by the Minister of Finance.

It is unlikely that the revisions will have a material impact on the entity’s annual financial statements.

Figures in Rand	2024	2023 Restated*
3. Operating lease asset / liability		
Operating lease asset		
Non-current assets	25 192 124	24 376 879
Current assets	1 233 081	797 676
	26 425 205	**25 174 555**
Operating leases as lessor (income)		
Minimum lease payments due		
Within 1 year	793 256	175 687
In 2nd to 5th year inclusive	6 166 011	896 900
Later than 5 years	102 790 848	60 765 311
	109 750 115	**61 837 898**

Operating lease income represents rentals received by the entity from buildings owned.
Leases have terms between 1 and 65 years, with the option to extend for a further period. The rentals escalate at a rate of 8 to 10% per year on average.

Operating lease liability		
Current operating lease	22 043	32 764
Non-current operating lease liability	4 170	-
	26 213	**32 764**
Operating leases as lessee (expense)		
Minimum lease payments due		
Within 1 year	1 848 497	1 019 947
In 2nd to 5th year inclusive	2 506 330	426 347
	4 354 827	**1 446 294**

The minimum operating lease payments comprise of the:

Regional offices - rental payable by the entity for the renting at its regional offices. The leases were negotiated for a period of 60 months, with the option to renew. The rentals escalate at a rate of 8% per annum.

Printers - rental payable by the entity for the renting of printers for a period of 36 months. There is no escalation on the lease

Head Office - rental payable by the entity for the renting of its Head Office space in 79 Roeland Street. The lease was negotiated for a period of 36 months with the option to renew. The rentals escalate at a rate of 8% per annum.

The lease rentals on operating leases recognised in the general expenses note 27 amounts to R2 245 901 (2023: R2 219 487)

Figures in Rand	2024	2023 Restated*
4. Receivables from exchange transactions		
Trade receivables	313 280	494 049
Deposits	163 071	163 071
Sundry receivables	122 237	8 597
DSAC Receivable	3 394 988	1 250 030
	3 993 576	**1 915 747**
Reconciliation of receivables from exchange transactions		
Trade receivables	2 874 713	3 144 160
DSAC receivables	3 394 988	1 250 030
Sundry receivables	504 395	390 756
Deposits	163 071	163 071
Less impairment allowances	(2 943 591)	(3 032 270)
	3 993 576	**1 915 747**

No trade and other receivables were pledged as security.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
Detailed reconciliation of receivables from exchange transactions		
Gross balances		
Trade receivables	2 874 713	3 144 161
Sundry receivables	504 395	390 756
DSAC Receivable	3 394 988	1 250 030
Deposits	163 071	163 071
	6 937 167	**4 948 018**
Less: Allowance for impairment		
Trade receivables	(2 561 433)	(2 650 112)
Sundry receivables	(382 159)	(382 159)
	(2 943 592)	**(3 032 271)**
Net balance		
Trade receivables	313 280	494 049
Sundry receivables	122 236	8 597
DSAC Receivable	3 394 988	1 250 030
Deposits	163 071	163 071
	3 993 575	**1 915 747**
Trade receivables		
Current (0 - 30 days)	51 940	26 196
31- 60 days	45 844	185 912
61 - 90 days	43 038	26 196
More than 90 days	2 733 891	2 905 857
	2 874 713	**3 144 161**
Sundry receivables		
Current (0 - 30 days)	99 862	6 802
More than 90 days	404 533	383 954
	504 395	**390 756**
DSAC receivable		
Current (0 - 30 days)	**3 394 988**	1 250 030
Deposits	**163 071**	163 071
Receivables from exchange transactions		
Current (0 - 30 days)	3 546 790	1 283 028
31- 60 days	66 423	185 912
61 - 90 days	43 038	26 196
More than 90 days	3 280 915	3 452 882
	6 937 166	**4 948 018**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*

Trade and other receivables past due but not impaired

Trade and other receivables that are more than 30 days outstanding are considered past due. All receivables are individually assessed for impairment.

The entity has assessed these balances for recoverability and believes that they are still of good credit quality. The ageing of amounts past due but not impaired is as follows:

30 days	103 446	159 716
More than 90 days	344 188	1 800
	447 634	**161 516**

Trade and other receivables impaired

As of 31 March 2024, trade and other receivables of R3 228 154 (2023: R3 340 402) were impaired and provided for. The amount of the impairment allowance was R(2 943 591) as of 31 March 2024 [2023: R(3 032 271)]. The ageing of these receivables is as follows:

30 days	849	26 196
60 days	66 423	26 196
90 days	43 038	26 196
More than 90 days	3 117 844	3 261 814
	3 228 154	**3 340 402**

Reconciliation of allowance for impairment of trade and other receivables

Opening balance	3 032 270	3 276 092
Reversal of bad debt impairment	(88 679)	(243 822)
	2 943 591	**3 032 270**

5. Prepayments

Prepaid expenses	158 710	219 599
Internal advances	9 541	50 384
	168 251	**269 983**

Figures in Rand	2024	2023 Restated*

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4	4
Bank balances	26 003 843	21 182 225
Short-term deposits	72 998 490	70 045 972
	99 002 337	**91 228 201**

Restrictions on use of cash and cash equivalents

Included in bank balances and short-term deposits are amounts held that may only be used in accordance with agreements with various transferors for non-exchange revenue.

These restrictions include funds ringfenced for unspent conditional grants refer to Note 14, trust funds donated refer to Note 16 with special conditions and retained accumulated surpluses approved as approved by National Treasury. The accumulated surpluses to be retained are included in the contingencies in Note 30.

7. Property, plant and equipment

	2024			2023		
	Cost/Valuation	Accumulated depreciation and accumulaated impairment	Carrying Values	Cost/Valuation	Accumulated depreciation and accumulaated impairment	Carrying Values
Land	9 000 000	-	9 000 000	9 000 000	-	9 000 000
Buildings	11 563 308	(434 916)	11 128 392	11 517 308	(217 308)	11 300 000
Leasehold property	1 631 500	(1 628 395)	3 105	1 631 500	(1 560 688)	70 812
Plant and equipment	2 029 195	(1 295 950)	733 245	2 751 333	(1 929 407)	821 926
Furniture and fixtures	2 084 851	(1 249 569)	835 282	2 469 964	(1 442 295)	1 027 669
Motor vehicles	1 282 046	(1 007 769)	274 277	1 282 046	(940 205)	341 841
IT equipment	4 352 005	(1 519 998)	2 832 007	5 595 095	(2 740 292)	2 854 803
Vessels	-	-	-	145 000	(91 500)	53 500
Library books	582 666	(544 236)	38 430	582 666	(530 819)	51 847
Leased Assets - IT equipment	-	-	-	1 466 414	(1 466 414)	-
Non-Current Assets held for sale	-	-	-	492	-	492
Total	**32 525 571**	**(7 680 833)**	**24 844 738**	**36 441 818**	**(10 918 928)**	**25 522 890**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Reconciliation of property, plant and equipment - 2024

	Opening Balance	Additions	Disposals	Depreciation revalued asset	Depreciation	Totals
Land	9 000 000	-	-	-	-	9 000 000
Buildings	11 300 000	46 000	-	(217 307)	(301)	11 128 392
Leasehold property	70 812	-	-	-	(67 707)	3 105
Plant and equipment	821 926	25 515	(15 738)	-	(98 458)	733 245
Furniture and fixtures	1 027 669	10 051	(87 728)	-	(114 710)	835 282
Motor vehicles	341 841	-	-	-	(67 564)	274 277
IT equipment	2 854 803	705 107	(189 082)	-	(538 821)	2 832 007
Vessels	53 500	-	(53 500)	-	-	-
Library books	51 847	-	-	-	(13 417)	38 430
Non-Current Assets held for sale	492	-	(492)	-	-	-
Total	**25 522 890**	**786 673**	**(346 540)**	**(217 307)**	**(900 978)**	**24 844 738**

Reconciliation of property, plant and equipment - 2023

	Opening Balance	Additions	Revaluations	Depreciation revalued asset	Depreciation	Totals
Land	3 000 000	-	-	-	-	9 000 000
Buildings	16 685 186	-	(217 308)	(217 308)	-	11 300 000
Leasehold property	229 357	-	-	-	(158 545)	70 812
Plant and equipment	526 230	412 590	(15 738)	-	(116 894)	821 926
Furniture and fixtures	1 152 211	16 046	(87 728)	-	(140 588)	1 027 669
Motor vehicles	418 311	-	-	-	(76 470)	341 841
IT equipment	1 547 114	1 701 316	(189 082)	-	(393 627)	2 854 803
Vessels	53 500	-	(53 500)	-	-	53 500
Library books	108 496	1 362	-	-	(58 011)	51 847
Leased Assets - IT equipment	329 445	-	-	-	(329 445)	-
Non-Current Assets held for sale	492	-	(492)	-	-	492
Total	**24 050 342**	**2 131 314**	**832 122**	**(217 308)**	**(1 273 580)**	**25 522 890**

Pledged as security

A register of land and buildings is available for inspection at the business address. The entity is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of the Department of Sports, Arts and Culture. In addition, there are further restrictions on the alienation of certain properties held by the entity due to the ordinances and other specific restrictions from the donors. Land and buildings above include leasehold improvements with a net carrying amount of R3 105 (2023: R70 812).

There were no items of Property, Plant and Equipment pledged for security for liabilities.

There are commitments to the value of R2 735 925 for the acquisition, maintenance and restoration of the Property, Plant and Equipment - Land and Buildings. Refer to Note 38.

Figures in Rand	2024	2023 Restated*
Repairs and Maintenance to property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Buildings	0	130 528
IT Equipment	5 159	0
Motor Vehicle	28 136	23 328
Plant and Equipment	128 512	19 590
Leasehold property	271 638	0
	433 445	**173 446**

8. Intangible assets

	2024			2023		
	Cost/Valuation	Accumulated and accumulated impairment	Carrying Values	Cost/Valuation	Accumulated and accumulated impairment	Carrying Values
Software	396 491	(248 809)	147 682	396 491	(214 357)	182 134
Website (Internally generated)	650 550	(494 869)	155 681	628 413	0	628 413
Total	**1 047 041**	**(743 678)**	**303 363**	**1 024 904**	**(214 357)**	**810 547**

Reconciliation of intangible assets - 2024

	Opening Balance	Additions	Amortisations	Impairement Loss	Totals
Computer software	182 134	0	(34 452)	0	147 682
Website (Internally generated) SAHRIS	628 413	22 137	(8 194)	(486 675)	155 681
Total	**810 547**	**22 137**	**(42 646)**	**(486 675)**	**303 363**

Reconciliation of intangible assets - 2023

	Opening Balance	Additions	Amortisations	Totals
Computer software	216 544	0	(34 410)	182 134
Website (Internally generated) SAHRIS	588 548	39 865	0	628 413
Total	**805 092**	**39 865**	**(34 410)**	**810 547**

The factors considered in determining the useful life were based on the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the asset where by the Heritage Sector is considered stable and being a National Entity, no fluctuation exist as the entity is mandated with the National Estate. However due to the possibility of technological changes and other similar factors it was indeed considered prudent to amortise the SAHRIS intangible asset over 10 years.

There were no items of Intangible assets pledged for security for liabilities.

9. Heritage assets

	2024			2023		
	Cost/Valuation	Accumulated and accumulated impairment	Carrying Values	Cost/Valuation	Accumulated and accumulated impairment	Carrying Values
Art and artifacts	220 018	0	220 018	247 273	0	247 273
Library books	1 722 218	0	1 722 218	1 722 218	0	1 722 218
Land and buildings	51 698 371	0	51 698 371	52 664 132	0	52 664 132
Total	**53 640 607**	**0**	**53 640 607**	**54 633 623**	**0**	**54 633 623**

Reconciliation of heritage assets 2024

	Opening Balance	Additions	Disposals	Transactions	Revaluation increase/ (decrease)	Impairment losses (recognised)/ reversed directly in Net assets	Totals
Art and artifacts	247 273	0	(27 255)	0	0	0	220 018
Library books	1 722 218	0	0	0	0	0	1 722 218
Land and buildings	52 664 132	3 194 698	0	(9 200 000)	5 092 496	(52 955)	51 698 371
Total	**54 633 623**	**3 194 698**	**(27 255)**	**(9 200 000)**	5 092 496	**(52 955)**	**53 640 607**

Reconciliation of heritage assets 2023

	Opening Balance	Additions	Revaluation increase/ (decrease)	Impairment losses (recognised)/ reversed directly in Net assets	Totals
Art and artifacts	247 273	0	0	0	247 273
Library books	1 722 218	0	0	0	1 722 218
Land and buildings	48 428 045	4 082 582	353 172	(199 667)	52 664 132
Total	**50 397 536**	**4 082 582**	353 172	**(199 667)**	**54 633 623**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Library books

Management defines the fair value measurement as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. Library books were revalued as at 31 March 2021 by an independent valuer. The current market related auction was determined via online research results, both locally and internationally. In verifying some of the more specialised items, valuation was also often based on current research papers.

Art and artefacts

Management define the fair value measurement as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The art and artefacts were revalued as at 31 March 2021 by an independent valuer. The current market related auction were determined via online research results, both locally and internationally. In verifying some of the more specialised items, valuation was also often based on current research papers.

Land and buildings

The leased land at Daljosafat farm was revalued on 01 January 2024 by an independent valuer. The method of valuation employed was discounted cashflow method.

Transfers

During the 2024 financial year Land to the value of R9 200 000 reclassified from heritage assets to investment property as it was repurposed to generate income

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
Land and Buildings		
Woustersen Wessel Vault, Green Point	880 000	880 000
Van Riebeek`s Hedge, Bishopscourt	2 200 000	2 200 000
Hugo Family Vault, Simon's Town	300 000	300 000
Klein Bosch Cemetery, Dal Josafat	70 000	70 000
Groenberg School, Wellington	1 200 000	1 200 000
Erf 56, Tulbagh	671 850	671 850
Erf 225, Tulbagh	711 900	711 900
The Lookout, Uitenhage	220 000	220 000
Old Congregation Church, Cradock	2 295 898	1 387 748
Old Residency, King Williamstown`s Town	1 330 000	1 330 000
Garden of Remembrance, Aliwal North	1 350 000	1 350 000
Burgher Monuments, Boomplaats	75 000	75 000
Union Masonic Temple, Kimberley	1 101 259	220 000
Moorddrift Monument, Potgietersrus	26 000	26 000
Old English Fort, Marabastad	104 000	104 000
Verduin Ruins, Soutpansberg District	20 500	20 500
Powder Magazine, Potchesfstroom	62 000	62 000
Old Fort and Cemetery, Potchefstroom	200 000	200 000
Site of Dr. David Livingstone’s House, Marico District	7 500	7 500
Blarney Cottage, Richmond	373 000	373 000
Birth Place of General Louis Botha, Greytown	95 000	95 000
Spioenkop Battlefield, Ladysmith	1 100 000	1 100 000
Elandslaagte Memorial, Ladysmith	34 000	34 000
Piet Retief’s Grave, Ulundi	187 000	187 000
Mapoch’s Caves, Roossenekal	1 023 800	1 023 800
Krugerhof, Waterval-Boven	350 000	350 000
Fisherman Cottage, Struisbaai	3 567 930	3 600 000
Welcome Cottage, Simon`s Town	5 055 318	4 519 253
Mooimeisiesfontein, Grahamstown	2 196 118	1 963 061
Dal Josafat Farms, Paarl	9 470 298	12 962 520
Valkenburg, Observatory City of Cape Town	5 900 000	5 900 000
Het Posthys, Muizenburg	4 900 000	4 900 000
Onderdal School, Wellington	2 200 000	2 200 000
Old Gaol, Grahamstown	2 420 000	2 420 000
	51 698 371	**52 664 132**

	2024	2023 Restated*
Repairs and maintenance - Heritage assets		
SAHRA Heritage Assets	**0**	**444 162**
Other Heritage and Memorials	**1 102 505**	**409 171**
	1 102 505	**853 333**

There are commitments to the value of R3 082 812 for the acquisition, maintenance and restoration of the Heritage Land and Buildings. Refer to Note 38.

A register of land and buildings is available for inspection at the business address. The entity is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of the Department of Sports, Arts and Culture. In addition, there are further restrictions on the alienation of certain properties held by the entity due to the ordinances and other specific restrictions from the donors. Another portion of Heritage land and buildings is leased to third parties. Refer to note 3 for further information.

There were no items of Heritage assets pledged for security for liabilities.

10. Investment property

	2024			2023		
	Cost/Valuation	Accumulated depreciation and accumulaated impairment	Carrying Values	Cost/Valuation	Accumulated depreciation and accumulaated impairment	Carrying Values
Land	9 200 000	0	9 200 000	0	0	0

Reconciliation of investment property - 2024

	Opening Balance	Transfers received	Amortisations
Land	0	9 200 000	9 200 000
Rental revenue earned on the Investment Property	602 973		

The value of investment properties is per the valuation done on the 01 January 2024. The land included in investment property are listed above. The land was revalued as at 01 January 2024 by an independent valuer. The method of valuation employed was discounted cashflow method.

A register of land and buildings is available for inspection at the business address. The entity is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of the Department of Sports, Arts and Culture. In addition, there are further restrictions on the alienation of certain properties held by the entity due to the ordinances and other specific restrictions from the donors. Another portion of Heritage land and buildings is leased to third parties. Refer to note 3 for further information.

No commitments were incurred for investment property.

There were no items of Investment Property pledged for security for liabilities.

Figures in Rand	2024	2023 Restated*
11. Finance lease obligation		
Minimum lease payments due		
- within one year	0	6 974
	0	6 974
less: future finance charges	0	(45)
Present value of minimum lease payments	0	6 929
Present value of minimum lease payments due		
- within one year	0	6 929

It is entity policy to lease certain equipment under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate applied was the prime rate.

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

The finance lease relates to two rental of laptops non-cancellation lease contracts from ROCARM commencing 01 December 2019 till 30 November 2022 for the first contract and additional amendment which includes rental of a further two more laptops on the same term and the first commencing 01 July 2020 and ending on the 30 June 2023.

12. Payables from exchange transactions

Trade payables	2 232 550	1 723 649
Sundry payables	760 514	821 692
Deposits received	146 395	60 728
Accruals	2 477 189	2 075 362
	5 616 648	**4 681 431**

The amounts disclosed in the trade payables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

13. Employee medical benefit obligations

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

Changes in the present value of the employee benefit obligation		
Opening accrued liability	1 841 569	1 981 627
Gain on derecognition of employee benefits	(1 836 268)	0
Current interest cost	146 031	200 011
Medical contributions subsidies for continuation pensioners	(145 600)	(179 699)
Actuarial gains	(5 732)	(160 370)
	0	**1 841 569**

Figures in Rand	2024	2023 Restated*
Carrying value		
Non-current employee benefit obligation	0	(1 643 912)
Current employee benefit obligation	0	(197 657)
	0	(1 841 569)
Reconciliation of the opening accrued liability to the current valuation:		
Opening balance	1 841 568	1 981 627
Net Change in accrued liability	(1 841 568)	(140 059)
	0	**1 841 568**
Net expense recognised in the Statement of Financial Performance		
Interest cost	146 031	200 011
Actuarial gains	(5 732)	(160 370)
	140 299	**39 641**
Medical contributions subsidies for continued pensioners:		
Medical contribution	(145 600)	(179 699)
Net change in accrued liability		
Net expense recognised in Statement of Financial Performance	140 299	39 640
Medical contribution	(145 600)	(179 699)
Derecognition of employee benefits	(1 836 268)	0
	(1 841 569)	**(140 059)**

In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been applied. The assumption underlying the funding method is that the employer's post-retirement medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The valuation has been made with reference Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 207, and is consistent with the requirements of GRAP 25.

The council however took a decision in October 2023 to cease payment of these benefits effectively in December 2023. The decision resulted in the derecognition of the Employee medical benefit obligation of approximately R 1,8 million. At the time of derecognition the entity had incurred finance costs of R 146,031 medical contributions of R 145,600 as well as realising actuarial gains of R 5,732.

The derecognition of these medical benefit obligations is being contested by some parties with a vested interest and acontingent liability has been disclosed in Note 30 for the contingencies.

Figures in Rand	2024	2023 Restated*
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	11,86 %	11,15 %
Expected rate of return on assets	9,28 %	8,84 %
Expected rate of return on reimbursement rights	2,26 %	6,34 %
Medical cost trend rates	2,36 %	2,12 %
Expected increase in salaries	4,76 %	4,52 %

Discount rate assumption

The discount rate should be set with reference to a high-quality corporate bond. In countries where there is no deep market in such bonds, the market yield on government bonds should be used. The discount rate that reflects the time value ofmoney is best approximated by reference to market yields at the reporting date on government bonds. We have set the discount rate by using the average yields from the zero-coupon government bond curve with a duration of between 7 and 12 years. The recommended discount rate is 11,86%. The source is the Johannesburg Stock Exchange through INET BFA IReSS data service.
The previous valuation used a discount rate of 11,15%.

Health care cost inflation

The medical aid inflation rate was set with reference to the past relationship between CPI and medical aid contribution rate Inflation. We have derived the underlying future rate of consumer price index inflation (CPI inflation) from the relationship between the Nominal Zero Bond Curve and the Real Zero Bond Curve as at the same date of 31 March 2023. The healthcare cost inflation rate was then assumed to be at a premium of 2.50% of the CPI.

Net discount rate

Even though the actual values used for the discount rate and the expected increase in medical inflation are important, the “gap” between the two assumptions is more important. This “gap” is referred to as the net discount rate. The net discount rate is 2,36% per annum. (Derived from a discount rate of 11,86% and the expected medical inflation of 9,28%).

Other assumptions

Post retirement mortality

We have used the PA (90) mortality table with a -2 year adjustment. The previous valuation stated that the PA (90) table was used unadjusted. However, the sensitivity section in the previous report referred to PA (90) -2 years as being the base assumption used. The PA (90) table is based on statistics from the United Kingdom in 1990. A 2-year reduction to this table is a common assumption for valuing liabilities in South Africa and assumes that retired employees will on average live for 2 years longer than the table suggests. The sensitivity section in the report reflects the difference of a 2-year increase or reduction in the mortality assumption.

Family statistics

There are no retired employees with a dependant spouse.

Net discount rate

The net discount rate decreased during the valuation period. The decrease in the net discount rate is inversely related to the accrued obligation. As a result, the increase in the discount rate resulted in an increase in the accrued liability and medical contribution increases. This resulted in a decrease in the accrued liability.

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

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	0	181 720
Effect on defined benefit obligation	0	(115 232)

Amounts for the current and previous four years are as follows	2024	2023	2022	2021	2020
Defined benefit obligation	0	1 841 568	1 981 627	2 066 586	3 302 000

Figures in Rand	2024	2023 Restated*

14. Unspent conditional grants and receipts

Unspent conditional grants and receipts		
Unspent grants	59 562 783	51 485 226

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
Movement during the year		
Balance at the beginning of the year	51 485 220	24 758 583
Condition met and transferred to revenue	(4 774 155)	(2 741 896)
Additions during the year	12 541 998	29 265 435
Interest earned during the year	309 720	203 104
	59 562 783	**51 485 226**
Reconciliation of unspent conditional grants and receipts		
14.1 Makapans		
Balance at the beginning of the period	2 457 909	2 326 934
Conditions met and transferred to Revenue	(1 080)	(1 035)
Interest earned during the year	201 824	132 010
	2 658 653	**2 457 909**
Reconciliation of unspent conditional grants and receipts		
14.2 Makgabeng		
Balance at the beginning of the period	1 337 917	1 269 302
Conditions met and transferred to Revenue	(1 080)	(1 035)
Interest earned during the year	106 453	69 650
	1 443 290	**1 337 917**
Reconciliation of unspent conditional grants and receipts		
14.3 Dutch projects		
Balance at the beginning of the period	418 724	535 731
Condition met and transferred to revenue	0	(118 450)
Interest earned during the year	1 443	1 443
	420 167	**418 724**
Reconciliation of unspent conditional grants and receipts		
14.4 Acquisition/ upgrading of SAHRA Head Office		
Balance at the beginning of the period	30 938 426	15 760 495
Addition during the year	2 555 217	13 208 231
Transfer from Fire detection	0	2 000 000
Condition met and transferred to revenue	(46 000)	(30 300)
	33 447 643	**30 938 426**
Reconciliation of unspent conditional grants and receipts		
14.5 Fire detection		
Balance at the beginning of the period	0	2 000 000
Transfer to Acquisition/ upgrading of SAHRA Head Office	0	(2 000 000)
	0	**0**

Figures in Rand	2024	2023 Restated*
Reconciliation of unspent conditional grants and receipts		
14.6 Presidential Employment Stimulus Package		
Balance at the beginning of the period	**2 526 103**	**2 526 103**
Reconciliation of unspent conditional grants and receipts		
14.7 Dubai Expo		
Balance at the beginning of the period	**340 019**	**340 019**
Reconciliation of unspent conditional grants and receipts		
14.8 CATHSSETA		
Addition during the period	0	157 204
Condition met and transferred to revenue	0	(157 204)
	0	**0**
Reconciliation of unspent conditional grants and receipts		
14.9 Fencing and Security		
Balance at the beginning of the period	7 882 529	0
Additions during the year	1 862 403	10 000 000
Conditions met and transferred to revenue	(1 202 525)	(2 117 471)
	8 542 407	**7 882 529**
Reconciliation of unspent conditional grants and receipts		
14.10 Eastern Seaboard Smart City Development		
Balance at the beginning of the period	5 000 000	5 000 000
Conditions met and transferred to revenue	(1 575 828)	0
	3 424 172	**5 000 000**
Reconciliation of unspent conditional grants and receipts		
14.11 Department of Military Veterans Botswana Graves		
Balance at the beginning of the period	583 599	0
Addition during the period	0	900 000
Condition met and transferred to revenue	(453 418)	(316 401)
	130 181	**583 599**
Reconciliation of unspent conditional grants and receipts		
14.12 Museum Labs		
Addition during the period	1 030 774	0
Condition met and transferred to revenue	(1 030 774)	0
	0	**0**
Reconciliation of unspent conditional grants and receipts		
14.13 Survey of graves of fallen heroes		
Additions during the year	**2 793 604**	**0**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
Reconciliation of unspent conditional grants and receipts		
14.14 Chief Bungeni Memorial		
Additions during the year	500 000	0
Condition met and transferred to revenue	(463 450)	0
	36 550	**0**
Reconciliation of unspent conditional grants and receipts		
14.15 Duncan village		
Additions during the year	3 800 000	0
Condition met and transferred to revenue	0	0
	3 800 000	**0**

14.1 Makapans
Makapans Valley Development
(Agreement signed in 28 August 2003, no required completion date noted).

The grant agreement indicates that money paid to SAHRA must be used for the specific purpose.
The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed.
Unspent funds at end of the project are to be paid back to the NLDTF.

14.2 Makgabeng
Write the history of Makgabeng and survey, research and document heritage resources in Makgabeng
(Agreement signed in 11 June 2003, no required completion date noted).

Under the agreement, the money paid to SAHRA must be used for the specific purpose.
The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if themoney is not used in the manner agreed.
Unspent funds at end of the project are to be paid back to the NLDTF.

14.3 Dutch Projects
The project is between SAHRA and Cultural Heritage Agency to gather information about historical Dutch shipwrecks within South Africa territorial waters that have been subject to human intervention, principally non-archaeological salvage and treasure hunting in nature. (Project plan signed on 23 November 2015)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Kingdom of the Netherlands has the right to demand repayment if the money is not used for its intended purpose.

14.4 Acquisition / upgrading of SAHRA head office.
The project is between SAHRA and Department of Sport, Arts and Culture for the Acquisition /upgrading of SAHRA head office as approved by the Director General on 31 July 2020. Under the agreement the money paid to SAHRA must be used or specific purpose.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

14.5 Fire Detection

The project is between SAHRA and Department of Sport, Arts and Culture for the upgrade of fire detection alarm and sprinkler system as approved by the Director General on 02 March 2018.
Under the agreement, the money paid to SAHRA must be used for the specific purpose.

14.6 Presidential Employment Stimulus Programme

The project is between SAHRA and Department of Sport, Arts and Culture for the Presidential Employment Stimulus Program (PESP) as approved by the Director General on 23 October 2020. Under the agreement the money paid to SAHRA must be used for specific purpose. During the current financial year 2022/2023 an amount of R2 526 103 was approved for roll over and will be applied in accordance with term of a memorandum to be entered into between the Department and SAHRA. At 31 March 2024 no agreement had been concluded.

14.7 Dubai Expo

The project is between SAHRA and Department of Sport, Arts and Culture for the Dubai World Expo 2020. Under the agreement the money paid to SAHRA must be used for specific purpose.

14.8 CATHSSETA

This relates to a discretionary grant to SAHRA from CATHSSETA.

14.9 Fencing and Security

This relates to a DSAC funded infrastructure project for the fencing and security of SAHRA properties.

14.10 Eastern Seaboard Smart city Project

This relates to a DSAC funded audit of Cultural Heritage asset for the Smart city project in the Eastern Seaboard region.

14.11 Department of Military Veterans - Botswana Graves Project

This relates to a Department of Military Veterans funded project for the rehabilitation of the Botswana 4 graves project.

14.12 Museum Labs

This relates to the GIZ funded grant under the project Museum Las.

14.13 Survey of foreign graves of fallen heroes

This grant is funded by DSAC for the Survey and mapping of heritage resources and graves in the SADC region.

14.14 Chief Bungeni Memorial

This is a DSAC funded project for the construction of a memorial of Chief Bungeni.

14.15 Duncan Village

This grant is funded by the DSAC for the memorial Restoration and Declaration of the Grave sites of the Victims of the Duncan Village 1985 Massacre - Commemorating the Resistance & Liberation Heroines and Heroes of Duncan Village.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
15. Short-term Employee benefits		
Accrued leave pay	2 405 482	2 442 105
Accrual for 13th cheque	931 707	938 453
Provision for performance bonus	0	12 937
	3 337 189	**3 393 495**
16. Other financial liabilities		
Designated at fair value		
Trust liabilities	**194 205**	**174 269**

Trust liabilities reflect monies held in trust accounts to be used for a specific purpose or project such as the maintenance of a specified asset as such its restricted cash.

Figures in Rand	2024	2023 Restated*
17. Revaluation reserve		
Opening balance	43 535 885	42 567 899
Adjustment on assets directly recognised in net assets	(270 264)	(217 307)
Revaluation surplus	5 092 496	1 185 293
	48 358 117	**43 535 885**
18. Other income		
Other income	**111 347**	**118 081**
19. Reimbursement -Legal fees		
Reimbursement legal fees	**3 394 988**	**1 250 030**
20. Insurance refund		
Insurance refund	**21 480**	**2 416 304**
21. Interest received		
Interest revenue		
Interest received - SAHRA bank accounts	**7 294 444**	**3 891 893**
22. Revenue		
Permit fees	1 825 439	340 451
Rental of facilities and equipment	2 448 945	1 604 466
Income from reversal of provision	88 679	243 822
Other Income	111 347	118 081
Actuarial gain	5 732	160 369
Reimbursement legal fees	3 394 988	1 250 030
Insurance refund	21 480	2 416 304
Gain on derecognition of employee benefits	1 836 268	0
Interest received	7 294 444	3 891 893
Government grants and subsidies	62 207 000	62 839 000
Trust funds - Interest received	234 095	131 605

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
Public contributions and donations	0	300
Other grants	4 774 155	2 741 896
	84 242 572	**75 738 217**

The amount included in revenue arising from exchanges of goods or services are as follows:

Permit fees	1 825 439	340 451
Rental income	2 448 945	1 604 466
Reversal of debt impairment	88 679	243 822
Other income	111 347	118 081
Actuarial gain	5 732	160 369
Reimbursement legal fees	3 394 988	1 250 030
Insurance refund	21 480	2 416 304
Gain on derecognition of employee benefits	1 836 268	0
Interest received	7 294 444	3 891 893
	17 027 322	**10 025 416**

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants and subsidies (Department of Sport, Art and Culture)	62 207 000	62 839 000
Trust funds - Interest received	234 095	131 605
Public Contributions and donations	0	300
Other grant revenue	4 774 155	2 741 896
	67 215 250	**65 712 801**

23. Government grants and subsidies

Government grants and subsidies (Department of Arts and Culture)	**62 207 000**	**62 839 000**

This related to transfer allocation for operational activities and is not conditional.

24. Salaries and benefits

Acting allowances	741 222	745 015
Basic	37 000 051	33 635 923
13th cheque	1 542 116	1 661 043
Housing benefits and allowances	837 290	832 203
Leave pay charge	447 452	173 247
Long-service awards	35 000	85 000
Medical aid - company contributions	1 431 742	1 490 510
Provident fund	3 782 918	3 694 931
Relocation and removal costs	163 114	67 341
SDL	400 110	366 602
Travel, motor car, accommodation, subsistence and other allowances	413 416	410 884
UIF	186 693	170 588
WCA	77 708	62 940
	47 058 832	**43 396 227**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Executive committee remuneration -March 2024	Annual Remuneration	Long Service award	Once off bonus	13th Cheque	Allowances	Total
L. Malgas Chief Executive Officer Employment date: 01.03.2020 Term 2023: 12 months	1 776 538	0	54 331	0	24 000	1 854 869
K. Nkhasi-Lesaoana Executive Officer: Heritage Information Policy and Skills Development - Employment date: 01.12.2017 Term 2020: 12 months Acting Executive Officer: Heritage Conservation Management- Employment date: 01.03.2020 Term 2023: 12 months	1 165 439	10 000	37 373	89 532	12 000	1 314 344
S. Mome Company Secretary Employment date: 01.08.2020 Term 2023: 12 months	1 085 824	0	34 789	0	12 000	1 132 613
L Tukwayo Chief Finance Officer Employment date:01.04.2022 Term 2023: 12 months	1 329 828	0	45 000	0	156 000	1 530 828
N. Mphambani Acting Executive Officer: Corporate Services Employment date: 09.10.2020 Term 2023: 12 months	1 104 426	0	33 776	0	12 000	1 150 202
Total	**6 462 055**	**10 000**	**205 269**	**89 532**	**216 000**	**6 982 856**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Executive committee remuneration -March 2023	Annual Remuneration	Long Service award	Once off bonus	13th Cheque	Allowances	Total
L. Malgas Chief Executive Officer Employment date: 01.03.2020 Term 2022: 12 months	1 811 034	5 000	12 000	0	24 000	1 852 034
K. Nkhasi-Lesaoana Executive Officer: Heritage Information Policy and Skills Development - Employment date: 01.12.2017 Term 2020:12 months Acting Executive Officer: Heritage Conservation Management Employment date:01.03.2020 Term 2022: 12 months	1 151 119	0	12 000	86 452	148 279	1 397 850
S. Mome Company Secretary Employment date: 01.08.2020 Term 2022: 12 months	1 159 647	0	12 000	0	12 000	1 183 647
L Tukwayo Chief Finance Officer Employment date: 01.08.2020 Term 2023: 12 months	1 356 000	0	12 000	0	156 000	1 524 000
N. Mphambani Acting Executive Officer: Corporate Services Employment date: 09.10.2020 Term 2022: 12 months	1 125 871	0	12 000	0	12 000	1 149 871
Total	**6 603 671**	**5 000**	**60 000**	**86 452**	**352 279**	**7 107 402**

Figures in Rand	2024	2023 Restated*
Council - Fees		
Makhweyane, M.T Mr**	0	56 330
Mellet, PWT. Mr	113 387	128 689
Mpahlwa, L. (Dr) (Chairperson)	184 243	183 820
Serekoane, MJ. Mr	282 181	199 750
Moduka, B. Mr	118 296	24 112
Bouillon, S. (Prof)**	0	39 697
Masooa, M.E. Mr**	0	41 814
Ramugumo, R. Mr**	0	4 447
Mgijima, B. Mr**	0	17 760
Mpomela, I. Mr*	0	0
Ramantsi, K. Mr*	0	0
Maumela, VK. Mr*	0	0
Mdludlu, M. Mr	64 926	52 473
Mnculwane, V. (Dr)	26 235	12 897
Parker, R. Mrs	42 696	39 692
Poho, T. Mr	74 259	60 599
Sharfman, J.(Dr)	86 906	51 915
	993 129	**913 995**

* No remuneration for the year under review because the member works for the public sector
** Member`s term terminated during the 2023 financial year.

Audit and Risk Committee - Fees		
Gani, R. Ms	45 780	41 792
Bouillon, S. (Prof)**	0	15 552
Sello, K. Mr (Chairperson)	111 953	122 412
Parker, R. Mrs	12 015	0
Dhlomo, I. Mr*	0	11 898
Poho, T. Mr	32 040	11 898
	201 788	**203 552**

* No remuneration for the year under review because the member works for the public sector
** Member`s term terminated during the 2023 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
25. Depreciation and Amortisation		
Property, plant and equipment	900 977	1 273 584
Intangible assets	42 646	34 410
	943 623	**1 307 994**
26. Finance costs		
Employee benefit obligation -current interest cost	146 156	200 010
Finance leases	0	11 615
Interest and penalties	0	1 825
	146 156	**213 450**
27. General expenses		
Administrative expenses	50 145	12 187
Advertising	162 308	162 908
Auditors` remuneration	1 928 340	1 988 767
Bank charges	68 771	63 745
Catering and refreshments	245 681	238 693
Cleaning	214 675	343 239
Computer expenses	1 470 260	1 233 429
Conference costs	6 600	2 854
Consulting and professional fees	7 691 429	4 583 423
Consumables	6 968	4 640
Council Fees	1 194 917	1 117 547
Heritage promotion	0	771 530
Insurance	407 170	358 886
Internal audit	219 207	494 690
Lease rentals on operating lease	2 245 901	2 219 487
Motor vehicle expenses	147 411	249 216
Postage and courier	25 844	31 665
Printing and stationery	142 863	180 666
Publications	16 675	62 439
Security	2 561 063	2 517 633
Staff bursaries	142 094	269 886
Staff membership fees	19 000	29 197
Staff welfare	75 677	89 774
Telephone and fax	940 007	1 132 871
Travel expenditure	5 134 394	4 027 052
Uniforms	90 167	56 067
Water and electricity	1 978 717	1 878 690
Workshops	363 548	215 784
	27 549 832	**24 336 965**
28. Auditors' remuneration		
Audit fees	**1 928 340**	**1 988 767**

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
29. Cash generated from operations		
Surplus / (Deficit)	6 078 945	5 257 135
Adjustments for:		
Depreciation and amortisation	943 623	1 307 994
Actuarial gain	(5 732)	(160 369)
Loss on disposal of assets and liabilities	373 795	0
Impairment loss	486 675	199 667
Movements in operating lease asset and accruals	(1 250 650)	(813 647)
Movements in retirement benefit assets and liabilities	(1 836 268)	0
Reversal on debt impairment	(88 679)	(243 822)
Current interest cost	146 030	200 011
Medical contributions subsidies for continuation pensions	(145 600)	(179 699)
Changes in working capital:		
Receivables from exchange transactions	(1 989 150)	(559 738)
Prepayments	101 731	40 063
Payables from exchange transactions	935 215	3 282 590
Short-term - Employee benefits	(56 306)	23 141
Unspent conditional grants and receipts	8 077 557	26 726 643
Operating lease liability	(6 552)	(62 992)
Other financial liability	19 940	11 404
	11 784 574	**35 028 381**

30. Contingencies

The entity has not requested permission to retain accumulated surpluses R34 453 083 (2023: R33 345 586).

a) A possible obligation exists due to a matter brought before the High Court by Midnight Storm Investments against the Minister of Department of Sport, Arts and Culture where SAHRA has been listed as the fourth defendant on a matter relating to the expropriation of a property by Midnight Storm Investment. The matter has not been finalised at 31 March 2024.

b) Litigation is in the process against South African Heritage Resources Agency relating to a dispute with former employees of the entity.

(i) The former employee Mr K Sekhabisa (former Chief Financial Officer) is challenging the termination of this employment contract and claiming unfair dismissal. The former employee approached Labour Court after the CCMA had given the award to SAHRA on the matter. Should the worst case scenario happens, which doubted, section 194 of the Labour Relations Act limits compensation to 12 months in gross cases, which could not be the case here. Therefore the settlement amount is claiming is estimated to be R 751,280 should the Labour court find in favour of a former employee.

As of 31 March 2024, is that SAHRA still has not received a notice of setdown indicating date of hearing of the review. (it being noted that the former CFO is dominis litis or is the master of the litigation in that the movement will be determined by him)

(ii) The former employee Ms Seetelo (former Manager Burial Grounds and Graves) is challenging the entity on unfavour labour practice alleging and citing constructive dismissal. The employee tendered her resignation with immediate after SAHRA had received a recommendation to dismiss her subsequent to a disciplinary hearing which had found her guilty for misconduct. The former employee approached the CCMA for constructive dismissal. Should the worst case scenario happens, which doubted, section 194 of the Labour Relations Act limits compensation to 12 months in gross cases, which could not be the case here. Therefore the settlement amount she is claiming is estimated to be R 366,503 should the Labour court find in favour of a former employee.

The matter of alleged constructive dismissal, arbitration of the matter is still ongoing at Pretoria CCMA. It was part heard during the year wherein in September 2023, Ms Seetelo arrived very late and at that time SAHRA had received a Default Judgment against her which was later set aside following her motivation. It was then set down for hearing which continued in 2024.

c) Litigation is in the process after South African Heritage Resources Agency received a notice of set down for inspection in loco of properties that were subject to claims.

On the 24th February 2023, SAHRA received a notice of set down for inspection in loco of properties that were subject to claims. The properties listed in the claim were Rhenosterfontein 1051 (Spioenkop Battlefield) Brakfontein 1046 (Elandslaagte Memorial). At this point SAHRA is waiting to be joined to the proceedings when the matter is set down. SAHRA was initially erroneously left out from the proceedings even though it is one of the owners of properties listed in the matter. SAHRA is yet to be joined in the proceeds, however, should worst case scenario happens, the claim would be granted and the two properties would be transferred in favour of the claimants.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

The inspection in loco was set down for 3rd April 2023. SAHRA awaits service of pleadings joining it in the proceedings. SAHRA has not been served with further Court papers, as an affected party, herein.

d) Following the litigation initiated by SAHRA (SAHRA with DSAC and Robben Island Museum initiated proceedings against Dr Makaziwe Mandela and others), Dr Mandela served Summons against SAHRA on the 3rd May 2023.

The litigation by SAHRA involved initiating proceedings for the return of the heritage objects that belonged to or are associated with the late President Nelson Mandela that were exported out of South Africa illegally. The Summons were in claiming defamation.

The litigant is claiming damages of approximately R 1 million.

As of 31 March 2024, SAHRA had filed responding Court documents (Plea) in this matter. It has not been set down for hearing yet.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Figures in Rand	2024	2023 Restated*
31. Related parties		
Related party balances		
Unspent conditional grants and receipts		
Makapans (National Lottery fund)	2 658 653	2 457 903
Makgabeng (National Lottery fund)	1 443 352	1 337 917
Presidential Employment Stimulus Package	2 526 102	2 526 103
SAHRA office accommodation	33 447 643	30 938 426
Dubai Expo	340 019	340 019
Fencing and Security	8 542 407	7 882 529
Eastern Seaboard Smart City Development	3 424 172	5 000 000
Survey of graves	2 793 604	0
Chief Bungeni	36 550	0
Duncan	3 800 000	0
Department of Military Veterans		
Botswana 4 project	130 181	583 599
Amounts owed to the entity by Department of Sport, Arts and Culture		
DSAC Receivable	3 394 988	1 250 030
Related party transactions		
Department of Sport, Arts and Culture		
DSAC Operation Grant received	62 207 000	62 839 000
DSAC Survey of graves	2 793 604	0
DSAC Chief Bungeni	500 000	0
DSAC Duncan Village	3 800 000	0
Fencing and Security	1 862 403	10 000 000
Office Accommodation	2 555 217	13 208 231
Eastern Seaboard smart city Development	0	5 000 000
DSAC Re-imbursement of legal fees	3 394 988	1 250 030
SETA		
CATHSSETA - Discretionary Grant	0	157 204
Department of Military Veterans		
Botswana 4 Project	0	900 000

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Relationships

Members of key management - Refer to council fees' report note 19
Dr. L. Mpahlwa (Council Chairperson)
Mr. T. Mellet (Corporate Services Committee Chairperson)
Mr. J.M. Serekoane (Heritage Resources Management Chairperson)
Mr. B.T Moduka (Business Development committee Chairperson)
Adv. L. Malgas (Chief Executive Officer)

Government Departments & Entities
Department of Sports Arts and Culture
Department of Military Veterans
Department of Tourism
National Treasury
National Lottery Commission

Department of Sport, Arts and Culture
Controlling Department of the agency.

Agency of the department of Trade and Industry
National Lottery Fund

Department of Tourism
Project funder

Department of Military Veterans
Project funder for the Botswana 4 project.

Cathsetta
Discretionary Grant and Mandatory Grant

Management
The members of council and the Executive committee as disclosed under Note 19 are related parties.

Fire Detection
The project is between SAHRA and Department of Sport, Arts and Culture for the upgrade of fire detection alarm and sprinkler system as approved by the Director General on 02 March 2018.

Under the agreement, the money paid to SAHRA must be used for the specific purpose.

Figures in Rand	2024	2023 Restated*
32. Fruitless and wasteful expenditure		
Opening balance as previously reported	1 825	1 825
Reconciliation of Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure confirmed	0	65 279
Fruitless and wasteful expenditure not written off and removed	0	(63 453)
	0	**1 826**
Reconciling notes to the annual financial statements` disclosure		
Fruitless and wasteful expenditure for the current year	0	1 825
Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination and investigation)		
Fruitless and wasteful expenditure under determination	1 825	1 825

Fruitless and wasteful expenditure under assessment in the current and previous year relate to interest on late submission of EMP201 to SARS

33. Irregular expenditure

Details of irregular expenditure
No Irregular Expenditure was incurred in the current financial period; i.e., SAHRA complied with all applicable legislation in the procurement processes.

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

In 2015 the entity incurred irregular expenditure in the amount of R49 million for the rehabilitation of Delville Wood memorial in France was condoned by the previous council. The former Minister of Sport, Arts and Culture subsequently requested the Accounting Authority to commission an investigation of the irregular expenditure relating to this contract and the Chief Executive Officer has since been dismissed.

On the 12 July 2019, the President of the Republic South Africa issued a proclamation in terms of which the Special Investigation Unit was issued with authority to investigate the procurement of services by or on behalf of SAHRA and payments made in respect of the thereof in a manner that was not fair, transparent, equitable, competitive and costs effective and contrary to applicable legislation, manuals, guidelines, practice notes, circulars or instructions issued by the National Treasury or manuals, policies, prescripts, instructions, or practices of SAHRA.

Details of current and previous year irregular expenditure condoned
No irregular expenditure was condoned in the current financial year however the entity has applied to the National Treasury for the condonement of irregular expenditure of R3 420 145 incurred in the 2020/21 financial year. Reasonable steps have been taken to confirm that such irregular expenditure did not result in any losses or damages to the entity and that the entity did obtain value from such a transactions having noted the disciplinary processes of the responsible official.

34. Prior period errors

34.1 Depreciation and amortisation

During the asset verification process of the 2023 financial period, it was identified that the amount of property, plant and quipment was understated by an amount of R 10 534 as some categories of property plant and equipment (leaseimprovements) which had been previously recognised as fully depreciated were identified as still in use. This is as a result of a lease extension previously in 2021 that had not been factored into erroneously in the remaining useful life of the disclosed assets at the time. The useful life ought to have been extended by a further 3-year period effectively from the 2021/22 financial period. The error was corrected retrospectively. The effect of the correction of the error on the individual line items in the financial statements is the increase in the depreciation of property plant and equipment by R 10 534 and a decrease in accumulated depreciation of the corresponding categories of the property, plant and equipment by R 14 926 after the initial adjustment of the accumulated depreciation extending the useful life of the group of assets and an increase in retained earnings of R 4 392.

34.2 General Expenditure.

During the 2023 financial period, it was identified that the general expenditure amount for the 2022/2023 financial periodwas overstated by R 40,729.00 due to a misallocation of an amount of R 39,864.75 incorrectly classified as consulting expenses, whereas it should have been capitalised as an addition in the 2022/2023 as an internally generated intangibleasset. There was also another additional error of R 860 resulting from duplication of accruals and invoices emanating from the 2022-23 accrual listing. This was in relation to an accrual and outstanding invoice from a municipal services account as well as a duplicated claim of Subsistence and travel in the travel listing. This error resulted in the overstatement of the general expenditure by R 40,729 and understatement of the additions intangible assets balance by R 39,865 as well as an overstatement of payables from exchange transaction by R 865. The prior period was adjusted retrospectively. The effect of the error on the individual line items in the financial statements is an a decrease in the general expenditure by R 40,729.00, an increase in the balance of intangible assets by R 39,865 and corresponding decrease in the payables from exchange transaction by R 865.

34.3 Property, Plant and Equipment

During the asset verification process of the 2023 financial period, it was identified that the amount of property, plant and equipment was understated by an amount of R 4 392 as some catergories of property plant and equipment (lease improvements) which had been previously recognised as fully depreciated were identified as still in use. This is as a result of a lease extension previously in 2021 that had not been factored into erroneously in the remaining useful life of a disclosed asset at the time. The useful life ought to have been extended by a further 3-year period effectively from the 2021/22 financial period. The error was corrected retrospectively. The effect of the correction of the error on the individual line items in the financial statements is the net decrease in the accumulated depreciation of property plant and equipment by R 14 926 and an increase in depreciation of the corresponding categories of the property, plant and equipment by an amount of R 10 534 and an increase in retained earnings of R 4 392.

34.4 Intangible asset

During the 2023 financial period it was identified that the balance of intangible assets was understated by an amount ofR141 738 due to a misallocation of a cumulative amount of R 101,873 before and on (2021/23) and R 39,864.75 2022/23) incorrectly classified as consulting expenses, whereas these should have been capitalised as additions on or before 2021/22 & 2022/2023 as an internally generated intangible asset. The error was corrected retrospectively. The effect of the correction of the error on the individual line items in the financial statements is an increase in the intangible assets by an amount of R141 738 and a decrease in the general expenses of R 39,864 and increase in opening retained earnings by an amount of R 101 873.

34.5 Payables from exchange transaction

During the 2023 financial period, it was identified that the payables from exchange transactions was overstated by R860, this was due to overstatement of R 860 in the 2023 financial year as a result of duplication of accruals and invoices for the 2023 accrual listing. This was in relation to an accrual of and outstanding invoice from a municipal services account as well as an outstanding Subsistence and Travel claim accrued before the 31 March 2023.
The effect of these errors resulted in overstatement of trade and other payables balance by R 860 and overstatement of the general expenditure by R 860. The error was corrected retrospectively. The effect of the correction of the error on the individual line items in the financial statements is the decrease in the balance of payables by R 860 and the corresponding decrease in general expenditure of R 860.

Figures in Rand	2024	2023 Restated*
The correction of the error(s) results in adjustments as follows:		
Statement of Financial Performance		
Depreciation and amortisation	0	(10 533)
General expenditure	0	40 729
	0	**30 196**
Statement of Financial Position		
Property, plant and equipment	0	(4 392)
Intangible assets	0	(141 738)
Payables from exchange transactions	0	(860)
		0
Accumulated surplus	0	116 794
	0	**(30 196)**

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

Statement of Financial Performance for the year ended 31 March 2023	Balance as previously reported	Prior period error	Restated balance
Depreciation and amortisation	(1 297 461)	(10 533)	(1 307 994)
General expenditure	(24 377 694)	40 729	(24 336 965)
		30 196	

Statement of Financial Position as at 31 March 2023	Balance as previously reported	Prior period error	Restated balance
Property, plant and equipment	(25 518 498)	(4 392)	(25 522 890)
Intangible assets	(668 809)	(141 738)	(810 547)
Payable from exchange transactions	8 075 786	(860)	8 074 926
		(146 990)	

Net assets	Balance as previously reported	Prior period error	Restated balance
Accumulated surplus	94 256 987	116 794	94 373 781
		116 794	

35. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks including liquidity risk, credit risk and market risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, ensuring the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

The entity's risk to liquidity is the risk that funds are not available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity manages cash flows, budgets and monthly management accounts.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5 616 651	0	0	0
Unspent conditional grants and receipts	59 562 783	0	0	0
Other financial liabilities	0	194 205	0	0

At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	4 681 438	0	0	0
Unspent conditional grants and receipts	51 485 226	0	0	0
Finance Lease obligation	6 929	0	0	0
Other financial liabilities	0	174 269	0	0

Credit risk

Credit risk is mitigated by the fact that the entity only deposits cash surpluses with major banks of high credit standing. The maximum exposure to credit risk at the reporting date is the bank balances as disclosed in the Statement Financial Position. The table below shows the credit rating and balances of the banks used by the entity.

Credit risk is mitigated through management's assessment of the credit quality of debtors, taking into account their financial position, payment history and the perceived perception of the payment profile.

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

Figures in Rand	2024	2023 Restated*
Financial instrument		
Trade and Other receivables before impairment	2 874 713	3 144 161
Deposits	163 071	163 071
Cash and cash equivalents	99 002 337	91 228 201

The balance for Cash and cash equivalents includes actual cash on hand balance in 2022 of R4.
Impairment of trade and other receivables has been based on percentage non-payment and is detailed under note 4.
The ageing of trade and other receivables is detailed under note 4.

Market risk
Interest rate risk

The entity's interest rate risk arises from short - term deposits. Short - term deposits issued at variable rates expose the entity to cash flow interest rate risk. On the other hand, short-term deposits issued at fixed rates expose the entity to fair value interest rate risk. During 2024 and 2023, the entity's deposits and bank balances at fixed rate were denominated in the Rand.

Figures in Rand	2024	2023 Restated*
Banks		
ABSA (Baa2)	41 643 821	38 366 846
Nedbank (Baa2)	390 089	360 113
Reserve Bank	56 968 427	52 501 242
	99 002 337	**91 228 201**

36. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Receivables from exchange transactions (excluding rental debtors)	285 308	285 308
Receivables from exchange transactions (rental debtors)	313 280	313 280
DSAC Receivable	3 394 988	3 394 988
Cash and cash equivalents	99 002 337	99 002 337
	102 995 913	**102 995 913**

Financial liabilities	At amortised cost	Total
Other financial liabilities	194 205	194 205
Trade and other payables from exchange transactions	5 616 651	5 616 651
	5 810 856	**5 810 856**

2023

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions (excluding rental debtors)	171 668	171 668
Receivables from non-exchange transactions (Rental debtors)	494 049	494 049
DSAC Receivable	1 250 030	1 250 030
Cash and cash equivalents	91 228 201	91 228 201
	93 143 948	**93 143 948**

Financial liabilities

	At amortised cost	Total
Other financial liabilities	174 269	174 269
Trade and other payables from exchange transactions	4 681 438	4 681 438
	4 855 707	**4 855 707**

37. Budget differences

37.1 Differences between budget and actual amounts basis of preparation and presentation

37.1.1 The variance on permit fees is as a reflection of permit applications against the estimated target. The fees are dependent on the number of applications actually received during the period.

37.1.2 The variance is as a result of more rental income being generated by the rental properties. The variance reflects additional units which became available for occupation as well as the new rental agreements for the Land at Daljosafat.

37.1.3 The variance on the reversal of debt impairment is a result of a better performing debtors` book which has resulted in a reduction of the provision of doubtful debts.

37.1.4 The variance is a result of the budget adjustment arising from interest earned in the prior year (2023) and approved as part of the rollover of accumulated surpluses which has been allocated and applied to cover employee cost expenditure item as well as the goods and services general expenditure line items.

37.1.5 The variance is a direct result of the valuation of the post-employment medical retirement benefit performed by the actuarial.

37.1.6 The variance noted is a result of recognition of SAHRA`s billing the DSAC for the reimbursement of legal fees on the Dr Makaziwe Mandela & 4 Others Matter.

37.1.7 The variance in a result of insurance refund on claimed loss of assets which include ICT equipment (Laptops) which would not have been budgeted for and whose loss would not have been anticipated or planned.

37.1.8 The variance is as a result of the disposals which took place during the year arising from the asset activities which include re-assessment of useful live and asset verification processes where various asset categories were identified for disposal.

37.1.9 The variance is a result of interest earned on the bank accounts. Interest received from investments has increased because of an increase in additional government project grants specifically the infrastructure funding grants. The increase in interest is also a result of spending trends on projects whereby the current stage of the projects only allows for minimal spending resulting in more interest being earned on the funds. The interest falls under the DSAC grant stipulations and may not be appropriated without prior authorization.

37.1.10 The variance on the realisation of deferred transfers has its basis on the actual approved budget. During the budgeting process approval is requested to utilise balances forming part of previously recognised revenue balances of prior periods not spent (Rolled over projects). This then forms part of the overall budget of the entity. The variance is a result of no actual transfers occurring as the funds are already in SAHRA`s records being the revenue receipts previously recognised and conditional grants. The corresponding expenditure on this realisation of deferred transfer has been budgeted for under acquisition of PPE and Repairs and Maintenance.

37.1.11 This variance is a result of interest earned on trust bank accounts which was not budgeted for. Management has planned to utilise the bank balance in the 2024/2025 financial period The variance noted on depreciation and amortisation is attributable to the decrease in the acquisition plans of assets mainly as a result of budget cuts in the 2021 financial year.

37.1.12 The variance on other grant revenue relates to the realisation of revenue on conditional grant expenditure.

37.1.13 The variance is as a result of delays in filling some of the vacant positions and the late implementation of the organisational structure. Most of these positions were subsequently filled.

37.1.14 The variance is as a result of limited acquisition and completion of building restoration projects which were planned during the budgeting process and who consumption would have increases the depreciation amount.

37.1.15 The variance is as a result of impairment losses on Heritage buildings which was burnt at Struisbaai and Daljosafat.

37.1.16 The variance on finance cost represents unbudgeted cost incurred and recognised by the entity. The major part of these finance cost represents the interest cost as recognised through the actuarial valuation report on the post retirement employee benefits. The amount which was budgeted for the acquisition of the office accommodation. The option of acquisition has now been adjusted to upgrading of the existing property located at 111 Harrington street.

37.1.17 The variance is a result of a better that expected debtors` book which realised a high collection rate a lower impairment as such no write off of debtors has been implemented during the year.

37.1.18 The variance is a result of the loss on disposal of assets.

37.1.19 The variance is the result of the exchange losses realised and directly related to a foreign grant recognised through the GIZ for the Museum lab project whose funding was is Euros.

37.1.20 The variance noted was as a result of delays in the implementation of the planned Upgrades and Acquisition of the Head Office project and refurbishment and restoration under the Burial ground and graves unit in particular delays in the Delvillewood project. Additional to the variance, the properties unit did not manage to complete the planned repairs and refurbishments of the SAHRA properties as well as the fencing infrastructure project which was completed.

37.1.21 The variance is a result of the repairs and maintenance projects which were not completed during the period which form part of the infrastructure projects on the restoration and rehabilitation of SAHRA properties.

37.1.22 The actual spending of general expenses was less than the budgeted amount. The underlying reason for the variance is mostly based on the expenditure relating to realisation of deferred revenue where the projects which were planned for repairs and maintenance were not completed.

37.2 Changes from the approved budget to the final budget

Explanation on variances between approved budget amounts and final budget amount.

37.2.1 The variance is a result of the budget adjustment arising from interest earned in the prior year (2023) and approved as part of the rollover of accumulated surpluses which has been allocated and applied to cover employee cost expenditure item as well as the goods and services general expenditure line items.

Figures in Rand	2024	2023 Restated*
38. Commitments for expenditures		
Capital commitments		
Already contracted for but not provided for		
• Property, plant and equipment	2 735 925	0
• Heritage property	3 082 812	2 155 560
	5 818 737	**2 155 560**
Total capital commitments		
Already contracted for but not provided for	**5 818 737**	**2 155 560**
Total commitments		
Authorised capital expenditure	**5 818 737**	**2 155 560**

39. Change in estimate

Property, plant and equipment

Leasehold Improvements

SAHRA is currently occupying 750 square metres of the third-floor office space in the building at 79 Roeland Street. The initial contract period was for three years and was extended by three years from 1 September 2018 to 31 August 2021. The lease initially expired on 31 August 2021 and was subsequently extended for another 2 years ending on 31 August 2023.

However since SAHRA had not secured alternative office space for its staff and the process to acquire office space might be lengthy, SAHRA decided to seek another extension of the lease with 79 Partnership for another period of three years from September 2023 to 31 August 31 August 2026.

A review of useful economic lives of leasehold improvements effected on the property was performed during the year and management decided that due to the current condition of these assets, the useful life be re-assessed from the previous estimate of 8 years to the total useful life of 11 years as at 1 April 2023.

This resulted in a reduced depreciation charge of R11 000 for the year which is expected to recur over the remaining life of these assets - a total of 7 tangible assets were identified which their useful lives were revised.

Depreciation: Leasehold Improvements

According to initial estimated useful life : R 10 540
According to re-assessed useful life : R 1 285
Decrease in depreciation : R 9 255

The impact of this on the future periods is as follows:

Decrease in depreciation: R 9 255
Increase in accumulated surplus of R 9 255

NOTES TO THE ANNUAL FINANCIAL STATEMENT

Intangible Assets

A review of useful economic lives of intangible assets was performed during the year and management decided that it is prudent to also amortise the intangible asset called SAHRIS for a period of 10 years. Previously this internally generated intangible asset was not amortised as Management assumed that website has an indefinite useful life, and thus the useful life has been re assessed from initial indefinite useful life to the total useful life of 10 years as at 1 April 2023.

This resulted in an increased depreciation charge of R 8 194 for the year which is expected to recur over the remaining life of the website.

Amortisation

According to initial estimated useful life: R 0
According to re-assessed useful life: R 8 194
Increase in depreciation: R 8 194

The impact of this on the future periods is as follows:

Increase in depreciation: R 8 194
Decrease in accumulated surplus of R 8 194

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RP: RP267/2024
ISBN: 978-1-77997-228-6
Title of Publications:
South African Heritage Resources Agency (SAHRA) Annual Report 2023/2024