ANNUAL REPORT

2023/2024

War Museum of the Boer Republics

DIGITISATION PROJECT: **WAR MUSEUM**

The War Museum digitised its Object Collection of approximately 13 000 items in the 2023/2024 financial year. Images and metadata will be linked to the Collections Management Database. The envisioned outcome will culminate in the accessibility of the collection to the public via the museum's website.

ANNUAL REPORT

2023/2024

CONTENT


Broad Bottom

PART A:

General Information

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	War Museum of the Boer Republics
PHYSICAL ADDRESS:	25 Monument Road General De Wet Bloemfontein
POSTAL ADDRESS:	P O Box 34061 Faunasig 9325
TELEPHONE NUMBER/S:	051 447 3447
EMAIL ADDRESS:	museum@anglo-boer.co.za
WEBSITE ADDRESS:	www.anglo-boer.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	ABSA
COUNCIL SECRETARY:	Sunet Myburg – Finance officer

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
SCM	Supply Chain Management

3. FOREWORD BY THE CHAIRPERSON

Name: Dr G.C. Benneyworth
Title: Chairperson of the Council

Introduction

The Council, with myself as Chairperson, was appointed on 1 December 2020 for a three-year term which was subsequently extended to 8 December 2024. The Council provided the Museum with strategic direction and oversight as required by the Cultural Institutions Act, PFMA and other applicable legislation. It conducted itself in accordance with an approved Charter and Code of Ethics and continuously evaluated its performance against this mandate.

High level overview of public entity's strategy and the performance of the public entity in its respective sector

The Museum received an unqualified audit for the 2023/2024 audit with no findings which included no findings for fruitless and wasteful or irregular expenditure. It further achieved 100% of its pre-determined targets as set out in its Annual Performance Plans for six consecutive periods. This attests to the commitment of the Council to its strategic and oversight role and that of the Museum Management and Staff to the implementation of principles of good governance, sound financial management and a focused and determined effort to achieve its mandate, while beneficiating the community and society at large.

Major achievements by the Museum during the 2023/2024 financial year included, amongst others:

Exhibitions, collections, publications and events

- Online exhibition titled *The Ashanti Wars and the South African War* for Africa Day 25 May 2023.
- A traveling exhibition of quilts made by the Jacaranda Quilters' Guild titled Across borders of Provinces (May 2023 – June 2023).
- Temporary exhibition: *Religion during the War* from 26 August 2023
- Upgrading of the artillery diorama, captions, and interior of the permanent exhibition in the General De Wet Exhibition Hall.
- Upgraded the Transport Exhibition on the terrain of the War Museum and the restoration of three historic and period transport vehicles.
- Freedom Month: Online lecture titled: "*Jan Mashiane and Len Taunyane: Africa's first black Olympians who took part in the South African War"* on 4 April 2023.
- Youth Month: Show and exhibition titled *Fun at the Doll Show* with a puppet show for the youth on 16 June 2023. Orphaned children were hosted at the museum on that day.

- The first South African War black concentration camp interactive scale model of 2 x 1 meters was officially unveiled on 24 November 2023. This is world first, in that no such model has been made before.
- The publication on black concentration camps titled *Work or Starve: Black concentration camps and forced labour camps in South Afrika, 1901-1902* was published.
- A publication on Prisoner-of-War items for the local and international market officially launched in November 2023.
- Video on museum science for educational purposes in Afrikaans, English and Sesotho.
- Mandela Day knitting initiative by local knitting groups on 18 July 2023.
- Women's Day market and lecture on 9 August 2023.
- Heritage Day Antique Auction in support of the Volksblad Christmas fund for charitable organisations on 25 September 2023.
- Olympiad: The History School Olympiad was hosted at the Museum on 11 October 2023.
- A bronze braille sculpture of the Museum terrain promoting access for the visually impaired installed in the foyer of the Museum.
- **"***The Cage*" play on black involvement in the South African War was performed.

16 Days of Activism against Gender Based Violence event hosted at the War Museum on 24 November 2023:

- Keynote Address on Gender Based Violence by Advocate Charlie Naidoo - Council Member, Audit Committee member and member of SAVLA.
- The publication on black concentration camps titled *Work or Starve: Black concentration camps and forced labour camps in South Afrika, 1901-1902* was officially launched.
- The publication on Prisoner-of-War items titled *Prisoners of War in the South African War 1899-1902* in Afrikaans, English and Sesotho, funded by the National Lotteries Commission, was officially launched.
- Unveiling of the first South African War black concentration camp interactive scale model of 2 x 1 meters was officially unveiled.
- A gallery within the Museum for temporary exhibitions was officially unveiled with two temporary art exhibitions: *Faith / Hope / Love / Peac*e and *Teatime War*.
- A bronze braille sculpture of the Museum terrain installed in the foyer of the Museum promoting access for the visually impaired and which was officially unveiled.

Infrastructure

- A gallery space created within the Museum for temporary exhibitions.

Strategic Relationships

Strategic partnerships were fostered with local and international Museums and Heritage Institutions as well as Tertiary Institutions.

Challenges faced by Council – budget cuts which impact on future core business

The Council and staff faced many challenges in the period. The Museum is underfunded for its core mandate compared to similar Heritage Institutions of the same size. For example, key positions cannot be filled. This enforced the rethinking of existing museum practices and norms, yet with a continual focus on the economic empowering of the poor, the eradication of social issues, such as the abuse of women and children, and the transformation and redressing of the heritage sector to reflect a broader and cohesive South African heritage.

Challenges faced by the War Museum during the past financial year not only included the navigation of existing technical and operational resources to render an effective museum service, yet also to investigate and implement new technology to improve service delivery. The War Museum accelerated yet again in a short period various solutions to address the challenges created by budget constraints. New proposals are being developed to address future service delivery. The Council of the War Museum was also impacted by the above, yet the digital platform provided a means to continue with operational requirements, such as Council meetings.

Strategic Challenges

- The Museum had to operate with limited staff due to financial constraints.
- The changing legislative environment poses its own challenges on an ongoing basis.
- There is still inadequate inclusion of the South African War in the School Curriculum.
- Current Economic Climate.
- MTEF baseline limited growth.
- Amalgamation process.

The strategic focus over the medium- and long-term period

One of the primary foci for the Museum is to propagate its vision that war causes suffering, while delivering no lasting solutions. Instead, war delivers misery to untold levels and bitter legacies left to be undone and redressed. Consequently, the Museum strives to continually generate and inculcate an anti-war belief system through portraying the suffering caused by the South African War (1899 to 1902) and its enduring legacy. Drawing parallels between the war and contemporary societal issues ensures the relevance and pertinence of the Museum in modern day society. The Museum's approach remains inclusive and will remain steadfast in our mission to portray the impact of the War on all South Africans, then and now. Forefront of the Museum's strategic efforts stands promoting nation healing and social cohesion.

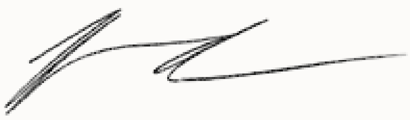
Appreciation

On behalf of myself and the Council we express our gratitude and appreciation towards:

- The Honourable Minister of Sport, Arts and Culture, Mr. Zizi Kodwa and his Department's continued support of the Council and the Museum.
- The Council members for their commitment, sacrifice, oversight and valuable contributions to the Museum.
- The Audit Committee for its commitment and oversight.
- The Director and Staff for their hard work and dedication to the Museum.

Conclusion

Despite the challenges as mentioned above, the Museum is viewed as an entity of excellence with its continued focus on suffering and abuse of women and children which plagues our society today, and its continued commitment to nation building, social cohesion and nation healing.



Dr G.C. Benneyworth

Chairperson of the Council
War Museum of the Boer Republics
31 July 2024

4. CHIEF EXECUTIVE OFFICER'S **OVERVIEW**

Name: Mr. J.L. Pretorius
Title: Chief Executive Officer

Overview of activities and performance

The War Museum in 2023/24 yet again provided a quality museum service by way of amongst others well executed research, new exhibitions (online, travelling and inhouse), a well maintained and digitized collection and presenting educational programmes on school and tertiary level. All the above cumulates in the message propagated by the Museum that the South African War of 1899-1902 was an event which affected all South Africans in one or other way and that war causes suffering to mankind.

During the above reporting period, the Museum yet again catered for all segments of society such as age, sexes, interest groups, as well as the diverse linguistic community of South Africa. The Museum continue to contribute significantly to research and knowledge production on the SA War, both locally and internationally. This is done by way of providing information on an ever-increasing number of enquiries addressed to the museum regarding different topics relating to this war. Collaboration with local and international researchers and academics culminated in new publications and video's which appeared and is in the process to be published.

The Museum also presented academic and popular lectures in support of school and tertiary educational learnings. Additionally, researchers are also involved in different capacities at tertiary institutions (lectures) thereby promoting the museum as an institution of learning and research. The museum also presented many well-attended events on national days and embarked on many temporary onsite and travelling exhibitions to reach out to the public. It is furthermore involved with arts and craft groups in the hosting of specific events to harness and share specific skills thus encouraging economic growth and promoting the tourism industry. As for social responsibility, the Museum partner with established and accredited institutions in the hosting of programmes and events.

Utilizing the latest technology available to museums, it enabled the museums staff to execute its conservation, archival and inventory functions to its full potential, thus rendering a valuable information service to the general public and researchers. As for the educational aspect, the museum provides educational experiences through relevant formal and informal activities and outreach programmes thereby not only supporting the curriculum-based subjects, but also enlightened learners about heritage-related careers in South Africa.

The Museum also received good reviews and feedback in the media and on social media which market this institution as a popular tourist destination. All these successes were again rewarded by way of awards such as the PMR awards, as well as the Trip Advisor award. All the above projects is in line with supporting national objectives, thereby supporting nation building, nation healing and social cohesion.

Exhibitions, collections, research, publications, outreaches, events and other

Exhibitions:

- Number of permanent exhibitions: 13
- Number of temporary exhibitions: 2
- Number of travelling exhibitions: 15

Collections:

- New acquisitions / items relating to the SA War of 1899-1902: 604
- Total number of heritage objects in the collection: 47 503
- Total number of heritage items digitized: 59 429
- Three major conservation activities (number of items conserved): 815

Research:

- Number of NRF rated museum scientists/academics: 3
- Number of active research projects completed: 2
- Number of professional research services provided: 1 076
- Number of public lectures offered: 5

Publications, articles and video's:

- Publications: 2 (The publication on black concentration camps titled Work or Starve: Black concentration camps and forced labour camps in South Afrika, 1901-1902 in English and a publication on Prisoner-of-War items for the local and international market, in Afrikaans, English and Sesotho).
- Number of scientific research articles published: 2.
- Number of popular articles published: 19
- Number of video's: 2

Outreaches:

- Number of school learners involved in educational interactions at museum: 5 451
- Number of school learners involved in educational interactions at schools: 6 001
- Number of schools visited: 29

Events:

- Number of public events hosted or presented on national and other days (festivals, concerts, conferences, lectures etc.): 8
- Freedom Month: Online lecture titled: "Jan Mashiane and Len Taunyane: Africa's first black Olympians who took part in the South African War" on 4 April 2023.
- Youth Month: Show and exhibition titled Fun at the Doll Show with a puppet show for the youth on 16 June 2023. Orphaned children were hosted at the museum on that day.
- Women's Month: Women's Day market and lecture on 9 August 2023.
- Heritage Month: Antique Auction in support of the Volksblad Christmas fund for charitable organisations on 25 September 2023
- Gender Based Violence Month: 16 Days of Activism against Gender Based Violence event hosted at the War Museum on 24 November 2023
- Reconciliation month: Thanksgiving and Reconciliation service held on 1 December 2023

Other:

- Social Media:
- Facebook followers: 3 181
- Twitter (X) followers: 734
- Website visitors: 11 713
- Skills development for staff: 3
- Awards: 2 (PMR Diamond Award – received since 2012 to 2023 as the best tourist destination in the Free State and the Trip Advisor 2015 to 2019)

General financial review of the public entity

Sound financial management is an integral part of the operations of the Museum. In order to achieve overall operational efficiency, transparent and accountable financial management plays a fundamental role in supporting the Museum to deliver its mandate.

Council oversight, assisted by a capable and experienced Audit Committee and Internal Audit Function, ensured that principles of good corporate governance and sound financial management were implemented.

Strict implementation and regular monitoring of the budget together with transparent and fair procurement practices in compliance with relevant rules and regulations ensured that the Museum was able to apply its resources in a cost-effective manner.

Spending trends of the public entity

The Museum's main source of funding remains its baseline allocation received from the Department of Sport, Arts and Culture, (97% of budget). Own income generated through amongst others admission fees, rental income, sales and conference proceeds represents 3% of the budget. Staff expenditure represents 69%% of the total budget and absorbs 73% of the baseline allocation. Operational expenditure increased with 2% during the period under review.

The net surplus generated during the period under review is mainly the result of increase in transfers for special project from DSAC and donations of Heritage Assets.

89% of Cash balances relates to unspent conditional funding for ongoing projects. 11% of Cash balances covers commitments and the remaining short-term liabilities.

The Museum's post-retirement medical liability remains underfunded. The liability decreased with 1% and has an estimated duration of 12 years.

Capacity constraints and challenges facing the public entity

- Changing legislative environment
- Limited staff complement as a result of budget constraints
- Inadequate inclusion of the South African War history in the School Curriculum
- Current economic climate
- MTEF baseline limited growth
- Liability for post-retirement medical aid
- Increased public unrest/violence and security

Discontinued key activities / activities to be discontinued

No discontinued key activities or activities that needs to be discontinued.

New or proposed key activities

New key activities include virtual exhibitions, virtual tours, participation in the Hologram Museum project and a virtual map for tourists.

Requests for roll over of funds

No roll-over of funds was requested.

Supply chain management

The Museum has established Supply Chain Management Policies. Processes and systems are in place.

All concluded unsolicited bid proposals for the year under review

No unsolicited bid proposals for the year under review.

SCM processes and systems in place

SCM processes and systems are in place.

Challenges experienced and how resolved

- Continuous monitoring of the legislative environment
- Limited staff complement as a result of budget constraints were resolved by multitasking and staff funding application to DSAC was done
- A request was made to the national task team appointed on the curriculum to include the South African War in more detail
- To address the current economic climate, cost containment measures were implemented and were strictly adhered to
- Cost containment measures with regard to the MTEF baseline as stipulated by the National Treasury were implemented
- Task team was appointed by DSAC and implementation of the White Paper to address the PRMA for entities
- Upgrading of security, added fencing, camera monitoring and access control were implemented
- To minimise the Covid 19 impact, the Museum implemented a digital strategy which included virtual exhibitions, virtual tours, participation in the Hologram Museum project and a virtual map for tourists

Audit report matters in the previous year

In the previous year the Museum had an unqualified audit opinion with no findings.

Outlook/ Plans for the future to address financial challenges

The Museum is steadfast in propagating its vision that war causes suffering and brings no lasting solutions and therefore it endeavours to generate an anti-war mentality. It therefore portrays the suffering caused by the South African War on a continuous basis.

The Museum has changed significantly from static displays to inter-active displays and will continue in this direction and will constantly use its displays and events to support nation building, education and tourism.

The Museum has transformed from an exclusive Afrikaner Museum to a truly South African museum. The focus of the Museum is Nation Building, Social Cohesion and Nation Healing.

Events after the reporting date

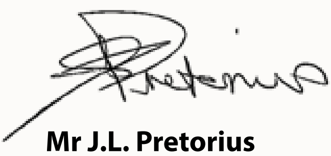
No events after the reporting date was identified to report.

Economic Viability

The Accounting Authority considered the Museum's going concern status and its ability to deliver on its mandate and meet its statutory obligations in the foreseeable future. Funding allocations for the medium term have been communicated to the Museum, by the Executive Authority. This will ensure the continued operation of the Museum. Government funding is likely to continue beyond the medium term. The Museum will therefore be able to deliver on its mandate and meet its statutory obligations in the foreseeable future. The Financial Statements have accordingly been compiled on a going concern basis. The Museum's financial results are presented in Part E of this report.

Acknowledgement

The Director wants to acknowledge the strategic leadership by Council, the support by DSAC and the contribution of staff members for the period under review.



Mr J.L. Pretorius

Chief Executive Officer
War Museum
31 July 2024

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE **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 F) have been prepared in accordance with the Generally Recognised Accounting Practice standards applicable to the public entity.

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

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully

Chief Executive Officer

Mr. J.L. Pretorius

31 July 2024

Chairperson of the Council

Dr G.C. Benneyworth

31 July 2024

6. STRATEGIC OVERVIEW

6.1. Vision

To be an institution of excellence whereby the inclusivity and suffering of all communities during the Anglo-Boer War are depicted, thus propagating the message that negotiation is preferable to war

6.2. Mission

To collect, curate and display items relating to the Anglo-Boer War of 1899 to 1902; research, publications and education on this theme and cooperation with other organisations, nationally and internationally, in order to develop this theme.

6.3. Values

The Museum strives to follow these principles of conduct in carrying out its mission:

- Inclusivity of the institution in its public mission
- Integrity and objectiveness in all activities
- Accountability and transparency in all activities
- Honesty and openness
- Accessibility
- Professionalism
- Competency

7. LEGISLATIVE AND OTHER MANDATES

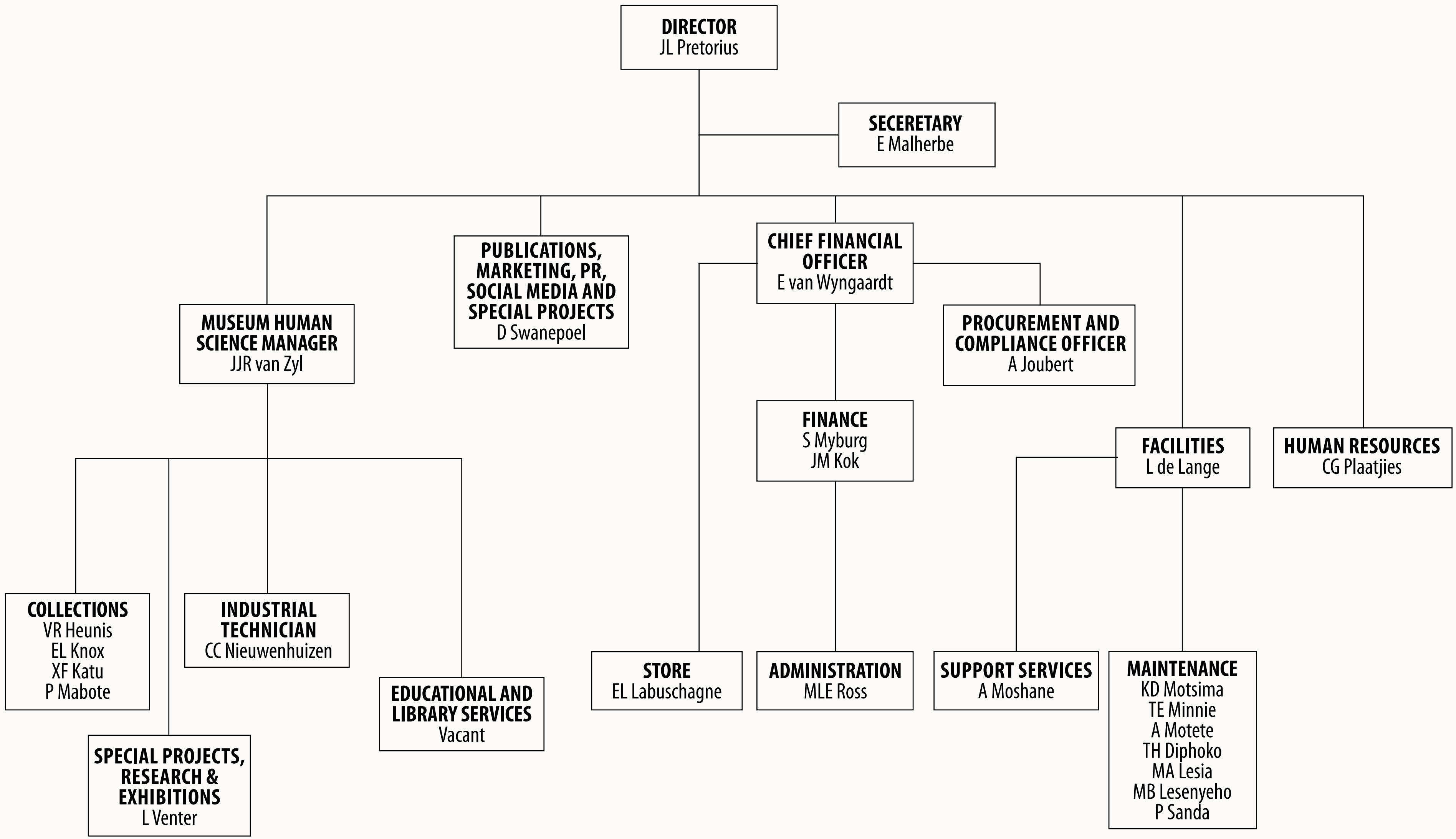
The War Museum of the Boer Republics is a Schedule 3A Public Entity in terms of the PFMA.

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Finance Management Act, 1999 (Act 1 of 1999, as amended by Act 29 of 1999) (PFMA); Treasury Regulations, 2005; Cultural Institutions Act, 1998 (Act 119 of 1998 as amended by the Cultural Laws Second Amendment Act, Act 69 of 2001), and other applicable acts and regulations.

The White Paper on Arts, Culture and Heritage, 1996 is currently the guiding policy document for Museums. A revised White Paper on Arts and Culture, currently in a draft stage, will however have an influence on museums and heritage in general.

8. ORGANISATIONAL STRUCTURE

WAR MUSEUM OF THE BOER REPUBLICS **ORGANISATIONAL STRUCTURE**



8.1 Council Members

Term: 1 December 2020 – 30 November 2023 (extended to 8 December 2024)

- Dr G.C. Benneyworth – Chairperson
- Mr. T.A. Ndebele-Monyela – Deputy Chairperson
- Mr. D. Brijlal
- Ms S Mabilane
- Ms D Mangope
- Mrs R. Mulder
- Adv. C. Naidoo
- Mrs S Tsoleli
- Mr J.L. Pretorius (Director – *ex officio*)

8.2 Honorary Curators

- Dr R.C. Bester (Fire-arms collection)
- Dr J.D.E. Cronje (Philatelic collection)
- Ms S. Myburgh (Photo collection)
- Dr A. van Dyk (Education)

8.2 Staff Members

- **Director:** Mr J.L. Pretorius, B Proc, LLB, LLM (cum laude), Attorney RSA
- **Chief Financial Officer:** Ms E van Wyngaardt, B Acc
- **Museum Human Science Manager:** Dr J.J.R. van Zyl, MA PhD History
- **Collections Manager:** Dr V.R. Heunis, MHCS Cultural History, DPhil History
- **Human Resources Manager:** Mr C Plaatjies, BTech: Human Resources Management
- **Facilities officer:** L de Lange, B Proc
- **Procurement and Compliance Officer:**
  A Joubert, B Acc., AGA
- **Publications, Marketing, PR, Social Media and Special Projects:** Mrs D. Swanepoel, MA
- **Educational & Library services:** Ms M.M. Thulo, B.A. Honours (History) – resigned in August 2023
- **Museum assistant:** L Venter, B.Soc.Sc; B.A. Honours (History); M.A. Honours (History)
- **Collections - Conservation:** Mrs E.L. Knox, Higher Diploma
  Mr X.F. Katu
  Mr P Mabote
- **Industrial Technician (Artist/Photographer):** Mr C.C. Nieuwenhuizen, Higher Diploma
- **Store Clerk:** Mrs E.L. Labuschagne
- **Executive Secretary:** Mrs E. Malherbe
- **Finance Officer:** Mrs S. Myburg, B Tech Internal Auditing
- **Financial Clerk:** Mrs J.M. Kok
- **Administration - Cashier:** Mrs M.L.E. Ross
- **Support services - Security:** Mr R.A. Moshane
- **Workshop Foreman:** Mr K.D. Motsima
- **General Assistants:** Ms T.E. Minnie
  Mr P.T. Mabote
  Mr T.H. Diphoko
  Mr A. Motete
  Mr M.A. Lesia
  Mr M.B. Lesenyeho
  Mr P Sanda

PART B:

Performance Information

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to the paragraph in the Auditor General's report (Reporting on other legal and Regulatory requirements) published as Part F (Annual Financial Statement's) of the annual report.

2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

The War Museum has a collection of more than 43 000 heritage assets that must be accommodated in its existing structures and furthermore must also support the strategically identified functions of the institution. These structures must comply with certain minimum criteria acceptable for museums of international stature in order to comply with accepted norms and standards for proper conservation of its heritage assets.

During recent periods the War Museum was upgraded in several areas to comply with the standards set out for reputable museums. These included:

- A gallery was created within the Museum for temporary exhibitions
- Upgrading of the artillery diorama, captions and interior of the permanent exhibition in the General De Wet Exhibition Hall.
- Upgrading of the Transport Exhibition on the terrain of the War Museum and restored three of the transport vehicles
- Upgrading of CCTV camera system.
- Renovation of the Public Bathrooms.
- Digitisation of heritage assets collection
- Installation of solar system

In order to continue rendering an effective heritage service for the community, the utilisation of technology by the museum was a tipping-point which forever transformed this institution, as it speeded the adoption of digital technology which is here to stay. The increase in the museum's budget to fund digital initiatives, is reflected in various initiatives such as a virtual tour of some of the museum galleries, as well as a digital map of South African War heritage sites in Bloemfontein, which is to be expanded to include the entire Free State. These projects are meant to assist in reviving the tourism trade, thus contributing to economic recovery.

Other gaps where technology is utilised include digital collaboration in the international heritage sector by the museum. This include amongst others the launching of a Hologram Project by four selected international museums of which the War Museum was one. This project, as well as the challenge to keep hosting the annual Olympiad for Schools, resulted in the creation of a digital platform for this event in this financial year.

The challenge to render an effective heritage service delivery when it comes to exhibitions was resolved by experimenting with advanced technologies and innovations. The museum not only encountered a considerable increase in visits to its website by the local and international public, but the interactive social media platform of the museum which was also expanded and upgraded, resulted in an increase in the donation of heritage items to the museum.

The museum also reviewed its online digital information of the South African War by uploading more information and expanding current digitally information available. All heritage services rendered by the museum were also digitally reviewed and expanded to enable the public to gain access to information without visiting the museum. All of the above is a continual process which is also a learning process for the museum, but with many future possibilities to investigate and to explore.

2.2 Organisational environment

Herewith an understanding of the organisational challenges and successes experienced by the War Museum for the reporting period:

Shortage of staff, which resulted from financial constraints. The War Museum has Human Resource capacity constraints. These include 2 essential vacant staff positions: IT manager and Educational and library services officer (funded). These appointments will also assist in improving equity figures.

The War Museum staff complement currently consist of 33 staff (which includes 7 contract workers at the end of 2023/2024), this results in staff having to perform various functions for which they were not necessarily appointed.

The strategic planning process was undertaken by Management after a thorough analysis of the War Museum's strengths, weaknesses, opportunities, threats and risks. After considering the War Museum's vision, mission, budget and previous strategic plans, this plan was developed. The War Museum further considered and ensured alignment to Government priorities and outcomes of the Executive Authority. The Council during a special strategic planning sitting considered the strategic direction of the War Museum as well as detailed outcomes and outputs.

2.3 Key policy developments and legislative changes

There have been no major changes to relevant policies or legislation that affected the operations of the Museum during the period under review.

2.4 Progress towards achievement of institutional Impacts and Outcomes

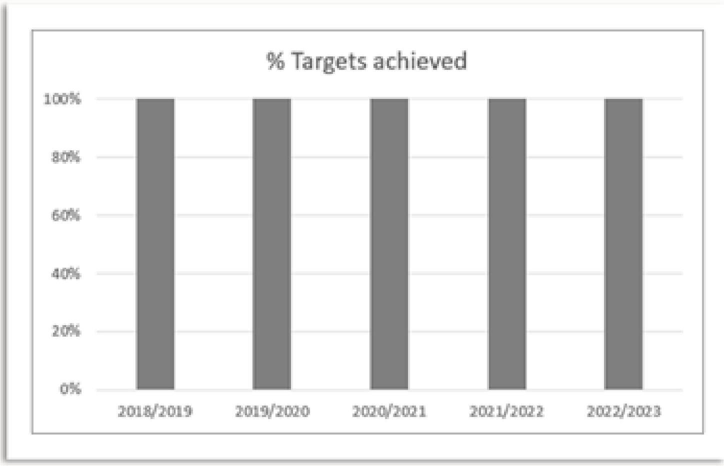
The War Museum aligned its objectives to the following outcomes of Government and the Department of Sport, Arts and Culture:

The White Paper on Arts, Culture and Heritage, 1996 is currently the guiding policy document for Museums. The Portfolio Committee on Sport, Arts and Culture endorsed the Department's White Paper on 19 February 2020. This will have an influence on museums and heritage in general. The War Museum's outcomes support Government's Outcome 14: A diverse, socially cohesive society with a common national identity.

The War Museum supported priorities relating to women, children, youth and people with disabilities through various initiatives and programmes, i.e. Women's Day events, Youth Day events, events for various community groups including those with disabilities and Heritage Day events. During the 5-year planning

Outcome of Government	Outcome of DSAC
2: Education, skills and health	2.1 Improved access to indigenous languages
	2.2 Improved employability of youth in the sport, arts and culture sector through skills training
5: Social cohesion and safe communities	5.1 Social cohesion and nation building
6: A capable, ethical and developmental state	6.1 Strengthened intergovernmental relations and coordination within the sector
	6.2 Improved governance and oversight structure
	6.3 Skilled and ethical sport, arts and culture civil service
	6.5 Improved service delivery in sport, arts and culture – SOCIAL COMPACTS
	6.7 Corruption reduced in sport, arts and culture sector

The War Museum's achievement of targets over the past 5 audited periods:



period these initiatives will continue to be focus areas so as to alleviate violence against women and children.

The impact of COVID-19 on the War Museum and the heritage sector will remain evident in the immediate future and over the MTEF. Various new and innovative solutions, especially digitally, have to be continuously sought to ensure that pre-determined objectives are met. Visitor statistics are slowly starting to recover, slow but consistent growth is expected.

The following stakeholders contribute to the War Museum's achievement of its outcomes:

- The Department of Sport, Arts and Culture
- The Mangaung Metro Municipality
- The University of the Free State
- The Friends of the War Museum
- Honorary Curators
- The Communities
- Strategic partners for instance: Leeds Beckett University UK

3. INSTITUTIONAL PROGRAMME **PERFORMANCE INFORMATION**

3.1. Programme 1: Administration

Purpose of the programme

- To ensure sound and effective governance, oversight, management and accountability for all functions and operations
- Encourage ethical behavior and conduct of staff in management of the War Museum, its operations and service delivery
- Foster good relations and coordination with stakeholders
- Strengthening staff skills and capabilities

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 1: Administration										
No	**Outcome**	**No**	**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**
1.1	Effective and efficiently functioning governance and oversight structures	1.1.1	Updated and approved Council, Executive Committee and Audit Committee Charters	3 Charters reviewed annually: Council, Executive Committee and Audit Committee	3 Charters reviewed, updated & approved	3 Charters reviewed.	3 Charters reviewed (updated and/or approved)	3 Charters reviewed.	N/A - achieved	N/A
		1.1.2	4 Council Meetings (incl. virtual meetings)	4 Council Meetings held annually (incl. virtual meetings	4 Council Meetings (incl. virtual)	4 Council meetings held.	4 Council Meetings (incl. virtual meetings)	4 Council meetings held.	N/A - achieved	N/A
		1.1.3	2 Audit Committee Meetings (incl. virtual meetings)	2 Audit Committee meetings held annually (incl. virtual meetings)	2 Audit Committee meetings	2 Audit Committee meetings held	2 Audit Committee meetings (incl. virtual meetings)	3 Audit Committee meetings held	N/A - achieved	N/A

Programme 1: Administration

No	Outcome	No	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
1.2	Efficient and skilled staff, exhibiting ethical behaviour and conduct	1.2.1	Updated and workshopped Code of Conduct and Ethics	Annual review of the Code of Conduct and Ethics and subsequent workshop with staff	Code reviewed, workshop with staff	Annual review of the Code of Conduct and Ethics and subsequent workshop with staff.	Code reviewed and/or updated and workshopped	Annual review of the Code of Conduct and Ethics and subsequent workshop with staff.	N/A - achieved	N/A
		1.2.2	Productive and Effective staff	Staff training on 4 topics per annum (incl. virtual sessions)	Staff training on 9 topics	Staff training on 5 topics	4 topics per annum (incl. virtual sessions)	Staff training on 5 topics	N/A - achieved	N/A
1.3	Unqualified audit reports with no recurring audit findings	1.3.1	Unqualified audit reports	Unqualified audit report	Unqualified audit report	Unqualified audit report 2021/2022	Unqualified audit report	Unqualified audit report 2022/2023	N/A - achieved	N/A
		1.3.2	Non-recurring of audit issues in Management Letter	100% of audit findings addressed by due date as set out in audit implementation plan	100% of issues addressed by due date	100% of issues addressed by due date	100% of issues addressed by due date	100% of issues addressed by due date	N/A - achieved	N/A
1.4	90% Satisfaction rating by public visiting the War Museum	1.4.1	Effective service delivery	Less than 10% negative comments by public in visitor's book per annum.	Less than 10% negative comments	Less than 10% negative comments by public in visitor's book per annum.	Less than 10% negative comments	Less than 10% negative comments by public in visitor's book per annum.	N/A - achieved	N/A
1.5	Good relations and coordination with stakeholders	1.5.1	Intergovernmental coordination and contribution by the War Museum	Annually attend all CEO Forum meetings arranged by Executive Authority (incl. virtual meetings)	100% of meetings attended (incl. virtual)	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings)	N/A - achieved	N/A
		1.5.2	Intergovernmental coordination and contribution by the War Museum	Annually attend all CFO Forum meetings arranged by Executive Authority(incl. virtual meetings)	100% of meetings attended (incl. virtual)	100% of meetings attended (incl. virtual meetings	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings	N/A - achieved	N/A
		1.5.3	Intergovernmental coordination and contribution by the War Museum	Annually attend all Heritage Sector Forum meetings arranged by Executive Authority(incl. virtual meetings)	100% of meetings attended (incl. virtual)	100% of meetings attended (incl. virtual meetings	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings	N/A - achieved	N/A

3.2. Programme 2: Business Development

Purpose of the programme

- Improve the War Museum public profile and media presence whilst promoting and marketing the Heritage Sector
- Heritage preservation and conservation – South African War Heritage
- Dissemination of perspectives on the South African War through research and publication

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 2: Business Development										
No	**Outcome**	**No**	**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**
2.1	Improved printed and online platform media presence and creating awareness of South African Heritage	2.1.1	Media exposure	6 Articles per annum in the media or other publications (incl. digital media)	16 Articles	6 Articles (incl. digital media)	6 Articles (incl. digital media)	18 Articles (incl. digital media)	N/A - achieved	N/A
		2.1.2	Updated and current website/social media pages	Quarterly updates to website/ social media pages	4 Quarterly updates	Quarterly updates	Quarterly updates	Quarterly updates	N/A - achieved	N/A
		2.1.3	Awareness of South African Heritage	Participate in 4 heritage events per annum (incl. virtual events)	7 Event (incl. virtual events)	4 Events (incl. virtual events)	4 Events (incl. virtual events)	4 Events (incl. virtual events)	N/A - achieved	N/A
2.2	Preservation of the South African War Heritage and Collections which are representative of all affected parties in the South African War	2.2.1	Representative collection	Collect items (Black and British participation) – 10 items per annum	25 Items	10 Items	10 Items	38 Items	N/A - achieved	N/A
		2.2.2	Conserved heritage assets	Conserve/maintain 2 categories of items or parts thereof per annum	4 categories of items or parts thereof	2 categories of items or parts thereof per annum	2 categories of items or parts thereof per annum	2 categories of items or parts thereof per annum	N/A - achieved	N/A
2.3	Dissemination of perspectives on the South African War	2.3.1	Contribution to the expansion of the South African War History	Publish 1 internal publication per annum or contribute to the research of 1 external publication per annum (including digital publications)	3 Publication	1 Publication (including digital publications)	1 Publication (including digital publications)	5 Publications (including digital publications)	N/A - achieved	N/A

3.3. Programme 3: Public Engagement

Purpose of the programme

- Promoting inclusivity of the South African War through representative exhibitions
- Supporting National Initiatives with especially focus on prevention of abuse and violence against women and children
- Promoting universal access to the War Museum and its exhibitions
- Educational outreach programmes
- Developing skills of the community

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 3: Public Engagement										
No	**Outcome**	**No**	**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**
3.1	New and/or upgraded inclusive and representative exhibitions	3.1.1	Upgraded and/or new exhibitions	6 Upgraded and/or new exhibitions (permanent or temporary or online/ digital)	10 Exhibitions (incl. online/digital)	6 Exhibitions (incl. online/digital)	6 Exhibitions (incl. online/ digital)	10 Exhibitions (incl. online/ digital)	N/A - achieved	N/A
3.2	Supporting National Initiatives and creating awareness of abuse and violence against women and children	3.2.1	Contribute to Social Cohesion, Nation Building and Nation Healing	5 Projects (event and/ or exhibition and/or heritage awareness initiatives – incl. virtual projects) in support of National Initiatives: Youth Day, Mandela Day, Women's Day, Heritage Day and Day of Reconciliation.	6 Projects (incl. virtual projects)	5 Projects (incl. virtual projects)	5 Projects (incl. virtual projects)	8 Projects (incl. virtual projects)	N/A - achieved	N/A
		3.2.2	Contribute to Social Cohesion, Nation Building and Nation Healing	Social responsibility awareness campaign addressing abuse against women and children (incl. virtual campaigns)	2 Awareness campaign (incl. virtual campaigns	1 Awareness campaign (incl. virtual campaigns)	1 Awareness campaign (incl. virtual campaigns)	1 Awareness campaign (incl. virtual campaigns)	N/A - achieved	N/A

3.3	Information and Exhibitions to be accessible	3.3.1	Contribute to Social Cohesion, Nation Building and Nation Healing	All new and/or upgraded (permanent or temporary) exhibitions implemented during the period in three languages (i.t.o. Policy) (online/digital exhibitions will only be in English)	Three languages at 3 new and/or upgraded exhibitions	Three languages at 3 new and/ or upgraded exhibitions	Three languages at new and/ or upgraded exhibitions (online/ digital exhibitions will only be in English)	Three languages at 5 new and/ or upgraded exhibitions	N/A - achieved	N/A
3.4	Contributing to economic empowerment	3.4.1	Skills development and transfer to the community	Host one skills development programme per annum (incl. virtual programmes)	1 skills development programme (incl. virtual programmes) hosted	1 skills development programme (incl. virtual programmes) hosted	1 skills development programme (incl. virtual programmes)	2 skills development programmes (incl. virtual programmes)	N/A - achieved	N/A
3.5	Promoting South African War History and universal access to the War Museum	3.5.1	Presenting the South African War History to Educational institutions to supplement CAPS	Visit 16 educational institutions (pre-primary, primary, secondary and tertiary) per annum (incl. virtual/ digital programmes) or 16 registrations by schools to the online education platform of the museum.	Visited 16 Education institutions	Programmes presented at 16 Education-al institutions	Programmes presented at 16 Education-al institutions (incl. virtual/ digital)	Programmes presented at 22 Education-al institutions (incl. virtual/ digital)	N/A - achieved	N/A
		3.5.2	Improved knowledge on the South African War History	Annual School Olympiad (incl. a virtual event)	1 online History Olympiad	1 Olympiad	1 Olympiad (incl. a virtual event)	1 Olympiad hosted	N/A - achieved	N/A
		3.5.3	Universal access to the War Museum	Present 4 community outreach and heritage awareness programmes (incl. virtual/digital) per annum to promote universal access (cultural organisations or groups/ elderly/orphanages/ visually impaired/ect.)	5 outreach programmes (incl. virtual or digital)	4 outreach programmes (incl. virtual or digital)	4 outreach programmes (incl. virtual or digital)	7 outreach programmes	N/A - achieved	N/A

Linking performance with budgets

	2022/2023			2023/2024		
Programme	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration	13 500	13 463	37	12 509	12 759	(250)
Programme 2: Business Development	2 837	2 711	126	3 589	3 171	418
Programme 3: Public Engagement	2 398	2 260	138	2 324	2 107	217
Total	**18 735**	**18 434**	**301**	**18 422**	**18 037**	**385**

Strategy to overcome areas of under performance

The underperformance relates to a reduction in revenue collection in comparison to the budget and thus expenditure was adjusted accordingly to prevent a budget deficit.

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
Subsidy	17 809	17 809	0	17 687	18 040	(353)
Operational	926	392	534	736	572	164
Total	**18 735**	**18 201**	**534**	**18 423**	**18 530**	**(189)**

The War Museum's main source of income is the subsidy received from DSAC which constitutes 96% of budgeted revenue. Other sources of income from operational activities is gradually starting to increase after the Covid pandemic as visitor numbers are increasing and new revenue generation initiatives were implemented. The operational budget included an amount of R330 0000 which was expected to be transferred from savings to cover post-retirement medical aid expenditure which was not required as savings on expenses and increased revenue from other operational activities were sufficient to cover the expense.

5. CAPITAL INVESTMENT

The Museum received the following capital works allocations from the Executive Authority for the stated infrastructure projects:

1. Major Maintenance – R931 201
2. Installation of solar system – R1 583 042

During the year the following was done with the funds received and remaining funds received:

1. Air-conditioning maintenance, repairs and replacements
2. Renovations to offices
3. Renovations in exhibition area
4. Repairs to existing fence and paving
5. Repairs and maintenance of the Museum house
6. Repair of the boardroom's roof
7. Renovations of the public ablution facilities
8. Installation of solar system

	2022/2023			2023/2024		
Infrastructure projects	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Aircon Maintenance	220	219	1	111	98	13
Major Maintenance	1 300	1 300	-	931	894	37
Installation of solar system	-	-	-	1 583	1 583	-
Fire and HVAC	400	400	-	-	-	-
CCTV	1 000	1 000	-	-	-	-
Total	**2 920**	**2 919**	**1**	**2 625**	**2 575**	**50**

Major projects planned for the coming year are:

1. Upgrading of the auditorium
2. Repairs and Renovations to the Museum

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 with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

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

2. PORTFOLIO COMMITTEES

No meetings were held with the Department of Sport, Arts and Culture (DSAC) Parliamentary Portfolio Committee during the 2023/2024 financial year.

3. EXECUTIVE AUTHORITY

The following table provides commentary on reports submitted to the Executive Authority (the Department of Sport, Arts and Culture) during the financial year, including submission dates and issues raised:

Submission date	Report	Issues raised
28 April 2023	Submit final Quarterly Report to Department for 2022/23 financial year	None
15 May 2023	Submit list of all banking accounts to Treasury via DSAC	None
31 May 2023	Submit signed unaudited financial statements for 2022/23 and Draft Annual Report to DSAC, Treasury and Auditor- General/ External auditor	None
28 July 2023	1st quarter Report to Department for 2023/24 financial year: DSAC Template	None
31 August 2023	Submit printed annual reports 2022/2023 to DSAC	None
29 September 2023	Application to retain surpluses and declaration of deficits	None
30 October 2023	2nd quarter Report to Department for 2023/24 financial year: DSAC Template APP Draft for 2024/25	None
30 January 2024	3rd quarter Report to Department for 2023/24 financial year: DSAC Template Submit final Approved PDF Annual Performance Plan to Dept for 2024/25	None None
15 February 2024	Submit Draft Shareholders Compact to Dept for 2024/25	None

4. THE COUNCIL

Introduction

The Museum is recognised as a national public entity under Schedule 3A of the Public Finance Management Act 1999 (Act No.1 of 1999), as amended. It is accountable to the Parliament of the Republic of South Africa. The Accounting Authority of the Museum, the Museum Council, is appointed in accordance with the requirements of section 5(1) of the Cultural Institutions Act, Act 119 of 1998, as amended by the Cultural Laws Second Amendment Act 69 of 2001 by, and reports to, its Executive Authority, namely the Minister of Sport, Arts and Culture.

The current Council was appointed for the term 1 December 2020 to 30 November 2023. The term was subsequently extended to 8 December 2024 due to the amalgamation process.

The role of the Council is as follows:

PFMA Duties and Responsibilities

Fiduciary duties – the Accounting Authority must:

- exercise the duty of utmost care to ensure reasonable protection of the assets and records of the Museum;
- act with fidelity, honesty, integrity and in the best interest of the Museum in managing the financial affairs of the Museum;
- on request, disclose to the Executive Authority all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Executive Authority;
- seek, within its sphere influence to prevent any prejudice to the financial interest of the state.

General responsibilities – the Accounting Authority must:

- must ensure that the Museum has and maintains –
  - effective, efficient and transparent systems of financial and risk management and internal control;
  - a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with prescribed regulations and instructions;
  - an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
  - a system for properly evaluating all major capital projects prior to a final decision on the project;
- must take effective and appropriate steps to –
  - collect all revenue due to the Museum; and
  - prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operation policies of the Museum; and
  - manage available working capital efficiently and economically;
- is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the Museum;
- must comply with any tax, levy, duty, pension and audit commitments as required by legislation;

- must take effective and appropriate disciplinary steps against any employee of the Museum who –
  - contravenes or fails to comply with a provision of the PFMA;
  - commits an act which undermines the financial management and internal control system of the Museum; or
  - makes or permits an irregular expenditure or a fruitless and wasteful expenditure;
- is responsible for the submission by the Museum of all reports, returns, notice and other information to Parliament or the relevant executive authority or treasury, as may be required by the PFMA;
- must comply, and ensure compliance by the Museum, with the provisions of the PFMA and any other legislation applicable to the Museum.

Cultural Institutions Act

The Cultural Institutions Act, Act 119 of 1998 constitutes the Museum as a public entity.

The affairs of the Museum shall be managed and controlled by a Council consisting of at least 7 members appointed by the responsible Minister. The chairperson is appointed by the Minister. The Director is a member of the Council with no voting rights.

The functions of Council in terms of the Act are:

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

Other responsibilities:

- The Council determines the hours during which and the conditions and restrictions subject to which the public may visit the Museum and the admission charges to be paid.
- The Council may appoint such persons as it considers necessary to perform the functions of the Museum.

Council Charter

The Council Charter is a document that serves to set out the high-level responsibilities of the Museum Council read in conjunction with the Cultural Institutions Act, the PFMA, the applicable Treasury Regulations and the King IV requirements.

The Council conducted its affairs in accordance with the formally adopted Council Charter, the latter is reviewed annually. The last review of the charter was 1 March 2024. The Financial Officer serves as Secretariat to the Council.

Composition of the Council

Name	Designation *(in terms of the Public Entity Council structure)*	Date appointed	Term end	Qualifications	Area of Expertise	Council / Board / Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Dr G.C. Benneyworth	Chairperson	1 December 2020	8 December 2024	PhD; MA (Heritage studies)	Academics, Leadership, Business Management, Programme and Project Management; Research and Strategy; Heritage, History, Tourism	War Museum Moral Regeneration Movement	EXCO	4
Mr. T.A. Ndebele-Monyela	Deputy Chairperson	1 December 2020	8 December 2024	Masters in History	Museums Archives	War Museum Heraldry	EXCO	4
Mr. D. Brijlal	Council member	1 December 2020	8 December 2024	BA (Hons) (IndPsy); MBA; Certificate in Advanced Labour Law.	Human Resources	War Museum		3
Ms R. Mulder	Council member	1 December 2020	8 December 2024	BA Social Science (Socio-Cultural Anthropology)	History, research, heritage conservation, writing, social media marketing	War Museum		4
Adv. C. Naidoo	Council member	1 December 2020	8 December 2024	LLB, LLM	Legal	War Museum	EXCO Audit committee	4
Ms S.P. Tsoleli	Council member	1 December 2020	8 December 2024	Post Graduate Diploma	Governance Communication	War Museum		2
Ms D. Mangope	Council member	1 December 2020	8 December 2024	Master of Management Sciences in Tourism and Hospitality Management Bachelor Hons with specialisation in Gender Studies	Community based tourism development Tourism management Gender studies	War Museum		4
Ms S. Mabilane	Council member	1 December 2020	8 December 2024	Professional Accountant registered with SAIPA	Accountancy & Finance; Risk Management; Ethics Advocacy	War Museum; Luthuli Museum; Ehlanzeni TVET College	Audit committee	2

Committees:

Committee	No. of meetings held	No.of members	Name of members
EXCO	0	4	1. Dr G.C. Benneyworth 2. Adv. C. Naidoo 3. Mr. T.A. Ndebele-Monyela 4. Mr J.L. Pretorius
Audit committee	3	5	1. Adv. J Lubbe 2. Adv. C Naidoo 3. Mrs M J Ramaema 4. Mr. C Pienaar 5. Ms S Mabilane

Remuneration of Council members

The Minister of finance annually determines the service benefit packages for office-bearers of amongst others Public Entities. The latest of which was issued 16 January 2023 with effect from 1 April 2022. The Museum remunerates its Council members in accordance with this determination, specifically sub-category D1. In accordance with the issued determination employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving as office-bearers on Public Entities are not entitled to additional remuneration.

Council remuneration is disclosed in full in note 31 to the Financial Statements.

Name	Remuneration R	Other allowance R	Other re-imbursements R	Total R
Mr D. Brijlal	6 051	-	116	6 167
Adv. C Naidoo	-	-	-	-
Dr G.C. Benneyworth (Chairperson)	11 684	-	3 062	14 746
Mr T Ndebele-Monyela (Deputy Chairperson)	10 615	-	600	11 215
Ms R. Mulder	9 641	-	9 031	18 672
Ms S Mabilane	5 158		3 712	8 870
Ms D Mangope	9 641	-	-	9 641
Mrs S Tsoleli	5 158	-	-	5 158

5. RISK MANAGEMENT

The Museum has a risk management policy and strategy in place which have been approved by the Council.

Annually a formal risk assessment is conducted by Management in order to identify new and emerging risks. The risk assessment culminates in a formal risk management strategy which is submitted to both the Audit Committee and Council for input and approval.

Risks are monitored on a quarterly basis to determine the effectiveness of the risk management strategies and results are reported to both the Audit Committee and Council as part of the Museum's quarterly reporting processes.

The Audit Committee further advises the Museum on risk management and independently in conjunction with the Internal Auditor, monitors the effectiveness of the system of risk management. The Committee reports regularly to Council on its activities.

6. INTERNAL AUDIT AND **AUDIT COMMITTEES**

Per the definition by the Institute of Internal Auditors, internal audit is defined as an "independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The internal audit function has been outsourced for a three-year term to Be Integrated Chartered Accountants Incorporated from October 2022.

A three year-rolling plan for the audits of 2022/2023, 2023/2024 and 2024/2025 including the detailed plan for 2024/2025 have been tabled and approved by the Audit Committee.

The Internal Auditor reports to Council via the Audit Committee.

Internal audit interventions for 2023/2024 focused on the following (including applicable internal controls in each regard):

- High-level review of the Annual Financial Statements (GRAP compliance)
- Governance and compliance

The Audit Committee met on a regular basis per its approved terms of reference. During the financial year ended 31 March 2024, three sittings of the Audit Committee took place.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Nature of appointment	Date appointed	Date Resigned	No. of Meetings attended
Adv J Lubbe SC *Chairperson*	Advocate, S.C	Independent Member	9 May 2020	N/A	3
Ms S. Mabilane	Professional Accountant registered with SAIPA BTech in Cost and Management Accounting	Member of Council	25 November 2021	N/A	3
Adv. C. Naidoo	LLB, LLM	Member of Council	9 May 2020	N/A	3
Mr C. Pienaar	B.Com. Honours	Independent Member	9 May 2020	N/A	1
Mrs M.J. Ramaema	MSc Management	Independent Member	9 May 2020	N/A	2

7. COMPLIANCE WITH **LAWS AND REGULATIONS**

The Museum is a declared cultural institution in terms of the Cultural Institutions Act. It is imperative for the Museum to comply with its enabling legislation. Failure to do so may result in litigation and reputational damage.

The Management periodically under the guidance and approval of Council reviews the policies of the Museum in order to ensure that these are designed to foster adherence to the various laws and regulations applicable to the Museum.

The Museum further ensures compliance to the PFMA and Treasury Regulations through quarterly compliance reporting to Council and the Executive Authority.

8. FRAUD AND **CORRUPTION**

The Museum has a zero-tolerance stance towards perpetrators of fraud, theft, corruption and maladministration by either council members, staff, service providers or other stakeholders.

The Museum will, without exception, react on all possible incidents of discovered fraud, theft, corruption and maladministration.

The Museum adopted a Fraud prevention policy and Strategy, this is reviewed annually.

The Museum further supports and promotes the various Fraud Awareness Campaigns launched by the Department of Sport, Arts and Culture among staff. The information is permanently displayed and staff are aware of the Department of Sport, Arts and Culture hotline.

Any allegations of fraud and corruption reported against officials of the Museum are reported directly to the Council. No such reports were received during the 2023/2024 financial period.

9. MINIMISING **CONFLICT OF INTEREST**

The Museum minimises conflict of interest through regular declarations by Council, Audit Committee, Supply Chain Management/Procurement Committees as well as all members of Management. This requires the declaration of actual or perceived conflict(s) of each member and his/her immediate family's interests with that of the business operations of the Museum. Should any conflict of interest arise which may in any way compromise or appear to comprise any of the aforementioned, the member is required to abstain from any related decision.

10. CODE OF CONDUCT

The Museum adopted a formal Code of Conduct which is reviewed on an annual basis.

The Code provides guidelines to employees with regard to their relationship with the Executive Authority, political and executive office-bearers, other employees and the public. It indicates the spirit in which employees should perform their duties, what should be done to avoid conflicts of interest and what is expected of them in terms of their personal conduct in public and private.

The Museum's Code of Conduct is modelled in accordance with that prepared and developed by the Public Service Commission for the Public Servants.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Museum endeavours to keep visitors, staff, collections and buildings safe. Health and safety related incidents are dealt with by the 16.2 appointee and Human resources and where necessary protocols and procedures are revised and improved.

12. SOCIAL RESPONSIBILITY

Ensuring universal access to the Museum by all communities is imperative. This however must be balanced against the need to generate income in the form of admission fees.

To ensure access to the Museum, Council implemented a diverse pricing structure which includes:

- Discounted entry for pensioners and students;
- Discounted entry for school groups and free entrance concessions upon application;
- Free entry to pre-schoolers;
- Various free entry days linked to National Holidays
    - Human-rights Day
    - Freedom Day
    - Workers Day
    - International Museums Day
    - Africa Day
    - Youth Day
    - Women's Day
    - Heritage Day

The Museum further presents various programmes, educational and otherwise, free of charge to schools, the elderly, the visually, hearing and mobility impaired as well as programmes to orphanages.

13. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

During the year under review no internal control weaknesses were identified or raised by Internal Audit.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

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

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.

Adv. J Lubbe

Chairperson of the Audit Committee
War Museum
31 July 2024

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	N/A to the Museum
Developing and implementing a preferential procurement policy?	Yes	
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A to the Museum
Developing criteria for entering into partnerships with the private sector?	No	N/A to the Museum
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A to the Museum


Sugar Loaf Hill
Ball
SPECIAL

PART D:

Human Recource Management

1. INTRODUCTION

Provide commentary on the following:

- Overview of HR matters at the public entity
- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee wellness programmes
- Policy development
- Highlight achievements
- Challenges faced by the public entity
- Future HR plans /goals

2. HUMAN RECOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

2.1 Personnel related expenditure

Personnel Cost by programme

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Progamme 1: Administration	25 596	8 950	35%	25	358
Progamme 2: Business development	3 017	2 678	89%	6	446
Progamme 3: Public engagement	2 010	1 683	84%	3	561

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 849	14	1	1 849
Senior Management	1 943	15	2	972
Professional qualified	5 396	41	10	539
Skilled	709	5	2	355
Semi-skilled	2 841	21	14	203
Unskilled	574	4	5	115
TOTAL	**13 312**	**100**	**34**	**419**

Performance Rewards

The performance of employees is assessed on an annual basis but the Museum does not have a performance rewards system in place.

Training Costs

The total training cost for the Museum for the financial year amounted to R25 850.

Employment and vacancies

By programme:

Programme/activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2022/2023 Vacancies	% of vacancies
Progamme 1: Administration	19	20	20	-	-
Progamme 2: Business development	6	6	6	-	-
Progamme 3: Public engagement	3	3	2	1	33

By salary band:

Programme/activity/objective	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	1	1	1	-	-
Senior Management	2	2	2	-	-
Professional qualified	8	9	8	1	11
Skilled	2	2	2	-	-
Semi-skilled	12	12	12	-	-
Unskilled	3	3	3	-	-
TOTAL	**28**	**29**	**28**	**1**	**11**

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	2	0	0	2
Professional qualified	8	1	1	8
Skilled	2	0	0	2
Semi-skilled	12	0	0	12
Unskilled	3	0	0	3
Total	**28**	**1**	**1**	**28**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	1	100%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	**1**	**100%**

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	None
Written Warning	None
Final Written warning	None
Dismissal	None

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	1	1
Senior Management	-	-	-	-	-	-	1	1
Professional qualified	-	-	1	1	-	-	3	3
Skilled	-	-	-	-	-	-	-	-
Semi-skilled	9	9	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
TOTAL	**9**	**9**	**1**	**1**	**-**	**-**	**5**	**5**

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	1	1
Professional qualified	1	1	-	-	-	-	5	5
Skilled	1	1	-	-	-	-	1	1
Semi-skilled	-	-	1	1	-	-	1	1
Unskilled	1	1	-	-	5	5	-	-
TOTAL	**3**	**3**	**1**	**1**	**5**	**5**	**8**	**8**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**0**	**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	2023/2024	2022/2023
	R'000	R'000
Opening balance	0	0
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 balance	**0**	**0**

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2022/23 and identified in 2022/23	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	2023/2024	2022/2023
	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**

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	0	0
Total	**0**	**0**

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	**0**	**0**

e) Details of current and previous year irregular expenditure recovered

Description	2023/2024	2022/2023
	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	2023/2024	2022/2023
	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
None
Total

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	2023/2024	2022/2023
	R'000	R'000
None		
Total		

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

Disciplinary steps taken
N/A – none

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	0	0

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 20XX/YY	0	0
Fruitless and wasteful expenditure that relates to 20XX/YY and identified in 20YY/ZZ	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	**0**	**0**

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	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	**0**	**0**

c) Details of current and previous year irregular expenditure recovered

Description	2023/2024	2022/2023
	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 written off	0	0
Total	**0**	**0**

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

Disciplinary steps taken
N/A – None

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**

b) Details of other material losses

Nature of other material losses	2023/2024	2022/2023
	R'000	R'000
N/A - None		
Total		

c) Other material losses recovered

Nature of losses	2023/2024	2022/2023
	R'000	R'000
N/A - None		
Total		

d) Other material losses written off

Nature of losses	2023/2024	2022/2023
	R'000	R'000
N/A - None		
Total		

PART F:

Financial Information

1. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to Parliament on the War Museum of the Boer Republics

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the War Museum of the Boer Republics set out on pages 63 to 111, 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 War Museum of the Boer Republics 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.

Responsibilities of the accounting authority for the financial statements

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

7. 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 concerns; and using the going concerns 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

8. 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.

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

Report on the annual performance report

10. 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.

11. I selected the following material performance indicators related to business development, and public engagement 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.

    - 6 articles per annum in the media or other publications (including digital media)
    - Quarterly updates to website/social media pages
    - Participate in 4 heritage events per annum (including virtual events)
    - Collect items (black and british participation) – 10 items per annum
    - Conserve/maintain 2 categories of items or parts thereof per annum
    - Publish 1 internal publication per annum or contribute to the research of 1 external publication per annum (including digital publications)
    - 6 upgraded and/or new exhibitions (permanent or temporary or online/digital)

- 5 projects (event and/or exhibition and/or heritage awareness initiatives – including virtual projects) in support of national initiatives, youth day, mandela day, women's day, heritage day, and day of reconciliation

- Social responsibility awareness campaign addressing abuse against women and children (including virtual campaigns)

- All new and/or upgraded (permanent or temporary) exhibitions implemented during the period in three languages (in terms of policy) (online/digital exhibitions will only be in english)

- Host one skills development programme per annum (including virtual programmes)

- Visit 16 educational institutions (pre-primary, primary, secondary and tertiary) per annum (including virtual/digital programmes) or 16 registrations by schools to the online education platform of the museum

- Annual school olympiad (including a virtual event)

- Present 4 community outreach and heritage awareness programmes (including virtual/ digital) per annum to promote universal access (cultural organisations or groups/ elderly/orphanages/visually impaired/etc.)

12. 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 of its mandate and objectives.

13. 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' 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
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets

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

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

Report on compliance with legislation

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

17. 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 (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

18. 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.

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

Other information in the annual report

20. 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 in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

21. 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.

22. 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

24. 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.

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

Auditor - General

Bloemfontein

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. 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

2. 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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- 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 War Museum's 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

4. 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.

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

COMPLIANCE WITH LEGISLATION – **SELECTED LEGISLATIVE REQUIREMENTS**

6. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4) Sections 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i) Sections 56(1); 56(2); 57(b); 66(3)(c); 66(5)
Treasury Regulations	Regulations 8.2.1; 8.2.2; 16A 6.1; 16A6.2(a) & (b); 16A6.2(e) Regulations 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d) Regulations 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A.7.1 Regulations 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9 Regulations 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); 16A 9.2(a)(iii) Regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulations 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3, Regulations 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Public Service Regulations	Regulations 18; 18(1); 18(2)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 11.2; Regulations 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1;4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraph 1;2
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraph 4.8; 4.9; 5.1; 5.3
National Treasury SCM Instruction Note 11 of 2020-21	Paragraphs 3.1; 3.4 (b); 3.9
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
National Treasury SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a) ; 3.3.1
National Treasury SCM Instruction Note 3 of 2021-22	Paragraphs 4.3; 4.4; 4.4 (a); 4.4 (c) & (d)
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

Statement of Financial Position as at 31 March 2024

	Notes	2023/24 R	2022/23 R
ASSETS			
Current assets			
Cash and cash equivalents	4	11 247 407	6 541 282
Trade and other receivables from exchange transactions	5	32 046	86 436
Inventories	6	1 161 009	667 283
Total current assets		**12 440 462**	**7 295 001**
Non-current assets			
Intangible assets	7	38 443	15 543
Property, plant and equipment	8	2 932 130	3 115 686
Heritage assets	9	100 121 720	99 319 437
Total non-current assets		**103 092 293**	**102 450 666**
Total assets		**115 532 755**	**109 745 667**
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	10	1 849 536	1 565 141
Liabilities for transfers for special projects DSAC	11	9 990 908	4 876 389
Liabilities for transfers for special projects NLC - Lotto	12	145 413	762 453
Post-employment health care benefit liability	13	606 000	219 500
Total current liabilities		**12 591 857**	**7 423 483**
Non-current liabilities			
Post-employment health care benefit liability	14,15	7 606 000	8 065 500
Total non-current liabilities		**7 606 000**	**8 065 500**
Total liabilities		**20 197 857**	**15 488 983**
Net assets		**95 334 898**	**94 256 684**
NET ASSETS			
Reserves	16	231 065	228 228
Accumulated surplus	16	95 103 833	94 028 456
Total net assets		**95 334 898**	**94 256 684**

Statement of Financial Performance for the year ended 31 March 2024

	Notes	2023/24 R	2022/23 R
REVENUE			
Revenue from exchange transactions			
Operating revenue	18	314 181	316 970
Rental income	19	43 997	36 902
Interest income	20	99 166	34 928
Revenue from non-exchange transactions			
Gifts, sponsorships and donations received	21	111 430	3 509
Transfers and subsidies received	22	23 913 712	23 133 206
Transfers for special projects NLC	23	617 039	-
Transfers for special projects DSAC	24	6 021 580	5 115 677
Heritage asset donations received	25	801 312	953 800
Total revenue		**31 922 417**	**29 594 992**
EXPENSES			
Administrative expenses	26	142 227	179 345
Audit fees	27	654 582	433 402
Amortisation charge	28	21 083	4 843
Depreciation charge	29	366 423	234 596
Other expenses	30	12 078 223	9 937 364
Staff costs	31	14 553 964	14 045 568
Transfer of property	8	3 859 466	3 881 102
Total expenses		**31 675 968**	**28 716 220**
Surplus from operations		**246 449**	**878 772**
Impairment of property, plant and equipment	8	(29 055)	(43 145)
Impairment of heritage assets	9	(4 180)	(10 050)
Actuarial gain	15	865 000	170 024
Surplus for the year		**1 078 214**	**995 601**

Statement of Changes in Net Assets for the year ended 31 March 2024

	Note	Accumulated Surplus R	Reserves R	Total R
Balance at 1 April 2022	**16**	**93 033 090**	**227 993**	**93 261 083**
Surplus for the year		995 601	-	995 601
Transfers to/(from) reserves	16	(235)	235	-
Balance at 31 March 2023	**16**	**94 028 456**	**228 228**	**94 256 684**
Surplus for the year		1 078 214	-	1 078 214
Transfers to/(from) reserves	16	(2 837)	2 837	-
Balance at 31 March 2024	**16**	**95 103 833**	**231 065**	**95 334 898**

Cash Flow Statement for the year ended 31 March 2024

	Notes	2023/24 R	2022/23 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from Government Grants and customers		29 744 874	20 878 034
Cash paid to suppliers and employees		(21 017 392)	(18 328 816)
Cash generated from operations	**33**	**8 727 482**	**2 549 218**
Interest income	20	99 166	34 928
Net cash flows from operating activities		**8 826 648**	**2 584 146**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	7	(43 984)	-
Purchase of property, plant and equipment	8	(4 071 389)	(5 406 922)
Purchase of heritage assets	9	(5 150)	(1 572)
Net cash flows from investing activities		**(4 120 523)**	**(5 408 494)**
Net decrease in cash and cash equivalents		**4 706 125**	**(2 824 348)**
Cash and cash equivalents at the beginning of year	**4**	**6 541 282**	**9 365 630**
Cash and cash equivalents at end of the year	**4**	**11 247 407**	**6 541 282**

Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2024

	Note	Approved Budget R	Adjustments R	Final Budget R	Actual Amounts on Comparable Basis R	Difference between Final Budget and Actual R
OPERATIONS:						
INCOME		**18 572 900**	**(150 000)**	**18 422 900**	**18 611 966**	**(189 066)**
Transfers and subsidies	22	17 687 000	-	17 687 000	18 040 000	(353 000)
Interest income	20	30 000	30 000	60 000	99 166	(39 166)
Entrance fees	18	130 000	-	130 000	132 517	(2 517)
Sales	18	180 000	(10 000)	170 000	145 069	24 931
Rental income	19	37 400	-	37 400	47 189	(9 789)
Donations	21	5 000	-	5 000	111 430	(106 430)
Other income	18	503 500	(170 000)	333 500	36 595	296 905
EXPENDITURE		**18 572 900**	**(150 000)**	**18 422 900**	**18 037 092**	**385 808**
Administrative costs	26	140 000	(40 000)	100 000	142 227	(42 227)
Audit fees	27	500 000	(30 000)	470 000	654 582	(184 582)
Other expenses	30	4 165 830	150 277	4 316 107	4 252 006	64 101
Staff costs	31	13 667 070	(230 277)	13 436 793	12 905 864	530 929
Assets	7,8	100 000	-	100 000	82 413	17 587
Surplus/(deficit)	**32****	**-**	**-**	**-**	**574 874**	**(574 874)**
PROJECTS:						
NLC						
Income	12,23	*762 453	-	762 453	762 453	-
Expenditure	12,30	(762 453)	-	(762 453)	(617 040)	(145 413)
Surplus/(deficit)		**-**	**-**	**-**	**145 413**	**(145 413)**
Amount carried forward	12	-	-	-	(145 413)	145 413
Surplus/(deficit)	**32****	**-**	**-**	**-**	**-**	**-**

*Balance carried over from previous year
**Refer to note 32 for explanations for material differences between the original and final budget as well as budget and actual comparable amounts

Statement of Comparison of budget and Actual Amounts for the year ended 31 March 2024 (continued)

		Approved Budget R	Adjustments R	Final Budget R	Actual Amounts on Comparable Basis R	Difference between Final Budget and Actual R
DSAC SPECIAL PROJECTS – UNSPENT CONDITIONAL GRANTS						
Income	11,24	* 4 876 389	10 799 556	15 675 944	15 675 944	-
Interest on project funds	11	-	336 545	336 545	336 545	-
Transfer to revenue – project conditions met	11	-	-	-	(105 444)	105 444
Expenditure	11,30,31	(4 876 389)	(11 136 100)	(16 012 489)	(5 916 136)	(10 096 353)
Surplus/(deficit)		**-**	**-**	**-**	**9 990 909**	**(9 990 909)**
Amount carried forward	11	-	-	-	(9 990 909)	9 990 909
Surplus/(deficit)	**32****	**-**	**-**	**-**	**-**	**-**
DSAC SPECIAL PROJECTS – RESERVES						
Income	16	*143 547	-	143 547	143 547	-
Expenditure	30	(143 547)	-	(143 547)	-	(143 547)
Surplus/(deficit)		**-**	**-**	**-**	**143 547**	**(143 547)**
Amount carried forward	16	-	-	-	(143 547)	143 547
Surplus/(deficit)	**32****	**-**	**-**	**-**	**-**	**-**
SPONSORSHIPS/ROYALTIES – RESERVES						
Income	16	*84 446	2 837	87 283	87 283	-
Expenditure	30	(84 446)	(2 837)	(87 283)	-	(87 283)
Surplus/(deficit)		**-**	**-**	**-**	**87 283**	**(87 283)**
Amount carried forward	16	-	-	-	(87 283)	87 283
Surplus/(deficit)	**32****	**-**	**-**	**-**	**-**	**-**

*Balance carried over from previous year

**Refer to note 32 for explanations for material differences between the original and final budget as well as budget and actual comparable amounts

Statement of comparison of budget and actual amounts for the year ended 31 March 2024 (continued)

Reconciliation between actual amounts on a comparable basis presented above to net increase/(decrease) in cash and cash equivalents for the year per the Cash Flow Statement:

	Notes	Operating Activities R	Investing Activities R	Financing Activities R	Total R
Total income on a comparable basis		35 512 294	-	-	35 512 294
Balances carried over from prior period		(5 866 835)	-	-	(5 866 835)
		29 645 459	**-**	**-**	**29 645 459**
Adjusted for basis differences:		(76 707)	-	-	(76 707)
Trade and other receivables	5	(80 887)	-	-	(80 887)
Straight-lining of operating lease	19	4 181	-	-	4 181
Interest income	20	(34 929)	-	-	(34 929)
Actual Amount in the Statement of Cash Flows		**29 533 824**	**-**	**-**	**29 533 824**
Total expenditure on a comparable basis		(24 570 269)	-	-	(24 570 269)
Adjusted for basis differences:		3 763 927	(4 120 522)	-	(356 595)
Purchases of property, plant and equipment	8	4 071 388	(4 071 388)	-	-
Purchases of intangible assets	7	43 984	(43 984)	-	-
Purchase of heritage assets	9	5 150	(5 150)	-	-
Trade creditors	10	34 471	-	-	34 471
Medical aid benefits continuation members	15	(424 000)	-	-	(424 000)
Retention fees movement	10	-	-	-	-
Projects from surplus		32 934	-	-	32 935
Special project leave accrued	10	-	-	-	-
Actual Amount in the Statement of Cash Flows		**(20 806 342)**	**(4 120 522)**	**-**	**(24 926 864)**
Interest income	20	99 166	-	-	99 166
Net increase/(decrease) in cash and cash equivalents	**4**	**8 826 648**	**(4 120 522)**	**-**	**4 706 126**

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2024**

1. ACCOUNTING **POLICIES**

These financial statements are for The War Museum of the Boer Republics. The following are the principle accounting policies of the Museum which are, in all material respects, consistent with those applied in the previous financial year, except as otherwise indicated:

1.1 Basis of preparation

The financial statements, to the extent that it is practicable, have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (PFMA), Act 1 of 1999

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, unless specified otherwise.

The cash flow statement has been prepared in accordance with the direct method.

The amount and nature of any restrictions on cash balances are disclosed, where appropriate.

1.2 Currency

These financial statements are presented in South African Rand (R) since that is the currency in which the majority of the Museum's transactions are denominated. Amounts presented have been rounded to the nearest R1.

1.3 Going concern assumption

These financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. Funds were obtained and used in accordance with a legally adopted budget.

1.4 Revenue recognition

Revenue from exchange transactions

These are transactions where revenue accrued to the Museum directly in return for services rendered and goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- The Museum retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits or services potentially associated with the transaction will flow to the Museum and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Revenue recognition (continued)

Income received from entrance fees, sale of goods and royalties

Revenue from the sale of goods and royalties is recognised when significant risks and rewards of ownership of the goods have been transferred to the purchaser and the amounts of revenue can be measured reliably.

Revenue from the sale of tickets for entrance fees is only recognised when the Museum's related obligation to perform has been extinguished.

Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income is recognised on a time proportion basis, considering the principal outstanding and the effective rate over the period to maturity.

Revenue from non-exchange transactions

These are transactions where the Museum receives value from another entity without directly giving approximately equal value in exchange.

Government Grants, sponsorships and donations

Income received from grants, sponsorships and donations is recognised as revenue when the Museum gains control of the resources that meet the definition of an asset and thus where it is probable that future economic benefits or service potential will flow to the Museum and these benefits can be measured reliably. Revenue is recognised to the extent that a liability is not also recognised in respect of the same income, i.e. where no conditions exist with a corresponding requirement to return the income to the transferor. When a condition exists with a corresponding requirement to return the income to the transferor, a liability is recognised until such time as the condition is fulfilled and no further obligation to return the income to the transferor exists in which case revenue is recognised.

Services in-kind

Services in-kind that are significant to the Museum's operations and/or service delivery objectives are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the Museum. Services in-kind, such as the free use of the building in which the Museum is housed, are measured at their fair value based on market related rental.

1.5 Retirement benefit costs

The Museum operates a defined contribution retirement plan, the assets of which are generally held in separate trustee-administered funds. The plan is generally funded by payments from the Museum's employees, considering the recommendations of independent qualified actuaries.

Payments to defined contribution retirement plans are charged to the Statement of Financial Performance in the year to which they relate.

1.5 Retirement benefit costs (continued)

The museum also operates a post-employment health care benefit plan. The current service cost, interest cost and liability are determined by means of an actuarial valuation. The vested current service cost is immediately acknowledged in the statement of financial performance as an expense, while the non-vested current service cost, if any, is acknowledged as an expense on a straight-line basis over the average period until the benefit will be vested.

Actuarial gains and losses are recognised through surplus and deficit in the period in which they occur.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services or for administrative purposes and are expected to be used during more than one year. Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the Museum and the cost or fair value of the item can be measured reliably.

Property, plant and equipment are stated at cost (where acquired through exchange transactions) less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment acquired through non-exchange transactions are measured at their fair value as at the date of acquisition.

Depreciation is charged so as to systematically write off the cost or valuation of assets over their estimated useful lives to its residual value, using the straight-line method.

Annual depreciation rates are based on the following ranges of estimated asset useful lives:

Vehicles	10 - 21 years
Computer equipment	5 - 19 years
Electronic equipment	5 - 30 years
Donated assets	5 - 20 years
Other assets	2 - 38 years

Depreciation commences when the asset is ready for its intended use.

If the cost of a part of an item is considered to be significant in relation to the total cost of the item, that part is depreciated separately. The useful lives and residual value of assets are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

The museum at each reporting date assesses whether there is any indication that assets may be impaired. Where the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the surplus and deficit.

1.7 Intangible assets

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

1.7 Intangible assets (continued)

Intangible assets are recognised in the Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Museum and the cost can be reliably measured.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the Museum for no consideration, the cost is deemed to be equal to the fair value of the asset on the date acquired. Subsequent to initial recognition, intangible assets shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to systematically write off the cost or valuation of assets over their estimated useful lives to its residual value, using the straight-line method.

The annual amortisation rates are based on the following estimated average asset lives:

Computer software	2 - 13 years

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

The amortisation period and the amortisation method are reviewed at each financial year-end.

The museum at each reporting date assesses whether there is any indication that assets may be impaired. Where the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the surplus and deficit.

The gain or loss arising from the derecognition of an intangible asset (upon disposal or when no future economic benefits/service potential are expected from its use or disposal) is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and is recognised in surplus and deficit when the asset is derecognised.

1.8 Inventories

Inventories are carried at the lower of cost or net realisable value. Net realisable value represents the estimated selling price in the ordinary course of operations less the estimated cost of completion and estimated cost necessary to make the sale, exchange or distribution. Inventories are measured using the first-in-first-out technique. Inventory acquired at no cost are carried at its fair value as at the date of acquisition.

1.9 Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the Museum's Statement of Financial Position when and only when the Museum becomes a party to the contractual provisions of the instrument.

Upon initial recognition the entity classifies financial instruments as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

1.9 Financial instruments (continued)

Measurement

Financial instruments are initially measured at fair value, plus, in the case of a financial asset or financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or use of the financial asset or financial liability.

Subsequent to initial recognition these instruments are measured as set out below:

Financial assets

The Museum's principle financial assets are trade and other receivables and cash and cash equivalents.

- Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition. Subsequent to initial measurement, trade and other receivables are stated at amortised cost, less provisions for impairment. All trade and other receivables are assessed at least annually for possible impairment.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current.

- Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash deposits held with different banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

Financial liabilities

The Museum's principle financial liabilities include accounts and other payables.

- Trade and other payables

Trade and other payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

1.10 Provisions and contingencies

Provisions are liabilities of uncertain timing or amount. Provisions are recognized when the Museum has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

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 Museum.

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 Museum; or

1.10 Provisions and contingencies (continued)

- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Museum does not recognise contingent assets and liabilities. Contingent liabilities are disclosed in note 17.

1.11 Comparative figures

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are also restated and reclassified. The nature and reason for the reclassification will be disclosed where necessary. Where accounting errors relating to prior periods have been identified in the current year, the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods, unless specified otherwise.

1.12 Post reporting date events

Where an event occurs after the reporting date that has an effect on a situation that occurred before the reporting date, the effect will be acknowledged in the financial statements.

However, where an event occurs after the reporting date that has no effect on a situation that occurred before the reporting date, the effect will be acknowledged in a note to the financial statements, if the fair presentation of the financial statements is affected.

1.13 Income taxation

In terms of section 10(1) of the Income tax Act, No. 58 of 1962, the War Museum of the Boer Republics is exempted from taxation and approval for exemption was granted in terms of section 18A.

1.14 Heritage assets

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

Recognition:

Heritage assets are recognised if it is probable that future economic benefits or service potential associated with the asset will flow to the Museum and where the cost or fair value of the asset can be measured reliably.

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

a) If the Museum holds an asset that might be regarded as a heritage asset but which, on

1.14 Heritage assets (continued)

initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.

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

c) The research required to identify, analyse and classify heritage items often spans several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the financial statements.

Measurement:

The value of assets has been determined using cost. If the asset is acquired in a non-exchange transaction – fair value on acquisition is deemed the acquisition cost.

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

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

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

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

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

c) Measurement date (for purposes of this Directive): Measurement date is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information in its first financial statements prepared using Standards of GRAP.

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

a) a revaluation in accordance with the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets; or

b) the application of the fair value model in the Standards of GRAP on Investment Property,

1.14 Heritage assets (continued)

paragraph A4, which states that subsequent depreciation, if applicable, is based on that deemed cost, and starts from the measurement date.

Initial entries using deemed cost

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

a) as an adjustment to the opening balance of accumulated surpluses or deficits in the opening statement of financial position prepared using Standards of GRAP; or
b) in revaluation surplus if an entity adopts the revaluation model in the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets.

The Museum has adopted the cost model for heritage assets.

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

Valuation of heritage assets

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

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

Valuation of heritage assets:

a) Valuation techniques

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

b) Inability to value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17).

1.14 Heritage assets (continued)

Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements. These items are controlled in the asset register.

c) Valuing an entire collection

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

Heritage asset classification

A class of heritage assets is a grouping of heritage assets of a similar nature or function in the Museum's operations, which is shown as a single item for the purpose of disclosure in the financial statements. The Museum has recognised the following classes of heritage assets:

- Philatelic
- Documents
- Photographic
- Library Material ("Library")
- 3 Dimensional Objects ("Objects")

Heritage assets on loan to other institutions

The financial statements shall disclose information on heritage assets that are borrowed from, or on loan to other entities.

Impairment

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

Transfers

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

De-recognition

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

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.14 Heritage assets (continued)

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

1.15 Budget information

The Museum's budget is compiled on a cash basis with an economic classification. It covers the same period as the financial statements, namely 1 April to 31 March of each year.

1.16 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term.

1.17 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only other national entities where control exists are considered to be related parties and to be under common control.

Management is regarded as related parties of the Museum. Management is defined as being comprised of those individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals from the level of Senior Management, as well as the members of the Accounting Authority are considered Management.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in governing its financial and operating decisions, or if the related party and another entity are subject to common control.

Related party disclosures for transactions which occur within

a) 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

b) terms and conditions within the normal operating parameters established by the reporting entity's legal mandate are not disclosed in accordance with GRAP 20 Related Party Disclosure. However narrative information about the nature of the transactions and the related outstanding balances are disclosed.

2. ADOPTION OF STANDARDS OF **GENERALLY RECOGNISED ACCOUNTING PRACTICE**

The Museum did not adopt new GRAP standards during the current financial year.

3. CRITICAL ACCOUNTING ESTIMATES AND **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

The Museum makes estimates and assumptions that affect the reported amounts of assets and liabilities at date of financial position as well as the reported income and expenses for the year.

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

3.1 Post-employment health care benefit liabilities

The costs of the benefits and the present value of the post-employment health care benefit liability depend on a number of factors that are determined by an actuarial valuation using a number of assumptions. The main assumptions used in determining the charge to the income statement arising from these obligations include discount rates, medical aid inflation and expected retirement age. Any changes in these assumptions will impact the charge to the statement of financial performance.

Discount rate

The discount rate should be derived from government bond yields consistent with the estimated term of the post-retirement liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The methodology of setting the financial assumptions is duration specific. The duration of liabilities was estimated to be 12 years.

A discount rate of 13.45% per annum was used. The corresponding index-linked yield at this term is 7.85%. These rates were deduced from the interest rate data obtained from the JSE after the market closed on 31 March 2024.

These rates were calculated by using a liability-weighted average of the yields for the two components of the liability. Each component's fixed-interest and index-linked yields were taken from the respective bond yield curves at that component's duration, using an interactive process (because the yields depend on the liability, which in turn depends on the yields).

Health Care Cost Inflation Rate

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

3. Critical Accounting estimates and judgements in applying accounting policies (continued)

A health care cost inflation rate of 9.35% has been assumed, a net discount rate of 3.75%.

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. These increases were considered to be not sustainable and have assumed that medical aid contribution increases would out- strip general inflation by 1.5% per annum over the foreseeable future.

Expected retirement age

The normal retirement age is 65. It was assumed that all members will retire at 63 on average, which then implicitly allows for expected rates of ill-health and early retirement.

Additional information is provided in Note 14 and 15 of these financial statements.

3.2 Asset lives and residual values

Assets are depreciated over its useful life, and takes into account its residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, extent of usage and maintenance requirements are also considered. Residual value assessments consider the current market value for similar assets that were already of the age and condition expected at the end of the asset's life should it be disposed of.

3.3 Fair value of the free use of buildings

The Museum is housed in Government owned buildings. The buildings are used free of charge.

The fair value of this service in-kind is estimated by applying market related rental rates per square metre for office buildings during the financial period to the calculated area of use. In the absence of recent reliable market related rentals adjustments are made to the rental rates previously used/available for inflation and other economic factors.

4. CASH AND CASH EQUIVALENTS

	2023/24 R	2022/23 R
Cash at bank:		
ABSA – account: 047 060 1302	269 093	780 415
Corporation Public Deposits – account: 95181172	944 976	890 465
Corporation Public Deposits – account: 95271074	10 027 108	4 864 667
Cash on hand	6 230	5 735
Total	**11 247 407**	**6 541 282**

There are no restrictions on title or disposal of cash balances nor have any of the balances been pledged as security for any liabilities.

As required in sections 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the banks where the bank accounts are held.

Also refer to note 35 on Financial Instruments.

5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2023/24 R	2022/23 R
Trade receivables	31 221	85 611
Deposits with suppliers	825	825
Total	**32 046**	**86 436**

6. INVENTORIES

	2023/24 R	2022/23 R
Consumables	21 330	20 809
Publications	1 124 909	644 107
Curio items	14 770	2 367
Total	**1 161 009**	**667 283**

7. INTANGIBLE ASSETS

	Computer Software	Total
Year ended 31 March 2023		
Cost	82 370	82 370
Accumulated amortisation	(61 984)	(61 984)
Opening net carrying amount	**20 386**	**20 386**
Additions	-	-
Amortisation	(4 843)	(4 843)
Net carrying amount 31 March 2023	**15 543**	**15 543**
Reconciliation at 31 March 2023		
Cost price	**68 317**	**68 317**
Cost price	68 317	68 317
Write-off at cost	-	-
Accumulated amortisation	**(52 774)**	**(52 774)**
Accumulated amortisation	(52 774)	(52 774)
Write-off - accumulated amortisation	-	-
	15 543	**15 543**
Year ended 31 March 2024		
Opening net carrying amount	15 543	15 543
Additions	43 983	43 983
Amortisation	(21 083)	(21 083)
Net carrying amount 31 March 2024	**38 443**	**38 443**
Reconciliation at 31 March 2024		
Cost price	**99 556**	**99 556**
Cost price	112 301	112 301
Write-off at cost	(12 745)	(12 745)
Accumulated amortisation	**(61 113)**	**(61 113)**
Accumulated amortisation	(73 858)	(73 858)
Write-off - accumulated amortisation	12 745	12 745
	38 443	**38 443**

There are no restrictions on the title or the disposal of intangible assets.
None of the assets have been pledged as security for any liabilities.
There are no contractual commitments related to intangible assets.

8. PROPERTY, PLANT **AND EQUIPMENT**

	Buildings WIP	Computer equipment	Electronic equipment	Vehicles	Donated assets	Other assets	Total
Year ended 31 March 2023:							
Cost	-	548 221	928 714	806 244	74 937	942 948	**3 301 064**
Accumulated depreciation	-	(306 519)	(451 934)	(250 441)	(74 037)	(350 525)	**(1 433 456)**
Opening net carrying amount	**-**	**241 702**	**476 780**	**555 803**	**900**	**592 423**	**1 867 608**
Additions	5 060 030	191 105	8 791	74 000	-	72 995	**5 406 921**
Depreciation	-	(70 000)	(61 699)	(35 635)	(118)	(43 628)	**(234 596)**
Transfer of property	(3 881 102)	-	-	-	-	-	**(3 881 102)**
Write-off at carrying value	-	(138)	-	(40 461)	(248)	(2 298)	**(43 145)**
Net carrying amount 31 March 2023	**1 178 928**	**362 669**	**423 872**	**553 707**	**534**	**595 976**	**3 115 686**
Reconciliation at 31 March 2023:							
Cost price	**1 178 928**	**595 656**	**927 423**	**827 245**	**39 189**	**999 240**	**4 567 681**
Cost price	1 178 928	739 327	937 505	880 245	74 937	1 016 069	**4 827 011**
Write-off at cost	-	(143 671)	(10 082)	(53 000)	(35 748)	(16 829)	**(259 330)**
Accumulated depreciation	**-**	**(232 987)**	**(503 551)**	**(273 538)**	**(38 655)**	**(403 264)**	**(1 451 995)**
Accumulated depreciation	-	(376 520)	(513 633)	(286 077)	(74 154)	(417 796)	**(1 668 180)**
Write-off accumulated depreciation	-	143 533	10 082	12 539	35 499	14 532	**216 185**
	1 178 928	**362 669**	**423 872**	**553 707**	**534**	**595 976**	**3 115 686**
Year ended 31 March 2024:							
Opening net carrying amount	1 178 928	362 669	423 872	553 707	534	595 976	**3 115 686**
Additions	2 801 288	335 795	824 800	-	-	109 504	**4 071 387**
Depreciation charge	-	(144 841)	(107 665)	(40 431)	(80)	(73 405)	**(366 422)**
Transfer of property	(3 859 466)	-	-	-	-	-	**(3 859 466)**
Write-off at carrying value	-	(8 485)	-	-	-	(20 570)	**(29 055)**
Net carrying amount 31 March 2024	**120 750**	**545 138**	**1 141 007**	**513 276**	**454**	**611 505**	**2 932 130**

Reconciliation at 31 March 2024:

Cost price	**120 750**	**792 343**	**1 720 694**	**827 245**	**1 609**	**1 049 743**	**4 512 384**
Cost price	120 750	931 451	1 752 224	827 245	39 189	1 108 743	**4 779 602**
Write-off at cost	-	(139 108)	(31 530)	-	(37 580)	(59 000)	**(267 218)**
Accumulated depreciation	**-**	**(247 205)**	**(579 687)**	**(313 969)**	**(1 151)**	**(438 238)**	**(1 580 254)**
Accumulated depreciation	-	(377 828)	(611 217)	(313 969)	(38 735)	(476 668)	**(1 818 417)**
Write-off accumulated depreciation	-	130 623	31 530	-	37 580	38 430	**238 163**
	120 750	**545 138**	**1 141 007**	**513 276**	**454**	**611 505**	**2 932 130**

There are no restrictions on the title or the disposal of property, plant and equipment. Buildings (WIP) are additions to buildings owned by the Department of Public Works and Infrastructure (DPWI). After capital works are completed the balance is transferred to DPWI through the Statement of Financial Performance as transfers of property. None of the assets have been pledged as security for any liabilities.

9. HERITAGE ASSETS

	Objects	Documents	Philatelic	Library	Photographic	Total
Year ended 31 March 2023:						
Opening balance	**75 766 530**	**12 930 991**	**2 491 848**	**3 388 719**	**3 796 027**	**98 374 115**
Additions	540	-	-	1 032	-	**1 572**
Donations	432 320	386 381	6 870	91 899	36 330	**953 800**
Impairment	(10 000)	-	-	-	(50)	**(10 050)**
At 31 March 2023	**76 189 390**	**13 317 372**	**2 498 718**	**3 481 650**	**3 832 307**	**99 319 437**
Year ended 31 March 2024:						
Opening balance	**76 189 390**	**13 317 372**	**2 498 718**	**3 481 650**	**3 832 307**	**99 319 437**
Additions	5 150	-	-	-	-	**5 150**
Donations	502 474	150 997	8 510	93 587	45 745	**801 313**
Impairment	(4 180)	-	-	-	-	**(4 180)**
At 31 March 2024	**76 692 834**	**13 468 369**	**2 507 228**	**3 575 237**	**3 878 052**	**100 121 720**

Additions

For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include purchase, donation, bequeath, loan or transfer.

Loans

Valid and duly authorised Loan Agreements have been concluded with the following entities in accordance with the Museums Heritage Asset Management Policy:

Loans from

- Ditsong National Cultural History Museum
- Transnet Heritage Foundation
- Ronald Andrews
- Friends of the War Museum
- Free State Provincial Museum Services
- National Afrikaans Literary Museum (NALN)
- Bethulie Museum
- Genealogical Society
- Free State Philatelic Society
- MC Heunis
- Frans Du Randt
- National Women's Memorial Commission
- Twin Tower Church
- Oranje Vrijstaat Artillerie Corps (OVSAC)
- Kedar Heritage Lodge
- War Museum Support Trust
- Tiaan Jacobs
- Castiglione Moths

9. HERITAGE **ASSETS (CONTINUED)**

Loans to

- National Army Museum New Zealand
- Magersfontein Museum
- Voortrekker Monument
- Dutch Reformed Church Bultfontein

Impairment

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

- Where acquisitions have been fair valued and assessed, the valuation surplus/loss has been disclosed accordingly.
- Where acquisitions have been assessed with no significant change in fair value for the period under review, they are disclosed at cost or fair value.
- All remaining items valued and disclosed have been assessed and fair valued as at the date of recognition.

Inability to Value

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

Assets Not Valued and Not Affecting the Annual Financial Statements

- Items on exhibition. The items include replicas which are used for exhibition and educational purposes and are expensed.
- The nature of the museum library collection is diverse in its composition. Some of its collection items meet the definition of a heritage asset and some do not. The Museum has identified materials of research value which are held as reference materials but are not valued- these include annual publications, theses and reports.

Disposal and other restrictions

None of the heritage assets have been pledged as security for liabilities. There are no restrictions on the title of the heritage assets. No contractual commitments related to heritage assets existed at period end.

Section 4(6) of the Cultural Institutions Act prevents the Museum from selling or otherwise alienating any collection without prior approval of the Minister of Sport, Arts and Culture.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2023/24 R	2022/23 R
Trade payables	659 707	300 600
Trade creditors	317 771	283 299
National Treasury – Audit Fees*	324 635	-
Retention fees payable	17 301	17 301
Accrued Leave	1 189 829	1 264 541
Opening balance	1 264 541	1 123 946
Increase/(decrease) during the year	(57 816)	199 171
Amounts paid during the year	(16 896)	(58 576)
Total	**1 849 536**	**1 565 141**

*The Auditor-General on an annual basis in terms of statutory requirements (Section 11 of the Cultural Institutions Act and Section 58 of the PFMA) performs an audit of the Museum's financial affairs and issues an audit report to parliament.

Section 23(6) of the Public Audit Act, which deals with audit fees, states that:

"If the audit fee exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year, such excess must be defrayed from the National Treasury's vote, provided that the National Treasury is of the view that the auditee has financial difficulty to settle the cost. This excludes national and provincial departments."

The Museum has always in the past been among Entities listed by National Treasury with financial difficulty to settle cost of audit fees. The subsidy and income of the Museum does not allow for the budget provision of audit fees in excess of 1% of the Museum's total current and capital expenditure. Therefore, audit fees in excess of 1% of the total current and capital expenditure must be defrayed from the National Treasury's vote and thus be paid by National Treasury to the Auditor-General.

It is the practice of National Treasury that invoices in excess of the 1%, which is to be defrayed from its vote be submitted for payment to National Treasury by the Auditor-General directly, payment of such is then made by National Treasury to the Auditor-General. Historically the Auditor-General wrote off the excess of 1% when they omitted to submit these invoices to National Treasury.

The payable for audit fees included in the balances above relates to amounts which, in terms of Section 23(6) of the Public Audit Act, must be defrayed from the National Treasury's vote and will therefore not be settled by the Museum.

The Museum, after consultation with the Auditor-General, resolved to include the balances subject to an understanding between the parties that it does so with the proviso that the inclusion thereof not infringe on the Museum's rights in this regard.

11. LIABILITIES FOR TRANSFERS FOR SPECIAL PROJECTS DSAC

11.1 Infrastructure Projects

	2023/24 R	2022/23 R
GRAP 103 – Heritage Assets implementation	1 739 192	4 636 433
Major maintenance	41 157	18 957
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	244	-
Workshop	24 436	22 581
Air-conditioning maintenance	67 200	155 536
Upgrading IT systems	6 046	5 572
DSAC – Asbestos	19 564	19 564
CCTV	-	7 435
Solar	16 356	-
Auditorium	8 086 535	-
Retention fees	(17 302)	(17 302)
Total	**9 983 428**	**4 848 776**

Amounts received from the Department of Sport, Arts and Culture were for the following purposes:

Major maintenance 5	931 201	-
Major maintenance 4	-	1 300 000
CCTV	-	1 000 000
Solar	1 583 042	-
Auditorium	8 200 000	-
Total	10 714 243	2 300 000

Refer to note 8, 24 and 30 for income and expenditure.

11. LIABILITIES FOR TRANSFERS FOR SPECIAL PROJECTS DSAC (CONTINUED)

Reconciliation at 31 March 2024:

	2023/24 R	2022/23 R
Opening balance:	**4 848 777**	**7 206 842**
GRAP 103 – Heritage Assets implementation	4 636 433	6 406 357
Major maintenance	18 957	18 967
Workshop	22 582	21 307
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	-	393 515
Air-conditioning maintenance	155 536	359 188
Asbestos	2 262	2 262
CCTV	7 435	-
IT	5 572	5 246
Amounts received during the period - DSAC:	**10 714 243**	**2 300 000**
CCTV	-	1 000 000
Solar	1 583 042	-
Auditorium	8 200 000	-
Major maintenance	931 201	1 300 000
Amounts spent during the period:	**(5 916 136)**	**(5 064 053)**
GRAP 103 – Heritage Assets implementation	(3 194 253)	(2 151 583)
Major maintenance	(912 755)	(1 300 010)
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	-	(401 235)
Solar	(1 583 042)	-
Auditorium	(120 750)	-
Workshop	-	-
Asbestos	-	-
Prior year retention fees reversed	-	-
Retention fees provided	-	-
Air-conditioning maintenance	(97 901)	(218 660)
CCTV	(7 435)	(992 565)
Interest earned on project funding:	**336 544**	**405 987**
GRAP 103 – Heritage Assets implementation	297 012	381 659
Major maintenance	3 754	-
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	244	7 720
Workshop	1 854	1 275
Air-conditioning maintenance	9 565	15 007
Solar	16 356	-
Auditorium	7 285	-
Upgrading IT systems	474	326
Closing balance	**9 983 428**	**4 848 776**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. LIABILITIES FOR TRANSFERS FOR SPECIAL PROJECTS DSAC (CONTINUED)

11.2 Pan Africanism

	2023/24 R	2022/23 R
Pan Africanism	-	27 613
Reconciliation at 31 March 2024:		
Opening balance	**27 613**	**27 613**
Amounts received during the period:	**-**	**-**
Amounts spent/utilised during the period:	(27 613)	-
Closing balance	**-**	**27 613**

11.3 National Arts Council (NAC)

	2023/24 R	2022/23 R
NAC	7 480	-
Reconciliation at 31 March 2024:		
Opening balance	**-**	**-**
Amounts received during the period:	**85 313**	**-**
Amounts spent/utilised during the period:	(77 833)	-
Closing balance	**7 480**	**-**
TOTAL	**9 990 908**	**4 876 389**

12. LIABILITIES FOR TRANSFERS FOR SPECIAL PROJECTS NLC – LOTTO

	2023/24 R	2022/23 R
NLC – Lotto # 43147	4 356	12 067
NLC – Lotto # 73476	141 057	750 386
Total	**145 413**	**762 453**

NLC – Lotto # 43147

The Museum received an award of R2 173 000 (Tranche 2 - 2012/2013: R866 200) (Tranche 1 - 2010/2011: R1 306 800.00) from the National Lotteries Commission (NLC), for projects portraying black participation in the War of 1899-1902. Income is recognised to the extent that expenditure has been incurred. The unspent amounts are recognised as a liability, due to certain conditions attached thereto, stipulating that should the grant agreement be breached funds must be returned to the transferor. Refer to note 30 for the amount of expenditure incurred and note 23 for income recognised.

NLC – Lotto # 73476

The Museum received an award of R2 313 000 (Tranche 2 - 2016/2017: R956 000) (Tranche 1 - 2015/2016: R1 357 000) from the National Lotteries Commission (NLC), for projects relating to education, conservation, access for the blind and publications. Income is recognised to the extent that expenditure has been incurred. The unspent amounts are recognised as a liability, due to certain conditions attached thereto, stipulating that should the grant agreement be breached funds must be returned to the transferor. Refer to notes 8 and 30 for the amount of expenditure incurred and note 23 for income recognised.

	2023/24 R	2022/23 R
Reconciliation at 31 March 2024:		
NLC – Lotto # 43147		
Opening balance	12 067	12 067
Amounts spent during the period	(7 711)	-
Closing balance	**4 356**	**12 067**
NLC – Lotto # 73476		
Opening balance	750 386	750 386
Amounts spent during the period	(609 329)	-
Closing balance	**141 057**	**750 386**

13. POST-EMPLOYMENT HEALTH CARE BENEFIT LIABILITY

	2023/24 R	2022/23 R
Short term portion	606 000	219 500
Total	**606 000**	**219 500**

Refer to notes 14 and 15.

14. POST-EMPLOYMENT HEALTH CARE BENEFIT INFORMATION

Employees of the Museum participate in various medical schemes.

The post-employment subsidy policy valued is summarised as follows:

Employees receiving 100% subsidy

- Members who were employed before 1 April 2006 and were receiving a medical aid subsidy on that date (and will continue to do so without interruption until retirement) are entitled to 100% of medical scheme contributions in retirement;

Employees receiving a partial subsidy

- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for at least 10 years of service (continuous) when they retire, are entitled to a 66.67% subsidy of medical scheme contributions in retirement.
- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for at least 5 years (continuous), but less than 10 years of service when they retire, are entitled to a 50% subsidy of medical scheme contributions in retirement.
- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for less than 5 years of service when they retire are not entitled to a subsidy of medical scheme contributions in retirement.

Employees not eligible for subsidy

- Members who were employed on or after 1 April 2010 will not be entitled to any subsidy in medical scheme contributions in retirement.

Other stipulations

- Employees must be members of a medical scheme for a continuous period prior to retirement in order to be eligible for the subsidy in retirement and for the stated number of years as set out above.
- Dependants of eligible continuation members will receive a subsidy before and after the death of the principal member.

- If a member eligible for a retirement subsidy dies while in service, their dependants are not eligible for a subsidy of medical scheme contributions as described above.
- Continuation members will only be funded as far as they remain on the same type of medical aid benefit structure as to which they belonged directly prior to retirement.

An actuarial valuation of the medical aid benefit is done on an annual basis, starting on 31 March 2006.

Valuation Method:

The actuarial valuation method used by valuators, IAC (Independent Actuaries & Consultants), to value the liabilities is the Projected Unit Credit Method.

The main actuarial assumptions used on reporting date:

	2023/24	**2022/23**
Expected retirement age	63	63

The valuation has been performed on the assumption that the current subsidy arrangement and members' current options will remain in force.

It was assumed that all employees will retire at age 63.

15. POST-EMPLOYMENT HEALTH CARE BENEFIT LIABILITY

	2023/24 **R**	**2022/23** **R**
Present value of liability	8 212 000	8 285 000
Current portion of the liability	(606 000)	(219 500)
Net liability	**7 606 000**	**8 065 500**
Reconciliation of movement in net liability during the year:		
Opening benefit liability	8 285 000	7 828 000
Service cost	224 000	230 000
Interest cost	992 000	786 000
Actuarial gain	(865 000)	(170 024)
Benefits paid	(424 000)	(388 976)
Closing benefit liability	**8 212 000**	**8 285 000**

All actuarial gains are recognised in surplus/ during the year in which it occurs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. POST-EMPLOYMENT HEALTH CARE BENEFIT LIABILITY (CONTINUED)

Trend information:

End of financial period:	**2019/20 R**	**2020/21 R**	**2021/22 R**	**2022/23 R**	**2023/24 R**
Present value of obligations	5 279 000	7 487 000	7 828 000	8 285 000	8 212 000
Fair value of plan assets	-	-	-	-	-
Present value of obligations in excess of plan assets	**5 279 000**	**7 487 000**	**7 828 000**	**8 285 000**	**8 212 000**
Experience adjustments (gain/loss):					
In respect of present value of obligations	197 000	145 000	252 000	230 000	224 000
In respect of fair value of plan assets	-	-	-	-	-

Sensitivity Results:

The results of the valuation are dependent on the underlying assumptions made. The assumptions present the best-estimate view of future experience. The actual cost of the post-retirement medical aid subsidy benefits will however be dependent on the actual experience.

The tables below illustrate the likely impact that certain changes to the underlying assumptions would have on the figures. These values are determined by assuming all other relevant assumptions remain constant. These tables set out the impact on results relating to changes of the following assumptions:

- The discount rate
- The post-retirement age rating assumptions
- The health-care inflation rate

Discount Rate	**Current Assumption**	**1% Decrease in rate**	**1% Increase in rate**
Liability	R 8 212 000	R 9 033 000	R 7 511 000
Cost / (Saving)	-	R 821 000	(R 701 000)

Mortality	**Current Assumption**	**PA(90)-1**	**PA(90)-2**
Liability	R 8 212 000	R 8 492 000	R 8 774 000
Cost / (Saving)	-	R 280 000	R 562 000

	Current Assumption	**1% Decrease in rate**	**1% Increase in rate**
Liability	R 8 212 000	R 7 481 000	R 9 058 000
Projected Service Cost	R 113 000	R 98 000	R 131 000
Projected Interest Cost	R 1 072 000	R 973 000	R 1 187 000

16. RESERVES AND ACCUMULATED SURPLUS/(DEFICIT)

RESERVES:

	DSAC - UNSPENT FUNDS R	UNSPENT SPONSORSHIP FUNDS R	ROYALTIES R	TOTAL R
Balance at 1 April 2022	**143 547**	**26 882**	**57 564**	**227 993**
Net movement during the year	-	-	235	235
Income	-	-	235	235
Expenditure	-	-	-	-
Balance at 1 April 2023	**143 547**	**26 882**	**57 799**	**228 228**
Net movement during the year	-	-	2 837	2 837
Income	-	-	2 837	2 837
Expenditure	-	-	-	-
Balance at 31 March 2024	**143 547**	**26 882**	**60 636**	**231 065**

ACCUMULATED SURPLUS:	
Balance at 1 April 2022	**93 033 090**
Surplus for the year	995 601
Transfer to/(from) reserves	(235)
Balance at 31 March 2023	**94 028 456**
Surplus for the year	1 078 214
Transfer to/(from) reserves	(2 837)
Balance at 31 March 2024	**95 103 833**

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2024**

17. CONTINGENT **LIABILITIES**

Post-employment health care benefit liability

Five (5) employees who were appointed before 1 April 2010 and who qualify for post-employment health care benefits are currently not participating in the Museum's medical benefits arrangement. It is regarded as unlikely that they will opt to participate in the medical benefits arrangement in future due to affordability and other personal circumstances.

The valuation of the post-employment health care liability recognised in the statement of financial position and determined by the actuary does not include these employees.

Management has assessed the situation again in the current year, and has concluded that the possibility of a liability arising in respect of these employees in future is remote. Therefore, a contingent liability in the current year will not be disclosed, as was the case in the prior year.

18. OPERATING **REVENUE**

	2023/24 R	**2022/23 R**
Recovery of expenses	27 158	68 089
Entrance fees	132 517	119 774
Sales of goods (photos)	4 894	3 588
Sales of goods (publications and DVD's)	140 175	94 134
Royalties – publications	2 837	235
Other	6 600	300
Insurance	-	-
Conference	-	30 850
Total	**314 181**	**316 970**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. RENTAL INCOME

	2023/24 R	2022/23 R
Rental received from employees	2 400	2 400
Rental of facilities	41 597	34 502
	43 997	**36 902**
Future minimum rental income:		
Employees		
-Due within one year	2 400	2 400
-Due between one and five years	9 600	9 600
Facilities		
-Due within one year	40 470	36 791
-Due between one and five years	29 333	69 803
	81 803	**118 594**

Employees fulfilling a security function and staying on the property of the Museum, have to pay rent of R200 per month, according to the regulations of the Department of Public Works and Infrastructure.

The restaurant was leased out on a fixed term contract from 1 December 2009, the contract later being extended upon agreement between the parties up to 30 November 2025.

20. INTEREST INCOME

	2023/24 R	2022/23 R
Balances at Corporation for Public Deposits	99 166	34 928
Total	**99 166**	**34 9 28**

21. GIFTS, SPONSORSHIPS AND DONATIONS RECEIVED

	2023/24 R	2022/23 R
National Treasury – income audit fees	-	-
Sponsorship: Emily Hall Exhibition Cabinet	100 000	-
Anonymous cash donations	11 430	3 509
Total	**111 430**	**3 509**

22. TRANSFERS AND SUBSIDIES RECEIVED

	2023/24 R	2022/23 R
National Department of Sport, Arts and Culture	18 040 000	17 809 000
Fair value of free use of buildings	5 873 712	5 324 206
Total	**23 913 712**	**23 133 206**

Fair value of free use of buildings:

The Museum has been housed in buildings which are the property of the DPWI since the early 1950's. These buildings include a main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used to house a restaurant and hospice shop. The use of the buildings is provided free of charge and recognised at its estimated fair value based on marked related rental.

There are no unfulfilled conditions and other contingencies attached to the grants and assistance that have been recognised and disclosed.

23. TRANSFERS FOR SPECIAL PROJECTS NLC

	2023/24 R	2022/23 R
Income from NLC	617 039	-
Total	**617 039**	**-**

The Museum received funding for various projects from the National Lotteries Commission (NLC), see note 12. Income is recognised to the extent that expenditure has been incurred. The remaining unspent amount is regarded as a liability due to certain conditions attached to it which stipulates that should the grant agreement be breached, funds must be returned to the transferor, refer to notes 8 and 31 for the amount of expenditure incurred and note 12 for the liability.

24. TRANSFERS FOR SPECIAL PROJECTS

	2023/24 R	2022/23 R
Income from Department of Sport, Arts and Culture (DSAC)	6 021 580	5 115 677
Total	**6 021 580**	**5 115 677**

The Museum received funding for various projects from the Department of Sport, Arts and Culture and its' divisions (NAC) over the 2022/23 and 2023/24 periods, see note 11. Due to conditions attached to these grants, income is recognised to the extent that expenditure has been incurred. The remaining unspent amount is recognised as a liability. Refer to notes 8 and 30 for the amount of expenditure incurred and note 11 for the liability.

25. HERITAGE ASSETS DONATIONS RECEIVED

	2023/24 R	2022/23 R
Objects	502 474	432 320
Historical documents	150 997	386 381
Philatelic	8 510	6 870
Library	95 586	91 899
Photographic	45 745	36 330
Total	**801 312**	**953 800**

Heritage assets are continuously donated to the Museum by the public. The non-exchange revenue recognised in this regard comprises the fair value of the assets.

26. ADMINISTRATIVE EXPENSES

	2023/24 R	2022/23 R
Travel and subsistence	142 227	179 345
Total	**142 227**	**179 345**

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2024**

27. AUDIT **FEES**

	2023/24 R	2022/23 R
External audit fees	611 797	316 259
Audit fees in excess of 1% of current and capital expenditure which must be defrayed from National Treasury's vote	324 635	-
Audit fees paid by the Museum	287 162	316 259
Internal audit fees	42 785	117 143
Total	**654 582**	**433 402**

The Auditor-General on an annual basis in terms of statutory requirements (Section 11 of the Cultural Institutions Act and Section 58 of the PFMA) performs an audit of the Museum's financial affairs and issues an audit report to parliament.

Section 23(6) of the Public Audit Act, which deals with audit fees, states that:

"If the audit fee exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year, such excess must be defrayed from the National Treasury's vote, provided that the National Treasury is of the view that the auditee has financial difficulty to settle the cost. This excludes national and provincial departments."

The Museum has always in the past been among Entities listed by National Treasury with financial difficulty to settle cost of audit fees. The subsidy and income of the Museum does not allow for the budget provision of audit fees in excess of 1% of the Museum's total current and capital expenditure.

Therefore, audit fees in excess of 1% of the total current and capital expenditure must be defrayed from the National Treasury's vote and thus be paid by National Treasury to the Auditor-General.

It is the practice of National Treasury that invoices in excess of the 1% which is to be defrayed from its vote be submitted for payment to National Treasury by the Auditor-General directly, payment of such is then made by National Treasury to the Auditor-General. . Historically the Auditor-General wrote off the excess of 1% when they omitted to submit these invoices to National Treasury.

28. AMORTISATION **CHARGE**

	2023/24 R	2022/23 R
Computer software	21 083	4 843
Total	**21 083**	**4 843**

29. DEPRECIATION **CHARGE**

	2023/24 R	2022/23 R
Computer equipment	144 841	70 000
Electronic equipment	107 665	61 699
Vehicles	40 431	35 635
Donated assets	80	118
Other items	73 355	67 144
Total	**366 372**	**234 596**

30. OTHER EXPENSES

Operating expenses

	2023/24 R	2022/23 R
Advertisements	33 127	56 648
Bank charges	55 469	48 143
Books and periodicals	7 472	5 988
Cafeteria and curio purchases	44 612	8 697
Conference fees/ Staff training	25 850	128 057
Consumables	239 803	236 302
Consignment stock – payment of supplier portion	36 821	34 699
Costs of compliance	38 318	483
Education	38 731	25 045
Entertainment/Functions	64 955	121 256
Exhibitions and artefacts	135 766	121 804
Gifts and flowers	1 725	3 583
Heritage assets conservation/maintenance:	-	400
Conservation materials	*-*	*400*
Insurance	166 794	158 228
Inventory – opening balance	667 283	705 543
Inventory – closing balance	(1 161 009)	(670 249)
Loss due to impairment of inventory	-	2 966
License fees	19 835	39 389
Maintenance, repairs and running costs:	425 706	509 987
- General maintenance and repairs	*238 071*	*332 752*
- Vehicle maintenance, repairs and running costs	*187 635*	*177 235*
Membership fees	27 219	29 270
Municipal charges	1 552 358	1 358 955
Publications	296 725	196 683
Security	718 067	684 458
Telephone and postage	288 849	233 515
Use of buildings – fair value of free use (estimated rental)	5 873 712	5 324 206
Valuation and other costs	28 175	35 880
Website costs	56 005	50 800
Workmen's compensation	16 169	17 245
Total	**9 698 537**	**9 467 981**

30. OTHER EXPENSES (CONTINUED)

Project expenses funded from special project funds (also see note 8, 11 and 24):

Pan- Africanism	27 612	-
National Arts Council	77 832	-
GRAP 103 – Heritage assets implementation	1 024 419	390 565
Major Maintenance	667 200	-
Air-conditioning maintenance	65 963	13 254
Fire system maintenance	-	65 564
Total	**1 863 026**	**469 383**

Expenses relating to NLC-Lotto projects (also see note 12 and 23):

Publications	349 176	-
Education	36 997	-
Functions	7 710	-
Other	122 777	-
Total	**516 660**	**-**
TOTAL	**12 078 223**	**9 937 364**

31. STAFF COSTS

Normal Staff complement:

	2023/24 R	2022/23 R
Wages and salaries:		
Basic salaries	5 889 713	5 297 796
Leave payments	(57 816)	140 595
Overtime payments	171 621	202 687
Bonuses	522 665	864 966
Service awards	900	300
Social contributions (Employer's contributions):		
Medical aid fund	757 065	649 680
Pension fund	1 298 354	1 177 362
Pension fund – stabilisation account	111 358	97 584
Unemployment Insurance Fund	50 058	49 119
Social contributions (State contributions):		
Housing subsidy	252 900	248 400
Post-retirement medical aid benefit:		
Current service cost	224 000	230 000
Interest cost	992 000	786 000
Senior management salaries	3 792 230	3 801 396
Vehicle allowance	6 498	-
Council honorarium	52 502	103 782
Total	**14 064 048**	**13 649 667**
GRAP 103 – Heritage Assets Implementation: Temporary Staff		
Wages and Salaries:		
Basic salaries	392 523	313 895
Overtime payments	93 019	78 394
Social contributions (Employer's contributions):		
Unemployment Insurance Fund	4 374	3 612
Total	**489 916**	**395 901**
TOTAL	**14 553 964**	**14 045 568**

31. STAFF COSTS (CONTINUED)

Council Honorarium ***(as required by Treasury Regulation 28.1.3 and GRAP 20)***

	2023/24 R Council Honorarium	2023/24 R Travel and Subsistence	2022/23 R Council Honorarium	2022/23 R Travel and Subsistence
Adv. C Naidoo	-	-	-	-
Dr G.C. Benneyworth (Chairperson)	11 684	3 062	19 548	
Mr T. Ndebele-Monyela (Deputy Chairperson)	10 615	600	17 766	920
Mr D. Brijlal	6 051	116	-	-
Ms R. Mulder	9 641	9 031	21 487	3 532
Ms S Mabilane	5 158	3 712	16 261	16 960
Ms D Mangope	9 641	-	16 155	-
Mrs S Tsoleli	5 158	-	12 565	-
	57 948*	**16 521****	**103 782***	**21 412****

*Council Honorarium (included in staff costs above)
** Travel and Subsistence (included in note 26)

Adv. C Naidoo, as a result of her employment at local government did not qualify for receipt of the Council Honorarium as prescribed by National Treasury. She rendered her services as member of the Council for no consideration.

Senior Management Salaries ***(as required by Treasury Regulation 28.1.3 and GRAP 20)***

	Salary	Bonus	Pension	Medical	Other	Total
Executive Director: JL Pretorius						
2023/2024	1 143 972	173 099	278 843	120 024	132 925	**1 848 864**
2022/2023	1 168 972	200 662	287 815	102 104	107 925	**1 867 478**
CFO: E van Wyngaardt						
2023/2024	675 612	56 301	164 680	45 832	20 123	**962 549**
2022/2023	268 100	-	60 323	21 524	5 386	**355 333**
CFO: PB Ramathibe						
2022/23	375 340	53 620	85 649	28 551	66 115	**609 275**
Human Science Manager: JJR van Zyl						
2023/2024	634 410	52 868	154 637	125 978	12 925	**980 818**
2022/2023	601 459	97 959	147 771	109 196	12 925	**969 310**
TOTAL: 2023/2024	**2 453 994**	**282 268**	**598 160**	**291 834**	**165 974**	**3 792 230**
TOTAL: 2022/2023	**2 413 871**	**352 241**	**581 558**	**261 375**	**192 351**	**3 801 396**

32. REASONS FOR VARIANCES **BETWEEN BUDGET AND ACTUAL**

The budget is approved on a cash basis by economical classification. The approved budget covers the fiscal period 1 April 2023 to 31 March 2024 and is exclusively for the Museum.

The budget basis is different from the accounting basis. The financial statements are prepared on the accrual basis and by economical classification.

The Museum is mainly subsidised by the National Department of Sport, Arts and Culture. The subsidy received is in accordance with that communicated by the Department and has been utilised in terms of an appropriately approved budget.

Reasons for material variances between the approved and final budget - Operations:

- Various re-prioritisations between different line items.

Reasons for material variances between final budget and actual amounts on a comparable basis:

- The biggest variances between budget and actual amounts are on other income. The budget included an estimated amount of R330 000 to be transferred from savings, if needed, to utilise for costs relating to post-retirement medical aid expenditure which was not necessary to implement. This coincides with the reduction in expenses.
- Over- and underspending on all line items was, however, monitored closely, and savings realised on some line items compensated for overspending on others.

33. RECONCILIATION OF SURPLUS/(DEFICIT) TO **CASH GENERATED/(UTILISED) FROM OPERATIONS**

	2023/24 R	2022/23 R
Surplus/(deficit)	**1 078 264**	**995 551**
Adjusted for:		
Depreciation of property, plant and equipment	366 373	234 596
Amortisation of intangible assets	21 083	4 843
Income on financial assets	(99 166)	(34 928)
Increase/(decrease) in NLC liability – transfer arrangement	(617 040)	-
Increase/(decrease) in DSAC liability – transfer arrangement	5 114 519	(2 358 066)
Impairment of heritage assets	4 180	10 050
Loss from write-off of property, plant and equipment	29 056	43 195
Heath care benefit liability costs	(73 000)	457 000
Transfer of property	3 859 466	3 881 102
Foreign exchange difference (Heritage assets)	-	-
Heritage asset donations	(801 312)	(953 800)
Operating cash flows before working capital changes	**8 882 423**	**2 279 543**
Working capital changes	**(154 941)**	**269 675**
Decrease/(increase) in inventories	(493 725)	38 260
Decrease/(increase) in receivables	54 390	(80 887)
Increase/(decrease) in payables	284 394	312 302
Cash generated from operations	**8 727 482**	**2 549 218**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

34. RELATED PARTIES

As required by GRAP 20:

National Department of Sport, Arts and Culture – Executive Authority

The Museum is a declared institution resorting under the National Department of Sport, Arts and Culture in terms of the Cultural Institutions Act, No 119 of 1998. The Minster of Sport, Arts and Culture is the Executive Authority of the Museum. The Museum is ultimately controlled by the national executive.

The following transfers were received from the Executive Authority:

	2023/24 R	2022/23 R
Transfers and subsidies received	18 040 000	17 809 000
Infrastructure projects	10 714 243	2 300 000
Use of buildings – fair value of free use	5 873 712	5 324 206
Total	**34 627 955**	**25 433 206**

The subsidy is provided for the Museum's operations. Additional amounts were received for infrastructure projects (see note 11).

The balances of unspent conditional grants for infrastructure and other projects provided to the Museum by the Executive Authority are disclosed in note 11. There were no amounts owing to the Museum by the Executive Authority.

The Museum has been housed in buildings which are the property of the Department of Sport, Arts and Culture since the early 1950's. These buildings include the main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used for storage. The use of the buildings is provided free of charge and the benefit is recognised at the estimated fair value. No lease agreement exists between the Museum and the Department of Sport, Arts and Culture.

National Department of Sport, Arts and Culture – Related Entities

The Museum is controlled by the National Executive. It is therefore related to all other public sector entities within the national government.

The Museum used several national public sector entities as service providers during the year. These transactions were concluded on normal operating terms. The amounts are included in payables on the statement of financial position and expenses on the statement of financial performance.

Transactions undertaken with entities within the national public sector entities included:

- Air travel supplied by the National Carrier (SAA);
- Audit services supplied by the Auditor-General of South Africa;
- TV licences paid to the National Broadcaster (SABC);
- Interest earning bank accounts with the SA Reserve Bank (SARB);
- Occasional minor expenses with other Museums for training, workshops, etc.

34. RELATED PARTIES (CONTINUED)

- Payroll taxes (PAYE), UIF and other taxes – the Museum merely acts as an agent on behalf of its employees and the relevant authorities.

Management and Council

The Museum is governed by a Council, comprising eight members appointed by the Minister of Sport, Arts and Culture. These Council members, together with Management are responsible for planning, directing and controlling the activities of the entity. Remuneration of Management and Council, as required, is disclosed in note 31.

35. FINANCIAL INSTRUMENTS

Credit risk

Cash and cash equivalents

Financial assets, which potentially subject the Museum to concentrations of credit risks, consist primarily of cash and cash equivalents and trade receivables. Credit risk is regarded to be insignificant and is mitigated by the fact that the Museum only deposits and invests funds with registered banks.

Trade receivables

The Museum does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Trade receivables are presented net of impairment losses and exposure is limited to the fair value of trade receivables as disclosed in note 5.

Liquidity risk

Liquidity risk is managed by keeping sufficient cash available. The Museum manages liquidity risk through monitoring of cash flow requirements and optimising cash return on investments. Adequate reserves and liquid resources are also maintained.

Market risk

Cash and cash equivalents consist of deposits held at registered banks with high credit ratings. These deposits attract interest at rates linked directly to the prime overdraft rate.

Fair value

The Museum's financial instruments consist mainly of cash and cash equivalents, trade receivables and trade payables.

35. FINANCIAL **INSTRUMENTS (CONTINUED)**

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities.

Trade receivables

The fair value of trade receivables is determined by discounting the future cash flows involved at a market related rate (prime lending rate), the difference of which is considered to be negligible and therefore trade receivables were not recalculated at amortised cost. The carrying amount approximates the fair value.

Trade payables

The fair value of trade payables is determined by discounting the future cash flows involved at a market related rate (prime lending rate), the difference of which is considered to be negligible and therefore trade payables were not recalculated at amortised cost. The carrying amount approximates the fair value.

Sensitivity analysis

Market risk (Interest rate risk) is presented by way of a sensitivity analysis. This illustrates the effect of changes in the market on the interest income. The sensitivity analysis is based on the assumption that changes in the market will affect the interest income.

One percentage movement in the effective interest rate would have the following effect on the net income for the year:

	+1% **R**	**-1%** **R**
Cash and Cash equivalents (Note 4)	112 474	(112 474)

36. SUBSEQUENT **EVENTS**

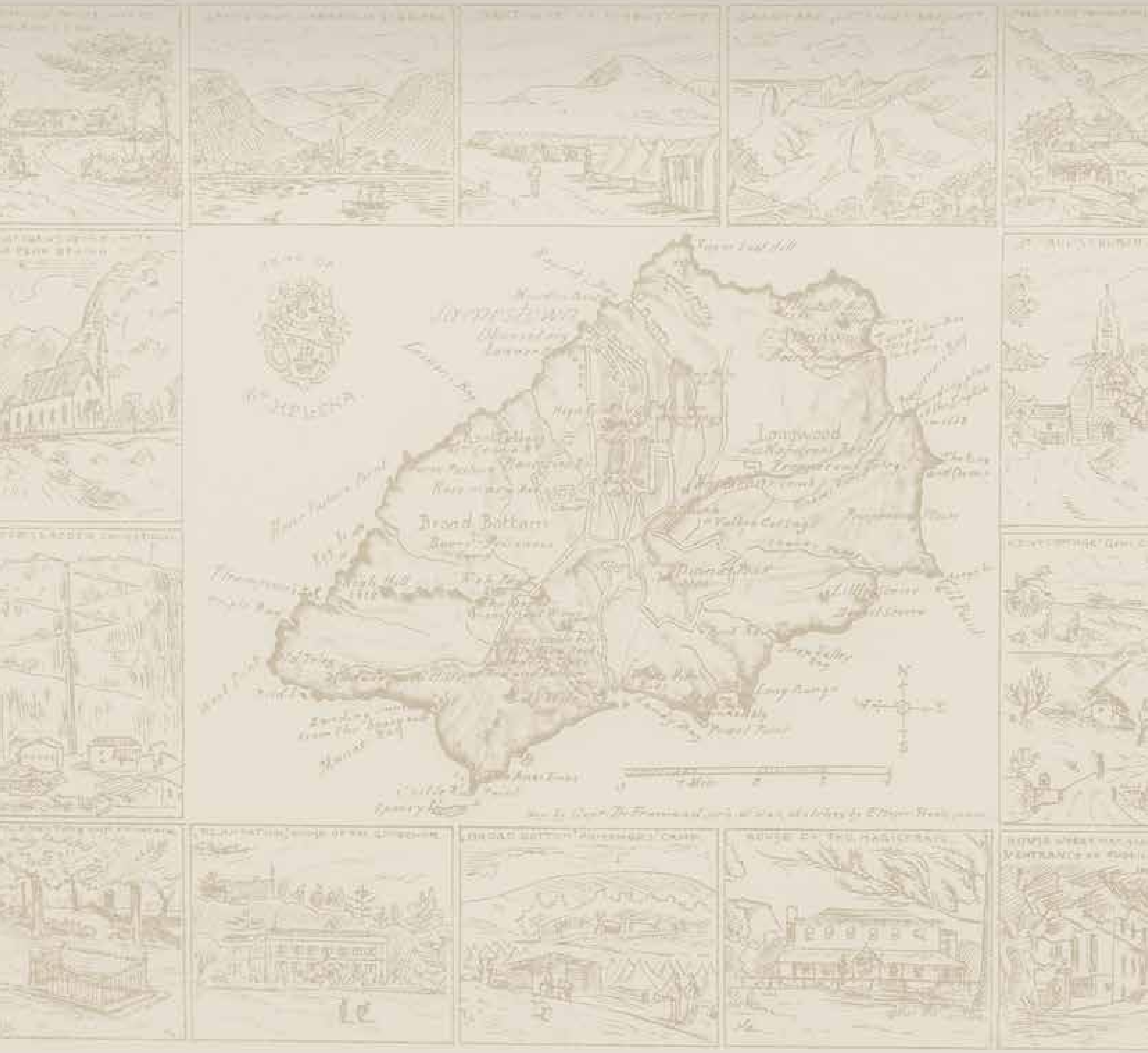
There were no events that occurred after the reporting period that have an effect on the financial statements.

37. STANDARDS APPROVED BUT NOT YET EFFECTIVE

The following standards of GRAP and/or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The Museum did not early-adopt any of these new Standards or amendments thereto.

Reference	Topic
GRAP 2023	Improvements to the Standards of GRAP (effective date: To be determined)
GRAP 1	Amendments to GRAP 1 on Presentation of Financial Statements for Going Concern (effective date: To be determined)
GRAP 103	Amendments to Heritage Assets (effective date: To be determined)
GRAP 104	Amendments to Financial Instruments (effective date: 1 April 2025)
GRAP 105	Amendments to Transfer of Functions Between Entities Under Common Control (effective date: To be determined)
GRAP 106	Amendments to Transfer of Functions Between Entities Not Under Common Control (effective date: To be determined)
GRAP 107	Amendments to Mergers (effective date: To be determined)
iGRAP 22	Foreign Currency Transactions and Advance Consideration (effective date: 1 April 2025)

The Museum is in the process of assessing the impact of these standards but does not foresee that the adoption of these standards in the effective periods will have a significant impact on the financial statements of the Museum.



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PR 234/2024
ISBN: 978-1-77997-181-4