DITSONG: MUSEUMS OF SOUTH AFRICA

ANNUAL REPORT
2024/2025

sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

DITSONG
MUSEUMS OF SOUTH AFRICA
an agency of the
Department of Sport, Arts and Culture

DITSONG: MUSEUMS OF SOUTH AFRICA

ANNUAL REPORT

2024/2025

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PART A

General Information

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	DITSONG: Museums of South Africa
PHYSICAL ADDRESS:	70 WF Nkomo Street Ga-Mohle Building Pretoria 0002
POSTAL ADDRESS:	P.O. Box 4197 Pretoria 0001
TELEPHONE NUMBER/S:	+27 12 492 5744
FAX NUMBER:	+27 12 323 6592
EMAIL ADDRESS:	info@ditsong.org.za
WEBSITE ADDRESS:	https://www.ditsong.org.za
EXTERNAL AUDITORS:	Auditor-General South Africa
BANKERS:	First National Bank (FNB)
COUNCIL SECRETARY:	Mr F. Mashilo

2. LIST OF ABBREVIATIONS/ACRONYMS

ACH	Arts, Culture and Heritage
AFRAS	African Arachnological Society
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AIDS	Acquired Immune Deficiency Syndrome
ARIC	Audit, Risk, Information and Communication Technology Committee
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DMSA	DITSONG: Museums of South Africa
DNMCH	DITSONG: National Museum of Cultural History
DNMNH	DITSONG: National Museum of Natural History
DPM	DITSONG: Pioneer Museum
DPWI	Department of Public Works and Infrastructure
DTMC	DITSONG: Tswaing Meteorite Crater
DSAC	Department of Sport, Arts and Culture
EPWP	Expanded Public Works Programme
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HRREMCO	Human Resources and Remuneration Committee
ISA	International Society of Arachnology
IUGS	International Union of Geological Sciences
MEC	Member of the Executive Council
MOTH	Memorable Order of Tin Hats
MTSF	Medium-Term Strategic Framework
NHC	National Heritage Council
NRF	National Research Foundation
PFMA	Public Finance Management Act, Act 1 of 1999
RAMP	Repairs and Maintenance Programme
SAAF	South African Air Force
SANSA	South African National Survey of Arachnida
SBD	Supplier Bidding Document
SCM	Supply Chain Management
TR	Treasury Regulations
WSP	Workplace Skills Plan

3. FOREWORD BY THE CHAIRPERSON

Adv. M. Ralefatane
Chairperson of Council

Introduction

It is my pleasure to present the 2024/25 Annual Report of the DITSONG: Museums of South Africa (DMSA) on behalf of Council. Through its eight (8) museums located in Pretoria and Johannesburg, DMSA plays a vital role in the management and preservation of our heritage. These efforts are central to safeguarding South Africa's heritage – across military and cultural history and the natural environment – and are instrumental in educating the next generation of South Africans.

DMSA's mandate is derived from the Cultural Institutions Act, 1998 (Act No. 119 of 1998, as amended). Like all public entities, DMSA is also required to comply with the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended). These and other relevant legislations were duly considered in the preparation of this Annual Report.

Overview of DMSA strategy and performance

This year marks the fifth and final year of implementing the DMSA 2020–2025 Strategic Plan. The Plan was developed in alignment with the Medium-Term Strategic Framework (MTSF) for the 2019-2024 planning period and the National Development Plan (2030). To measure DMSA's performance and impact over the MTSF period, the Council established the following strategic outcomes:

Outcome 1: Enhanced contribution to knowledge production within the heritage sector through disseminated research that is inclusive and relevant.
Outcome 2: Heritage assets preserved in accordance with international guideline standards.
Outcome 3: Increased visibility, accessibility and awareness of heritage assets.
Outcome 4: Increased participation of historically disadvantaged groups in the heritage sector.
Outcome 5: Improved financial sustainability.
Outcome 6: A compliant and responsive organisation.

The Annual Report provides a comprehensive account of DMSA's performance against the predetermined performance targets outlined in the Annual Performance Plan (APP), which is derived from the Strategic Plan. It presents DMSA's journey in carrying out its mandate of conserving and safeguarding approximately 4.9 million heritage assets under its custodianship. It highlights successes, challenges, and opportunities to be explored to achieve greater heights in the future or to mitigate identified challenges.

During this period, DMSA faced several challenges, primarily arising from liquidity pressures that affected both operational and financial performance. Nonetheless, through perseverance and unwavering commitment to its mission, the DMSA team successfully achieved 78% of its planned targets for the year under review. Notable progress was also made in key areas, including expanding public access to museum collections, enhancing visitor experiences, and strengthening DMSA's role within academic and research communities. Moreover, the DMSA obtained an Unqualified Audit Opinion. In pursuit of good governance, DMSA will develop an Audit Implementation Plan to address the findings raised by the Auditor-General South Africa.

Strategic relationships

The successful execution of our mandate was supported by strategic partnerships with organisations that collaborated with DMSA or provided funding for specific projects. We acknowledge the contribution of the following strategic partners during the year under review:

- The South African Military History Building and Development Trust partnered with the DITSONG: National Museum of Military History (DNMMH) to produce an exhibition on the Role of Women in the Liberation Struggle. The Trust funded other repairs and maintenance projects to improve visitor experience at DNMMH.
- The National Heritage Council (NHC) provided funding for the project Resistances, Dispossessions and Restitutions, which is being implemented in collaboration with the Institute for Creative Repair, at the DITSONG: National Museum of Cultural History (DNMCH).
- Moreover, the DMSA maintained partnerships with academic institutions such as the University of Venda, local communities, and partners in both the public and private sectors.

These collaborations reflect a shared commitment to preserving and promoting South Africa's heritage. DMSA will therefore continue to leverage partnerships to mobilise resources and facilitate the exchange of expertise with all interested organisations.

Challenges faced by the council

Like many public entities, the Council has had to contend with several structural and environmental challenges, including ageing infrastructure, security measures, limited capital funding, and the pressing need to modernise core museum functions in the context of rapid technological change.

Despite improvements in visitor numbers during the reporting period, the lingering impact of the COVID-19 pandemic continued to negatively affect visitor numbers and revenue generation. The DMSA developed a Turnaround and Fundraising Strategy to address liquidity challenges and ensure financial sustainability in the post-COVID period. These strategies encompassed several activities, including cost containment and income generation. However, the Strategy's impact was limited due to capital investment constraints and underperforming initiatives. Consequently, achieving financial sustainability remained a challenge and the DMSA's liquidity ratio continued to be unfavourable.

Another challenge faced by DMSA was instability in senior leadership due to unfilled critical positions. The positions of Chief Executive Officer (CEO) and Director of the Cultural History Museum became vacant. Recruitment for these positions was stalled due to the planned amalgamation process of DMSA and the KwaZulu-Natal Museum, which was later aborted. Subsequently, the recruitment process for the CEO position commenced and is currently underway.

Despite these challenges, DMSA staff have remained resilient, successfully delivering on strategic programmes and the organisation's mandate.

Given the inadequacy of government funding to deliver on its mandate, DMSA has pursued additional revenue-generation activities. However, financial sustainability remains a significant concern, affecting the maintenance and development of infrastructure as well as operational requirements.

Strategic focus over the medium to long term period

The current Council's three-year term, which commenced on 1 August 2022, will conclude on 31 July 2025. A Handover Report has been prepared, highlighting critical matters that will require the attention of the incoming Council.

Acknowledgements/Appreciation

On behalf of the Council, I extend my sincere appreciation to the Department of Sport, Arts and Culture for their continued support of DMSA.

I also wish to express my gratitude to all our valued stakeholders who have supported DMSA over the years in fulfilling its mandate.

The Council would like to thank the Management team led by the Acting CEO, Dr Mohapi, for their dedication and commitment in steering the DMSA forward.

Moreover, I thank my fellow Council Members for their insight, diligence and unwavering commitment to sound governance over the past three years.

In conclusion, DMSA continues to grow as a dynamic, inclusive, and responsive heritage institution. While challenges remain, the Council is confident that the strategic foundation laid during this period will position DMSA for long-term impact and continued service to the people of South Africa.

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Adv. M. Ralefatane
Chairperson of the Council
DITSONG: Museums of South Africa
31 July 2025

4. ACTING CHIEF EXECUTIVE OFFICER'S OVERVIEW

Dr M. Mohapi
Acting Chief Executive Officer

Introduction

I am pleased to share this annual report, which outlines the DMSA's priorities, challenges and achievements for the 2024/25 reporting period. As custodians of eight (8) museums that curate cultural, historical, military and natural heritage assets (collections), the DMSA continues to play a vital role in heritage preservation - despite the significant financial and operational challenges we face.

As this marks the fifth and final year of implementing the 2020-2025 Strategic Plan, it is important to reflect on whether the DMSA has achieved its intended impact: *"increased awareness, knowledge and appreciation for the heritage of South Africa through accessible, relevant and sustainable museums".* This reflection considers both the 2024/25 Annual Performance Plan (APP) and the preceding years of implementation.

The implementation of the 2020-2025 Strategic Plan was significantly impacted by the COVID-19 pandemic, which disrupted operations during the 2020/2021 financial year. While conditions began to stabilise from the 2021/2022 financial year onward, the lingering effects of the pandemic continued to be felt in subsequent years.

Physical visitor numbers declined sharply during the pandemic. Although visitor numbers have steadily improved since the 2022/2023 financial year, and DMSA met its visitors targets during the reporting period, numbers have not returned to pre-COVID levels. In response, DMSA revised its Marketing Strategy during the development of the new Strategic Plan, with a stronger focus on visitor/audience development. Key initiatives include enhancing public programmes and exhibitions, as well as establishing visitor amenities – such as restaurants and coffee shops across various DMSA museum sites – to enrich the visitor experience and attract new audiences.

Encouragingly, this decline in physical visits was offset by a significant increase in virtual visitors, which far exceeded both the 2024/25 and the five-year targets. During the reporting period, 54 528 people were exposed to the DMSA through public outreach activities, helping to raise awareness of the DMSA brand among communities unable to visit the museums in person.

Another challenge that affected operations and overall performance during the reporting period was the frequent water and electricity outages across various DMSA museums. To mitigate this risk, back-up generators were utilised at some museums, and plans are in place to procure more generators and water tanks for museums where the need is greatest.

Despite the above-stated challenges, DMSA demonstrated commendable resilience and commitment, achieving 78% of its planned targets for the 2024/25 financial year. In addition, the DMSA obtained an Unqualified Audit Opinion – an affirmation of dedication and determination of DMSA's staff and oversight structures, who continued to deliver under difficult circumstances.

During the reporting period, DMSA continued to invest in human capital by offering internships and work-based learning opportunities, particularly for youth. Researchers co-supervised post-graduate university students and provided external examination services to various local and international universities, contributing to capacity-building in the sector.

As an institution that fosters continuous learning and knowledge production, the DMSA exceeded its targets on research and the dissemination of research results. This was achieved through the publication of peer-reviewed and popular articles, active participation and presentation of research papers in local and international conferences, professional contributions to editorial boards and peer-review services for scientific journals. During the reporting period, two inhouse research journals were published: the *Annals* *of the Ditsong National Museum of Natural History* (accredited) and the *Cultural History Journal*, which is currently in the process of being accredited. In addition, curators continued to provide professional expertise and support to various stakeholders on heritage matters.

Our collections remained accessible to the public and were used by researchers and students from all over the world for research and educational purposes. A significant achievement was the global recognition of the Plio-Pleistocene Palaeontology collection by the International Union of Geological Sciences (IUGS), which ratified this collection as a Geo-Collection. Notable, the DMSA's collection was one of eleven (11) collections receiving this global recognition in 2024 and the only one (1) in Africa.

Through collaborations and partnerships with various organisations, the DMSA hosted events, commemorated national and international days, and developed new exhibitions, all of which enhanced visitor experience. Key highlights of the reporting period include:

- DITSONG: Willem Prinsloo Agricultural Museum successfully hosted the annual *Mampoer Festival,* attracting thousands of visitors and generating income for the DMSA.
- The DITSONG: National Museum of Military History hosted the annual *Arms Fair* in collaboration with various Military Veterans' Organisations, also contributing to income generation.
- DITSONG: Tswaing Meteorite Crater in collaboration with Zakheni Training and Development and local communities, celebrated *Heritage Day* and *World Aids Day.*
- The DITSONG: National Museum of Cultural History in collaboration with the Department of Sport, Arts and Culture (DSAC)'s Craft Development Unit, launched a travelling exhibition called *Beautiful Things,* which is on show until 31 March 2026. The exhibition showcases crafts sourced from artists across all nine (9) provinces of South Africa, complemented by some interesting objects from the Cultural History Museum's collections. A craft shop, located at the Cultural History Museum, featuring handmade crafts from around the country, further enriches the exhibition.
- The DITSONG: National Museum of Military History in partnership with the Military History Building and Development Trust, developed and installed the permanent exhibition *Women in the Liberation Struggle.* This exhibition highlights the role of women in the liberation and armed struggles. The exhibition is one of the Museum's projects addressing transformation as the exhibits and collections have previously focused mostly on white males' participation in wars or battles.

Financial performance

In the year under review, DMSA fell short of its own-revenue target of R12 million, achieving R10.9m million, which is an increase of 30% from the previous financial year. This growth is attributed to the steady increase in visitor numbers, the rollout of income-generating initiatives and external fundraising efforts. Highlights included a research grant from the National Research Foundation (NRF) and support from the South African National Museum of Military History Building and Development Trust for critical infrastructure renovations.

Our asset base remains strong at R939.0 million, despite a marginal decline from the previous year. These assets, encompassing eleven (11) sites – including eight (8) museums and three (3) additional sites – continue to be central to our operations. However, aging infrastructure and crime remain critical challenges, undermining our efforts to generate income and enhance the visitor experience.

Spending trends

Cash flow constraints persisted during the reporting period, driven by rising operational costs and a relatively low revenue base, resulting in a concerning liquidity ratio. In response, DMSA has adopted a Turnaround Strategy premised on intensive fundraising, cost containment and the strategic reinvention of our museum offerings.

The year ended with a significantly reduced deficit of R790 800 compared to R6.4 million in 2023/24, reflecting prudent expenditure management aligned with our cost containment measures.

Capacity constraints and challenges

While challenges remain – most notably in the areas of liquidity, infrastructure, crime and theft, as well as revenue diversification – we enter the 2025/26 financial year with cautious optimism and a new Strategic Plan (2025-2030). This Plan prioritises the digital transformation of our collections, an enhanced visitor experience, new income-generating projects, and improved operational efficiency.

Its implementation provides an opportunity to reposition DMSA as a globally recognised, accessible and sustainable institution. We have made commendable strides in addressing internal capacity constraints through the filling of critical positions.

Discontinued key activities

No changes were made to the Annual Performance Plan (APP) during the reporting period. Most indicators on the approved APP were implemented, resulting in the achievement of 78% of the planned targets.

New or proposed key activities

The DMSA developed a new Strategic Plan for the 2025-2030 planning period. The new plan focused on addressing persisting challenges that were experienced during the implementation of the 2020-2025 Strategic Plan.

Request for rollover of funds

The request for the rollover of funds to National Treasury for the 2024/25 financial year is submitted based on the audited figures, in compliance with the calculations in terms of Paragraph 3.2 of the National Treasury Instruction No 12 of 2020/2021.

Supply chain management

Over the past two years, the DMSA has significantly strengthened the operations of the Supply Chain Management (SCM) Unit to improve controls and enhance compliance with SCM regulations and legislations. The capacity constraints in the Unit that were prevalent in the prior financial year were addressed and will continue to be closely monitored as this is a volatile environment.

All concluded unsolicited bid proposals for the year under review

No unsolicited bid proposals were submitted during the reporting period.

Whether SCM processes and systems are in place

The improved Supply Chain Management (SCM) processes and governance systems remain in place, following the resolution of a zero-tolerance approach towards malpractice, fraud and corruption.

Audit report and matters in the previous year

The DMSA obtained an Unqualified Audit Opinion in the previous financial year and the year under review. The Audit Implementation Plan was developed to address the findings with a particular focus on the root causes to prevent recurring audit findings in the 2024/2025 financial year.

Outlook or plans for the future to address financial challenges

Liquidity challenges remained a significant concern during the year under review, resulting in an unfavourable liquidity ratio. Therefore, to mitigate this challenge, DMSA will accelerate the implementation of the Council-approved Turnaround Strategy, while intensifying fundraising activities and strengthening strategic partnerships.

Events after reporting period

There were no significant events after the reporting date.

Economic viability

DMSA operated under very difficult fiscal and economic conditions during the 2024/25 financial year. South Africa's economic outlook for 2025 is projected to be weak, with growth expected to be around 1%, according to the International Monetary Fund (IMF). The grant allocated to DMSA for the 2025/2026 financial year increased by 4,21% compared to the increase in 2024/2025 of 4,41%, which is still not sufficient for an entity managing eleven (11) sites.

In preparing the 2024/2025 Annual Financial Statements (AFS), DMSA assessed its ability to operate as a going concern and concluded that it will continue to do so.

Acknowledgements

I extend my sincere gratitude to the Council of DMSA for their unwavering support and strategic guidance over the past three years; to the Management team, Organised Labour and all staff for their continued professionalism and commitment; to the Department of Sport, Arts and Culture and other partners in government, academia, civil society, and the private sector; and most importantly, to the communities and visitors who engage with our museums and support our mission.

Together, we continue to breathe life into South Africa's heritage.

M. Mohapi

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Dr M. Mohapi
Acting Chief Executive Officer
DITSONG: Museums of South Africa
Date: 31 July 2025

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

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the 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 (GRAP) standards applicable to the public entity.

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

The Accounting Authority is responsible for establishing and implementing a system of internal control. The system 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 2025.

Yours faithfully,

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Dr M. Mohapi
Acting Chief Executive Officer
31 July 2025

ADV. MOTLATHO RALEFATANE

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Adv. M. Ralefatane
Chairperson of Council
31 July 2025

6. STRATEGIC OVERVIEW

6.1 Vision

Sustainable museums, accessible and relevant to all.

6.2 Mission

To acquire, preserve, research, exhibit and display heritage assets, and educate the public on cultural, military and natural heritage in a sustainable and transformational manner.

6.3 Values

Within the Ubuntu philosophy, our values are:

Accountability

We are responsible and answerable, the products and services provided by our museums are of the best possible quality, given our resources and capabilities, and are delivered in accordance with the principles of good governance. When mistakes are made, we take corrective action and resolve the situation quickly, ensuring that lessons learnt inform new, improved approaches to how we work.

Ethical Behaviour

We are serious about our responsibility of preserving, creating awareness and building knowledge about heritage assets and culture. Our decisions and actions are therefore considered to ensure that we take the correct action. Our ethical behaviour means that we have zero-tolerance towards unfairness and discrimination of any form.

Excellence

We strive for excellence in all that we do. We know that our impact and sustainability is dependent on putting people first, especially our customers and employees. We benchmark ourselves with international best practices, as we move towards being a digitally transformed, accessible and relevant group of museums.

Professionalism

We execute our duties with the utmost professionalism to improve the reputation of the organisation. We continually strive towards acquiring knowledge and expertise by growing and developing our competencies and capabilities, in the management of heritage assets.

Teamwork

We are committed to working as a team and creating synergies for shared learning and improved efficiencies. As a team, we support each other and work tirelessly at building the reputation of our brand as “the place where cultures meet.”

Valuing Our People

Our people are the heartbeat of DMSA. Each person matters, they are valued, they are developed, their opinion is important, and their contributions are recognised.

7. LEGISLATIVE AND OTHER MANDATES

The DMSA is a Schedule 3A public entity, accountable to the Department of Sport, Arts and Culture (DSAC) and Parliament, in terms of financial and performance management, as required by legislation.

7.1 Constitutional Mandate

The constitutional obligation of DMSA is derived from Section 31 of Chapter 2 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), which forms part of the Bill of Rights, and reads as follows:

Cultural, religious and linguistic communities.

1. *Persons belonging to a cultural, religious or linguistic community may not be denied the right, with other members of that community to:*

(a) enjoy their culture, practice their religion and use their language; and

(b) to form, join and maintain cultural, religious and linguistic associations and other organs of civil society.

2. The rights in subsection (1) may not be exercised in a manner inconsistent with any provision of the Bill of Rights.

7.2 Legislative Mandate

The DMSA develops, manages and administers some of the largest and most significant Southern African heritage assets in the fields of natural history, palaeontology, cultural history, anthropology, archaeology and military history. These irreplaceable assets require constant monitoring, and sustainable and responsible custodianship, as required by policy and legislation.

The primary legislative mandate of DMSA is informed by the Cultural Institutions Act, 1998 (Act No. 119 of 1998), promulgated by Parliament in furtherance of the constitutional mandate of the DSAC. Section 8 of the Act sets out the mandate of the Council (see Section 4) and instructs that the Council be appointed by the Minister of Sport, Arts and Culture.

7.3 Other Mandates

The DMSA's strategic priorities and activities are also aligned to and informed by the following policy mandates, set by the national government of South Africa.

7.3.1 Alignment to NDP and MTSF

The 2020-2025 Medium Term Strategic Framework (MTSF) sets out the national government's key priorities for the term. The priority most directly linked to the DMSA mandate is *Priority 6: Social cohesion and safe communities.* The DMSA`s outcomes, as outlined in the organisation's Strategic Plan, also support the following:

Priority 1: A capable, ethical and developmental state;
Priority 2: Economic transformation and job creation;
Priority 3: Education, skills and health; and
Priority 5: Spatial integration, human settlements and local governments.

7.3.2 Alignment to DSAC Outcomes

Shareholder Mandate

In alignment with government imperatives and the priorities of the Department of Sport, Arts and Culture (DSAC), DMSA has integrated the implementation of MTSF goals—particularly those aimed at nation-building and social cohesion—into the execution of its mandate.

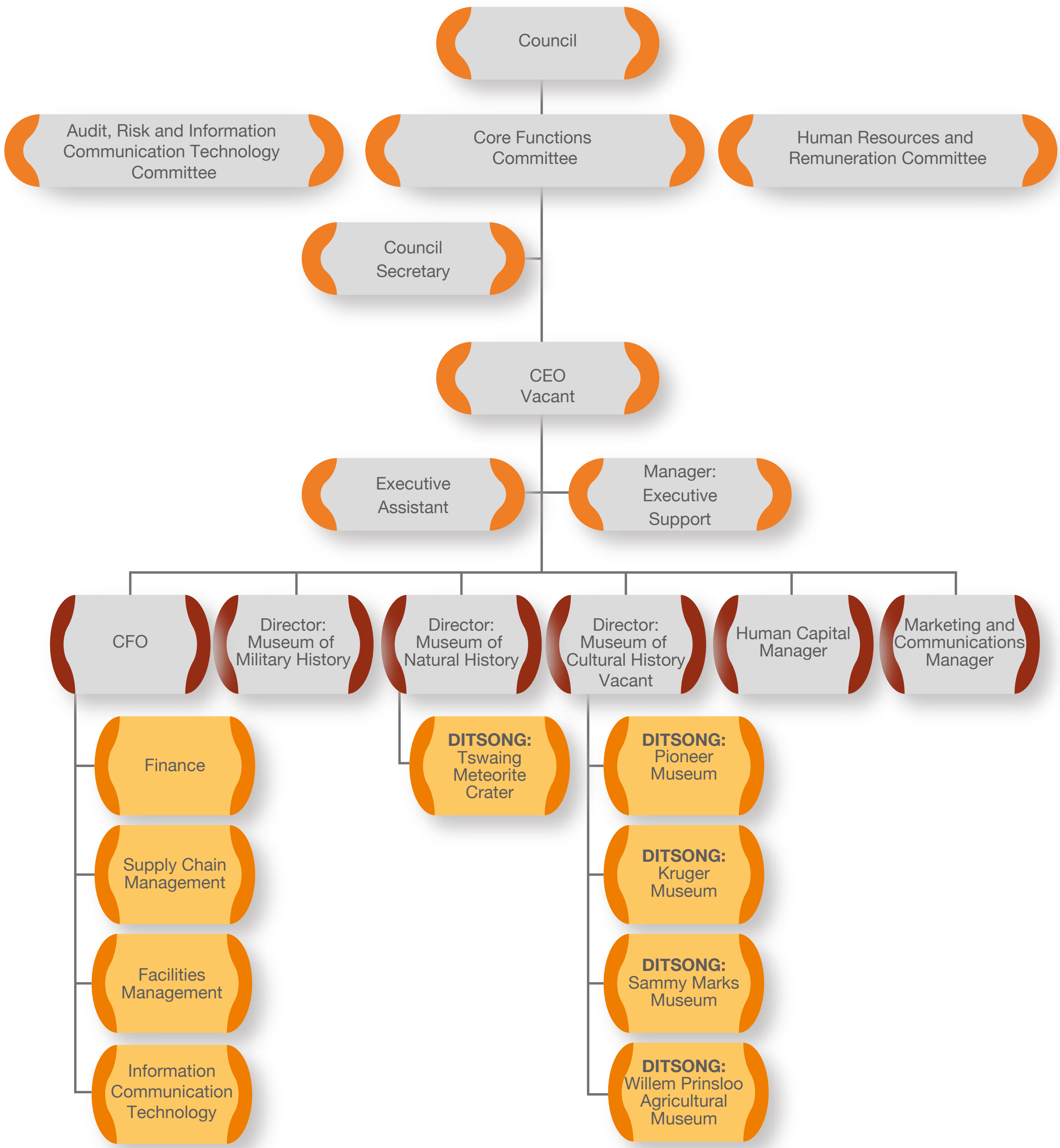
DSAC Shareholder Outcomes	DMSA Outcomes
Increased market share and job opportunities created in the sport, cultural and creative industries.	Outcome 3: Increased visibility, accessibility and awareness of heritage assets
A diverse, socially cohesive society with a common national identity.	Outcome 1: Enhanced contribution to knowledge production within the heritage sector through disseminated research that is inclusive and relevant
	Outcome 2: Heritage assets preserved in accordance with international guideline standards
A transformed, capable and professional sport, arts and culture sector.	Outcome 4: Increased participation of historically disadvantaged groups in the heritage sector
	Outcome 5: Improved financial sustainability
Integrated and accessible infrastructure and information.	Outcome 2: Heritage assets preserved in accordance with international guideline standards
	Outcome 3: Increased visibility, accessibility and awareness of heritage assets
Compliant and responsive governance.	Outcome 6: A compliant and responsive organisation

7.4 Other Relevant Legislations

In addition to the Cultural Institutions Act, 1998 (Act No. 119 of 1998)—the primary legislation governing DMSA's operations—the entity is also guided by a range of other relevant legislation, as listed below.

ACT	NUMBER
Basic Conditions of Employment Act	Act 75 of 1997
Broad-Based Black Economic Empowerment Act	Act 53 of 2003
Employment Equity Act	Act 55 of 1998
Firearms Control Act	Act 60 of 2000
Government Immovable Asset Management Act	Act 19 of 2007
Infrastructure Development Act	Act 23 of 2014
Labour Relations Act	Act 66 of 1995
Military Veterans Act	Act 18 of 2011
National Environmental Management Act	Act 107 of 1998
National Heritage Resources Act	Act 25 of 1999
Occupational Health and Safety Act	Act 85 of 1993
Preferential Procurement Policy Framework Act	Act 5 of 2000
Promotion of Access to Information Act	Act 2 of 2000
Promotion of Equality and Prevention of Unfair Discrimination Act	Act 4 of 2000
National Environmental Management: Protected Areas Act	Act 57 of 2003
Public Finance Management Act	Act 1 of 1999
Skills Development Act	Act 97 of 1998
Protection of Personal Information Act	Act 4 of 2013

8. ORGANISATIONAL STRUCTURE



9 . EXECUTIVE COMMITTEE

Dr M. Mohapi
Acting CEO

Mr N. Hlophe
Chief Financial Officer

Mr A. Sinclair
Director: DNMMH

Dr W. Strümpher
Acting Director: DNMNH

Dr M. Seabela
Acting Director: DNMCH

10. COUNCIL COMMITTEES

Adv M.J. Ralefatane
Chairperson

Dr A. Mdletye
Deputy Chairperson

Mr M. Masooa
Member of Core Functions Committee

Ms C. Fani
Member of HRREMCO

Ms Z. Dlamini
Chairperson of ARIC

Ms Z. Ngcibi
Member of Core Functions Committee

Dr D. Ngobese
Chairperson of HRREMCO

Mr H. Nkanyane
Member of ARIC

Mr G. Ontong
Chairperson of Core Functions Committee

PART B

Performance Information

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVE

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to evaluate the usefulness and reliability of the reported performance information on selected performance indicators. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the heading Report on the annual performance report section of the auditor's report.

Refer to page 79 of the AGSA Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

The DMSA comprises of eight (8) museums—seven located in Tshwane and one in Johannesburg. These museums house diverse collections spanning palaeontology, natural history, military history, cultural history, geology, agriculture, anthropology, and archaeology. This rich diversity enables DMSA to offer a range of services to the public, including but not limited to: conducting research and knowledge production; providing professional expertise to the shareholder department and other relevant stakeholders; and delivering engaging public programmes designed to educate, inform, and entertain visitors while showcasing the heritage preserved across DMSA's institutions.

2.1 Service Delivery Environment

This marks the fifth and final Annual Report aligned with the DMSA Strategic Plan for the 2020–2025 planning period. Over this period, DMSA articulated six (6) strategic outcomes aligned with Priority 6 of the MTSF (2019–2024): Social Cohesion and Safe Communities.

During the year under review, DMSA encountered several challenges that affected its ability to deliver services effectively. Chief among these was a persistent liquidity challenge, which left the organisation with insufficient financial resources to meet its short-term obligations. This constrained DMSA's capacity to invest in essential growth opportunities, including revenue-generating initiatives and the replacement of ageing infrastructure.

Liquidity challenges also limited DMSA's ability to address critical physical security concerns. As a result, museums were increasingly vulnerable to crime. Incidents during the reporting period included theft, vandalism, poaching, illegal sand mining, and even armed robbery—most notably at the Tswaing Meteorite Crater and the Sammy Marks Museum. These incidents not only strained the organisation's already limited resources but also negatively impacted the museums capacity to deliver services to customers.

Despite these setbacks, DMSA achieved 78% of its planned targets for the 2024/25 financial year—a slight decline from the 81.5% recorded in the previous year. This regression is attributed to a combination of factors, including low staff morale linked to leadership instability, as well as business interruptions caused by electricity and water outages. These outages stemmed from a range of issues, including disputed municipal bills, outdated electrical infrastructure, and vandalism, and underscore the critical importance of reliable service delivery.

2.2 Highlights from Our Museums

The following highlights were experienced at DMSA museums and among DMSA affiliated curators during the 2024/25 reporting period.

2.2.1 DITSONG: National Museum of Natural History (DNMNH)

The DITSONG: National Museum of Natural History (DNMNH) is a premier South African institution dedicated to the study and preservation of South Africa's national heritage. Located in Pretoria, the Museum is known for its extensive collections in palaeontology, archaeo-zoology, and coleoptera, including significant fossil finds from the Cradle of Humankind.

In the year under review, curators at the DNMNH published sixteen (16) peer-reviewed articles and undertook both national and international field trips, contributing to the internationalisation of the museum. Curators continued to serve on the councils of scientific bodies, with three lecturing at universities, several supervising postgraduate students (BSc, Honours, MSc, and PhD levels), and providing scientific services through the review of academic papers and research proposals.

Mr Lazarus Kgasi - Junior Curator in the Plio-Pleistocene Palaeontology Section

Mr Kgasi, a Junior Curator in the Pilo-Pleistocene Section at the DNMNH, earned international recognition for his work on the Bolts Farm cave system in the Cradle of Humankind. In the year under review, he was appointed as a voting member of the Sub-commission on Geo-Collections, part of the International Commission on Geo-heritage under the International Union of Geological Sciences (IUGS).

Through collaboration with local and international researchers, Mr Kgasi contributed to groundbreaking palaeontological discoveries. He and his collaborators recently re-evaluated a fossil—SK 15, a hominin mandible—discovered in 1949 in the Swartkrans cave system within the Cradle of Humankind. Initially classified as *Telanthropus capensis* and later reassigned to *Homo ergaster,* its taxonomy remained uncertain for 75 years. Mr Kgasi was part of a team that reclassified the fossil as the previously unknown species of *Paranthropus,* publishing this new classification in the *Journal of Human Evolution* (DOI: 10.1016/j.jhevol.2024.103634), and contributing to the advancement of palaeontological science in South Africa.

Another significant discovery by Mr Kgasi and his collaborators, also from the Cradle of Humankind, described a new parrot species, *Agapornis longipes nov. sp.,* from Plio-Pleistocene deposits at Kromdraai, Cooper's Cave, and Swartkrans. The species was identified from key wing bones, a tarsometatarsus, and partial jaw and shoulder elements. Its small size and unusually long legs—the longest relative to body size of any known *Agapornis*—suggest adaptations for ground feeding in the tall, dense grasslands that once covered the region during the Plio-Pleistocene and Early Pleistocene. This discovery was published in the scientific journal, *Geobios.*

In November 2024, Mr Kgasi visited France following an invitation from the Centre de Recherche en Paléontologie (CNRS), the Muséum National d'Histoire Naturelle, and Sorbonne University—longstanding partners of the DITSONG: Museum of Natural History. The visit focused on fossil curation training, including collection mapping, cataloguing, specimen labelling, movement, colour-coding, and handling protocols. The visit also led to discussions on the formation of future collection committees to strengthen curatorial practices across Africa and Europe. Through such engagements, Mr Kgasi enhanced institutional collaboration and contributed to improved collection management skills.

Dr Annie Antonites - Curator of the Archaeozoology and Large Mammals Section

Dr Annie Antonites is the Curator of the Archaeozoology and Large Mammals Section at the DNMNH. During the year under review, led presentations during visit by local and international researchers, who were visiting the museum to assess its extensive skeletal collections for postgraduate studies and research projects.

Dr Antonites also presented a DMSA public lecture—attended by twenty (20) members of the public—which featured a co-authored paper delivered at the Indian Ocean World Archaeology Conference (online). In addition, she co-presented four posters with postgraduate students at the Association of Southern African Professional Archaeologists' conference in Lesotho.

The Letaba Archaeology Project, of which Dr Antonites is a co-director, published its first major finding in the prestigious *Proceedings of the National Academy of Sciences.* The article details the discovery of a new trade route that connected the African East Coast with the interior during the first millennium AD. Fieldwork at the Letaba archaeological site in Kruger National Park continued throughout the year, also serving as a training ground for postgraduate students.

Dr Antonites co-supervised eight postgraduate students (two Honours, four Master's, and two PhD candidates) from UNISA, the University of Pretoria, and the University of Johannesburg.

Dr Werner Strümpher - Curator of the Coleoptera Section

The Coleoptera Section at the DNMNH houses one of Africa's largest and most comprehensive beetle collections with the mission to document beetle fauna across southern Africa. During the year under review, Dr Strümpher—Curator of the Coleoptera Section—collaborated with both national and international museum scientists and published several peer-reviewed articles in leading international journals, including the description of several new beetle species.

In an exciting contribution to science and biodiversity, Dr Strümpher and collaborators discovered 11 new species of flower chafer beetles in South Africa's Western Cape, all belonging to the rare and previously little-known genus *Stegopterus.* The study, published in *African Invertebrates,* was based largely on historical museum specimens. In total, 15 species from the genus were recorded—all of which are narrow-range endemics found within the Fynbos and marginal Karoo zones, stretching between the Cape Fold Mountains and the South and West Coasts.

This research highlights both the vulnerability of these species and the critical role of museum collections in uncovering and preserving biodiversity before it disappears.

Dr Tharina Bird – Curator of General Entomology

During the 2024/25 period, Dr Tharina Bird was actively involved in a range of research, academic, and outreach activities. In addition to serving as Curator of General Entomology at the DNMNH, she supervised one international PhD student, one MSc student, and two BSc Honours students, all of whom successfully completed their studies. In 2025, Dr Bird welcomed three additional BSc Honours students, including one international student. She also contributed to capacity building in the Horn of Africa by delivering a four-day training workshop for agricultural students at Hargeisa University in Somaliland.

At the University of Pretoria, Dr Bird lectured in an undergraduate module within the Department of Zoology and Entomology and gave a guest lecture to final-year medical students on arachnids of medical importance. Her involvement in higher education reflects an ongoing commitment to sharing specialist knowledge with future scientists and professionals.

Dr Bird maintained strong international research collaborations, including ongoing work with Aarhus University (Denmark) on social spiders and with the American Museum of Natural History (New York, USA) on the higher phylogeny of Solifugae. These partnerships continue to support broader scientific efforts in arachnology and evolutionary biology.

Her professional service included roles as a Council Member of the International Society of Arachnology (ISA), Chair of the African Arachnological Society (AFRAS), and Council Member of the Namibian NGO EduVentures. In addition to these leadership roles, Dr Bird reviewed scientific manuscripts, a book proposal, and several international funding applications.

Dr Bird co-authored two peer-reviewed articles published during the year and submitted an additional manuscript with Dr Annie Antonites and two collaborators. She also contributed a piece to the South African National Survey of Arachnida (SANSA) newsletter, helping to communicate research findings to a broader audience.

Fieldwork remained a significant part of her activities. She conducted international expeditions to Somaliland, Namibia, and Angola—where she participated in the National Geographic Okavango Wilderness Project expedition to the Lisima Highlands as an invited specialist. She also conducted three local field trips within South Africa. As part of her public engagement, Dr Bird gave a presentation to the Waterberg Conservancy in Vaalwater (Limpopo), contributing to local awareness of biodiversity and conservation.

Dr Bird's work over the year reflected a consistent commitment to research, education, and scientific collaboration, both regionally and internationally.

Dr Teresa Kearney - Curator of Small Mammals

Dr Teresa Kearney, Curator of Small Mammals at the DNMNH, continued to play a pivotal role in advancing research through the Museum's Small Mammal Collection, which remains an invaluable resource for both taxonomic and systematic studies. Over the past year, specimens from the collection supported numerous postgraduate research projects and contributed to several scholarly publications. Increasingly, the collection has been used beyond traditional taxonomy, serving as a critical comparative resource for identifying small mammal fragments from fossil sites across southern Africa. Notably, the collection featured prominently in a recently published field guide designed to aid with the identification of small mammal fossils—an important tool for researchers in palaeontology and archaeology.

Amid growing scientific interest in historical climate change as a lens to understand current environmental trends, Dr Kearney's work also contributed to a major publication in the journal: Global Change Biology. This study utilised bat specimens from the collection, in combination with genetic sequencing, to demonstrate how past climate shifts along the southern African Great Escarpment played a role in driving species diversification.

Beyond research, Dr Kearney actively engaged in academic outreach and training. She contributed to a third-year Mammalogy course at the University of Pretoria, where she provided specialist input on higher taxonomic classification of mammals, the importance of museum collections, and the significance of type specimens. As part of the course, students visited the museum's small mammal collection for a hands-on practical session—an exciting and novel experience for many. In addition, Dr Kearney co-supervised an Honours student project at the University of the Witwatersrand (School of Animal, Plant and Environmental Sciences), which focused on morphological changes in mandibles using statistical shape analysis, further showcasing the collection's value in contemporary scientific training and research.

2.2.2 DITSONG: Tswaing Meteorite Crater (DTMC)

The DITSONG: Tswaing Meteorite Crater (DTMC), a site museum under the DITSONG: National Museum of Natural History, is a significant geological and heritage site located northwest of Pretoria. The site features one of the world's best-preserved meteorite impact craters, formed around 220 000 years ago. The site includes a visitor centre, interactive displays and hiking trails, and is surrounded by a nature reserve.

DTMC faces several ongoing challenges, owing mainly to limited funding, deteriorating facilities, and crime. Despite these obstacles, meaningful progress is being made through dedicated community partnerships and strategic outreach. A notable example occurred in June 2024, when the local non-profit organisation (NPO) *Zakheni Training and Development* generously volunteered their time and resources to clean refuse that had accumulated around the Museum's borders. This selfless act marked the beginning of a fruitful relationship between DTMC and the NPO.

On 28 September 2024, the Museum proudly co-hosted a vibrant Heritage Day Celebration with *Zakheni,* attracting more than 500 attendees from surrounding communities. Thanks to the combined efforts of both organisations, traditional cuisine was served, creating a culturally rich and festive atmosphere that deeply resonated with the attendees.

This successful partnership led to another impactful initiative: the International AIDS Day Commemoration, held on 11 December 2024. The event welcomed 106 attendees, including community members of all ages, DITSONG staff, and on-site service providers such as Wenzile Security, EPWP contract workers, and Express Maids. Zakheni provided critical services free of charge, including pre-counselling and HIV/AIDS screening. In collaboration with DTMC, they also ensured that all participants received refreshments and lunch.

Further demonstrated its commitment to education and outreach, the Museum took part in National Science Week in October 2024. Over two days, the DTMC hosted two local schools, providing transport, meals, and engaging activities for 120 learners.

Building on this momentum, the DTMC hosted its annual Careers Week in March 2025, accommodating and catering for more than 180 learners and educators. These events reflect DTMC's ongoing dedication to community upliftment, educational enrichment, and inclusive public engagement.

Looking ahead, Site Curator, Mr Nelson Zwane, will continue to actively engage stakeholders, collaborators, and investors in ongoing efforts to revitalise the Site and restore it to its former prominence.

2.2.3 DITSONG: National Museum of Military History (DNMMH)

The DITSONG: National Museum of Military History (DNMMH) provides a home for the memory and study of military history. The Museum was founded during the Second World War (1939–1945), when a group of far-sighted individuals grasped the need to collect material evidence of our nation's contribution to world history. It was opened on 29 August 1947 and in 1975 its scope was widened to reflect all military conflict in which South Africans have taken part.

Most of the Museum's displays can be viewed in the two original Bellman aircraft hangars, that were on-site when the Museum first opened. Over the years, many other buildings have been constructed to accommodate the growing collection. The Museum is also the home to various enthusiast and military veterans' organisations.

During the year under review, four Volunteer Maintenance Days were held at the DNMMH, organised by the DNMMH Building and Development Trust. Volunteers from various military veterans' associations, including the Gunners Association, South African Air Force (SAAF) Association, Naval Officers Association, 61 Mech Veterans Association, 21 Bn Veterans Association, the Legion Associated Airborne RSA, and the South African Indian Legion, volunteered to help clean the exhibits. Several school groups and other interested organisations also took part. These volunteer days fostered a strong sense of community involvement in the Museum's upkeep.

A number of significant maintenance projects, funded by the DNMMH Building and Development Trust, were undertaken during the year. The first was the refurbishment of the roof and guttering that had perished on the east side of the F B Adler Hall, where rainwater was leaking into the main DB Council and the small arms store. The Trust also funded lighting upgrades for seven displays in the G.E. Brink Hall and 14 in the F.B. Adler Hall, replacing outdated fixtures with energy-efficient LED lighting that meets conservation standards set by the DMSA Senior Conservation Specialist. This upgrade is expected to reduce the Museum's electricity costs.

Additional projects included the installation of new geysers in staff bathrooms, re-painting of various areas throughout the Museum and the sourcing of a garden service to maintain the surrounding areas. DMSA remains deeply grateful to the Trust for their continued interest in the maintenance and preservation of the Museum.

Several noteworthy events were held at the Museum during the year under review. These included the Annual Arms Fair in August 2024, hosted by the South African Arms and Ammunition Collectors Association; the Annual 61 Mech Veterans Parade; and the Annual Warsaw Flights Commemoration in September 2024 in partnership with the Polish community in South Africa. The Remembrance Day commemorations of 2024 featured two events—the Annual City of Johannesburg Civic Event held in November 2024, and the Annual Shadow Parade organised by the Memorable Order of Tin Hats (MOTH) in November 2024. Both events took place at the National Anglo Boer / South African War Memorial area adjacent to the Museum.

The DNMMH celebrated World Radio Day on 13 February 2025, a globally recognised event celebrated since 2011. Proclaimed by member states of the United Nations General Assembly, and the day commemorates the founding of United Nations Radio in February 1946. This year's World Radio Day was celebrated under the theme: Radio and Trust.

To commemorate the occasion, the Museum curated a special exhibition at its Conference Centre, showcasing a collection of historical radio communication equipment. This display highlighted the role of radio in military operations, broadcasting, and resistance movements throughout history.

On the marketing front, the Museum received valuable exposure from a two-page colour article in published in *The Citizen* newspaper on 9 November 2024. This article featured the Museum's rich history, its role in preserving South Africa's military history, and the challenges faced.

In terms of core functions, the Museum achieved several noteworthy successes during the year under review. Curatorial staff produced 26 popular articles which were published on the DMSA website. Three curators also completed research articles that were submitted to accredited journals for peer review.

During the financial year under review, the DNMMH received a notable donation: a complete Pattern 2020 Service Dress uniform of the South African Army, generously donated by Major General (Retired) R.C. Andersen, former Chief of Defence Reserves.

Conservation efforts during the year involved de-rusting and repainting the following exhibits:

- The Valentine MK 1 Infantry Tank
- The 122 mm D-30 Russian Howitzer
- The Bofors 40 mm Anti-Aircraft Gun
- The single 4-inch Mark IV Naval Gun

The Museum conserved 30 books with damaged covers and pages, as well as 30 torn maps from the library collection. In addition, specialised cleaning was carried out on 30 flags and 50 edged weapons. Polyethylene linings were also placed inside the cabinet drawers used to store the edged weapons. These efforts are part of the Museum's commitment to historical preservation.

Members of the Gunners Association contributed their expertise in cleaning and de-rusting firearms in the Museum's small arms collection. To support these efforts, Ms Anzel Veldman, the Museum's Small Arms Curator, completed all training required for her certification in small arms in terms of the Firearms Control Act, 2000 (Act No 60 of 2000) in March 2025.

As part of its efforts to reinvigorate the DNMMH and restore the Museum's relevance and vibrancy, the institution partnered with the South African National Military History Building and Development Trust and the South African Military Academy to develop a powerful new exhibition titled *Women in the Liberation Struggle.* The exhibition highlights the vital yet often overlooked role of women in South Africa's long journey to democracy. Throughout this struggle, they endured exploitation, abuse, violence, and numerous other forms of injustice. Yet perhaps the greatest indignity is the national amnesia that has obscured their contributions—both on the front lines and behind the scenes.

These unsung heroes have come from all sectors of South African society, across population groups, and were united in the common belief that all citizens of the country should have equal dignity and voting rights. Completed in March 2025, the exhibition aims to correct this oversight. It consists of permanent display panels, uniforms and equipment used by women who participated in the Liberation Struggle.

2.2.4 DITSONG: National Museum of Cultural History and Site Museums

The DITSONG: National Museum of Cultural History (DNMCH), located in Pretoria, is dedicated to preserving South Africa's rich cultural heritage, from prehistoric times to the present. In collaboration with the DSAC directorate on Cultural Development, DNMCH launched the 'Beautiful Things' Travelling Exhibition showcasing crafts from all nine provinces of South Africa and objects from the Ceramic and Glass and Anthropology collections of DNMCH. Additionally, a crafts outlet was installed featuring products from the Incubator Crafts Project, which included participants from across the country, who were stationed at DNMCH.

Two guides, Selaelo Sethone and Clerence Sekgobela based at DNMCH and DWPAM respectively, enrolled for the Critical Heritage and Museums Studies Short Course. This course delivered capacity building for heritage site workers at the University of Pretoria from February to March 2025. They were joined by other heritage and cultural workers from the McGregor Museum, Richtersveld Cultural and Botanical Landscape Heritage Site and the Taung Skull World Heritage Site.

The DITSONG: National Museum of Cultural History (DNMCH) has four (4) *Site Museums,* which offer visitors a location-based experience of specific historical periods and practices in history—the Willem Prinsloo Agricultural Museum, Kruger Museum, Pioneer Museum and Sammy Marks Museum.

In the year under review, the *DITSONG: Willem Prinsloo Agricultural Museum* hosted the Mampoer Festival, a family-oriented event offering a variety of craft brews, mampoer, a drumming circle, car rally and vintage tractor show.

The DITSONG: Kruger Museum hosted the quarterly *Stories on the Stoep* which featured a range of activities including a demonstration of the traditional process for printing wallpaper, as well as arts and crafts programme for students at the SK Moseneke Primary School in Atteridgeville.

The *DITSONG: Sammy Marks Museum* hosted their annual Bird Walk on 2 March 2025, offering birdwatchers and ornithologists an opportunity to explore the rich bird life at the site.

The *DITSONG: Pioneer Museum,* located in Silverton, Pretoria, provides visitors with an immersive experience of the lives of South Africa's early 19th-century pioneers, centered around the historic 1848 House. The Museum hosted its annual New Years Picnic on 1 January 2025, with performances by artists including Le Mpedulo.

Through the reporting period, several lectures were held at the DNMCH and its Site Museums, including: *The History of Money in South Africa; Burials and Reburials,* with papers presented by Ms Mariet Conradie, Dr Motsane G. Seabela; and a lecture titled, *Returning home after the Anglo Boer War to the former Boer republics*, delivered by Professor Emeritus Fransjohan Pretorius.

In line with DMSA's vision of an inclusive organisation and heritage education, DNMCH partnered with the Institute of Creative Repair (ICR) on the MAVA Field Schools Project. Through this project, interdisciplinary learners and practitioners observed and participated alongside skilled Craft Masters to address the colonial legacies of museum collections and the resulting deficit of indigenous material and intangible culture. This project further sought to activate the DNMCH and its Site Museums as a relevant and vibrant creative hub, offering interdisciplinary education to students and practitioners.

The DNMCH collaborated with the Javett-UP Art Centre on the exhibition *We, the Purple*, a title that pays tribute to Pretoria's nickname; the "Jacaranda City,"—so named because of the Jacaranda trees that famously line its streets. The colour purple is also associated with the international women's movement for independence and dignity, a struggle that was intensified in South Africa with the 1956 march in Pretoria. The exhibition and accompanying exchanges led to the exchange of artworks and panel discussions between the two institutions. A significant highlight was the re-exhibition of Noria Mabasa's monumental 'Union Buildings' sculpture along with liberation struggle objects.

The DNMCH continues to play a key role in the heritage sector by offering expertise on repatriation and restitution of historic, natural and cultural objects. Projects that the DNMCH were involved in over the reporting period are the search for the skull of Kgoši Mamphoku Makgoba, which is believed to be either in the Museum's collection or in Germany. Mr Frank Teichert has worked with the Makgoba family for several years, advising them on possible avenues to pursue, including DNA testing. Mr Teichert also played a pivotal role in the restitution and repatriation of ancestral remains from De Gladdeklipkop. Finally, DNMCH—led by Dr Motsane Seabela—is also playing a critical role in the Nkuna-Shiluvane claim.

In collaboration with the National Heritage Council (NHC), DNMCH is accelerating DMSA's repatriation and restitution efforts and commitment to ethical principles, ubuntu and consistency to adapt and respond to changing conditions for museums globally. This partnership has resulted in the implementation of the Resistances, Dispossessions and Restitution Project. The project aims to support reparative, holistic restitution of selected objects from the DNMCH's Anthropology Collection, back to communities within and beyond South Africa. Broadly, the project also resonates with the African Union (AU) declaration of 2025 as the "Year of Reparations'' and its theme of "Justice for Africans and People of African Descent Through Reparations", with emphasis on the need to redress historical injustices, in this case colonisation and apartheid.

2.3 Organisational environment

The DMSA experienced numerous challenges which affected its ability to offer services to its customers and stakeholders. The root cause of these challenges is the organisation's inadequate financial capacity resulting from insufficient grant funding from DSAC, insufficient revenue generation and challenges with municipal services billing. This challenge had a ripple effect and negatively impacted the DMSA's ability to fill critical posts, thus resulting in a high vacancy rate and instability in senior management. Despite attempts by Council to employ a Chief Executive Officer (CEO), DMSA has been operating without a permanent CEO since the 2023/24 financial year. This may be the result of a non-competitive remuneration package which fails to attract seasoned personnel to occupy this position.

The DMSA's inadequate financial capacity also impacted negatively on its ability to maintain its aging infrastructure, invest in capital intensive income generation projects and refurbish its exhibitions in response to the 4th Industrial Revolution.

These challenges will be addressed through implementation of the Financial Recovery Strategy, which includes strategies for fundraising, new revenue generation projects and forging partnerships for resource mobilisation.

2.4 Key policy developments and legislative changes

There were no policy or legislative changes that impacted the DMSA during the reporting period.

2.5 Progress towards achievement of institutional Impacts and Outcomes

In support of the National Development Plan, DMSAs 2020-2025 Strategic Plan anticipated the DMSA's contribution to the six priorities of the 2019-2024 MTSF, with a special focus on: Priority 6: *Social Cohesion and Safer Communities.*

During the Strategic Planning period (2020-2025), the DMSA sought out to *increase awareness, knowledge and appreciation for the heritage of South Africa through accessible, relevant and sustainable museums.* This impact would be realised through achieving the following strategic outcomes:

- **Outcome 1:** Enhanced contribution to knowledge production within the heritage sector through disseminated research that is inclusive and relevant.
- **Outcome 2:** Heritage assets preserved in accordance with international guideline standards.
- **Outcome 3:** Increased visibility, accessibility and awareness of heritage assets.
- **Outcome 4:** Increased participation of historically disadvantaged groups in the heritage sector.
- **Outcome 5:** Improved financial sustainability.
- **Outcome 6:** A compliant and responsive organisation.

Knowledge Production and Research - Over the reporting period, the DMSA met and exceeded its targets for knowledge production and research. The DMSA delivered two in-house journals—one accredited and the other in the process of accreditation.

There is, however, an opportunity to increase the peer-reviewed research undertaken by DMSA curators, and to increase the number of NRF rated researchers. While the DMSA had sought to increase the number of NRF-rated researchers in the past five (5) years, there is currently only one NRF-rated scientist. To strengthen its research impact, DMSA also aims to elevate the profile of its in-house journals, making them more appealing to international researchers.

The Museum's collections were accessible to the public and continued to serve as valuable resources for researchers and students globally, for both academic and educational purposes. In support of research excellence and capacity building, DMSA researchers have contributed to the supervision of postgraduate students and provided peer-review and editorial services to accredited academic journals.

Accessibility: The DMSA recorded 591 087 visitors over the five-year (5) strategic period, against a target of 1 700 000. This number is lower than half of the target for the 5-year period, which is attributed to the Covid-19 pandemic and the post pandemic effect which economists predicted would have a recovery period of three to four (3-4) years. We have, however, far exceeded our five-year target for virtual visitors of 12 500, as well as targets relating to customer outreach. The area identified for improvement, and which will be prioritized in the next planning period, is increasing accessibility, participation and procurement from historically disadvantaged groups.

Preservation and conservation of heritage assets: The DMSA has generally performed well in maintaining a comprehensive record of its heritage assets, despite facing common GRAP 103 challenges, such as duplicate asset numbers and items physically present but not recorded in the Register. To address these issues systematically, the GRAP 103 Plan (2024–2034) has been developed and is actively monitored by the Core Functions Committee of Council. Additionally, at Conservation Management Plan was fully implemented over the past five years, achieving 100% completion.

Financial sustainability: The DMSA is actively pursuing interventions to achieve financial sustainability, led by own revenue generation. The organisation set out to generate 30% of own revenue over the last five-years, achieving 6% relative to the state subsidy, highlighting the need for massive intervention including implementation of the Turnaround Strategy and fundraising initiatives.

Public Engagement: The DMSA has done well in implementing various public programmes over the Strategic Period, except for exhibitions. This is largely attributable to the high cost of exhibition installation, particularly for interactive and technology-enhanced exhibitions. DMSA has, however, implemented several temporary and permanent exhibitions through various partnerships. These partnerships will be intensified during the next planning period to enhance the competitiveness of our museums.

Compliance: Compliance remains an enormous challenge for the DMSA, particularly in SCM. Instances of fraud and corruption have been reported in previous financial years and their impact was still felt during the 2024/25 financial year as the DMSA continued to incur irregular expenditure due to appointment of irregular contracts. DMSA is in the process of terminating these contracts, but the legal process is taking longer than anticipated. DMSA's legal bill is high due to these cases, thus adding to the liquidity problem. The DMSA Council and Management have dealt decisively with personnel implicated in these cases of fraud and corruption, thus showing that DMSA has a zero-tolerance approach to fraud and corruption.

3. PERFORMANCE INFORMATION

3.1 Programme 1: Administration

Sub-Programme	Purpose
Office of the Chief Executive Officer	To provide overall strategic leadership of the operations of DMSA by ensuring the Council approved Strategic Plan and APP are implemented, and that the organisation is compliant with legislation, and run efficiently and effectively through prioritised resources allocation.
Office of the Chief Financial Officer	To manage the financial sustainability of the organisation through diversified revenue sources and the optimisation of costs, to support the organisation to achieve and maintain a clean audit outcome, and to provide an effective, efficient and compliant supply management service.
Human Capital Management	To provide effective human resources management and development services towards positioning DMSA as an employer of choice.
Marketing and Communications	To implement the full package of marketing and communications services, including public relations, brand and customer satisfaction, perception management, advertising and social media towards increased physical and online visitor numbers.
Information Communication and Technology (ICT)	To develop and implement an ICT integrated governance framework by focusing on the needs and requirements of the end-users, and to develop and implement a digital transformation strategy underpinned by 4IR.

Programme Outcomes, Outputs, Output Indicators and Targets

In contributing towards DMSA's intended impact, the Administration Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 3: Increased visibility, accessibility and awareness of heritage assets.

Outcome 4: Increased participation of historically disadvantaged groups in the heritage sector.

Outcome 5: Improved financial sustainability of DMSA.

Outcome 6: A compliant and responsive organisation.

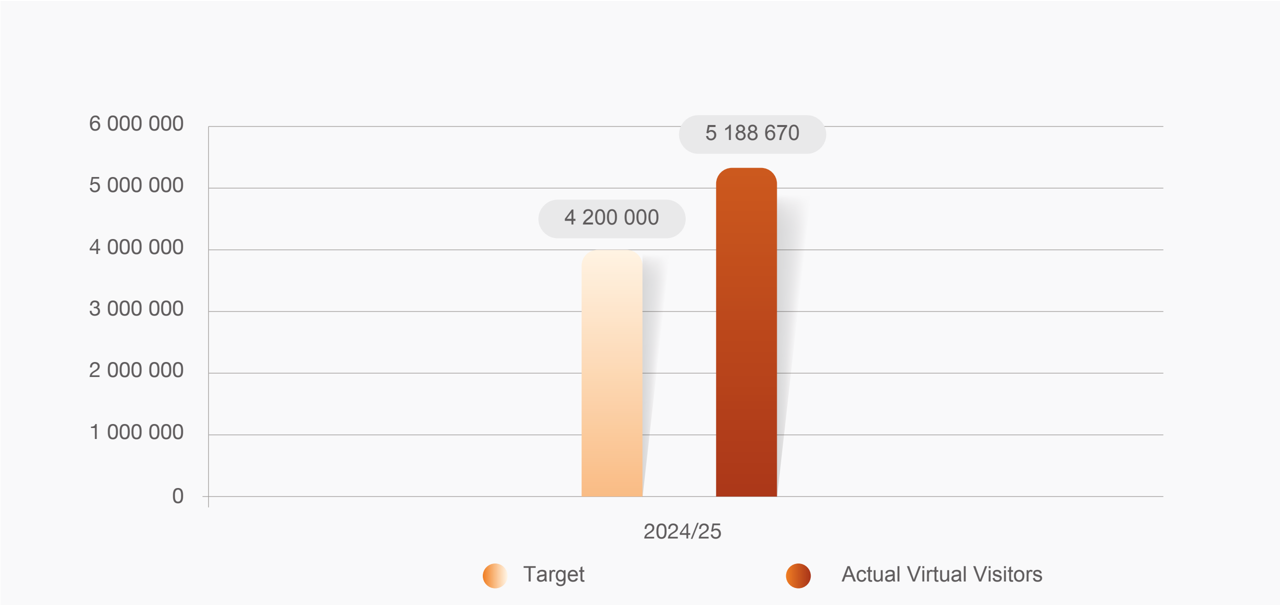
3.1.1 Programme Performance Information

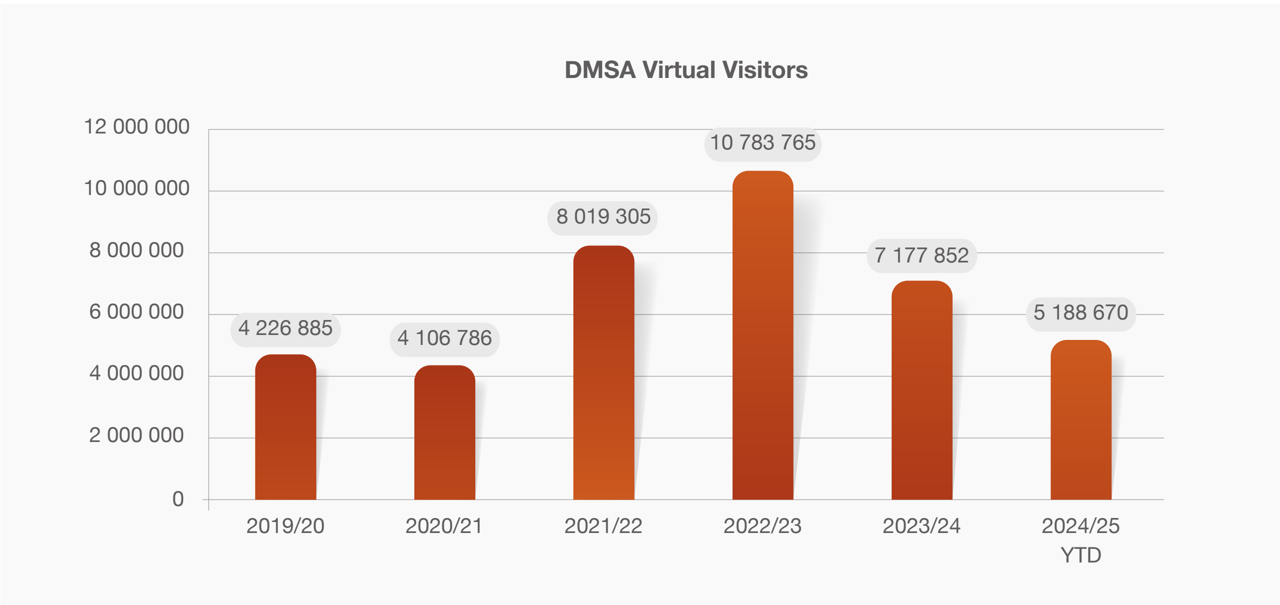
Marketing and Communications

The Marketing and Communications Unit develops and implements the Marketing and Communication Strategy aimed at creating awareness of the DMSA brand, building brand loyalty, a good reputation for the organisation and ultimately increasing revenue and the number of visitors to the museums. This was achieved through exposure on broadcast media, print media, online and social media platforms.

Visitor numbers are measured as virtual visitors and visitors that physically go to the museums. The virtual visitors target of 4 200 000 was exceeded by 24% (5 188 670 hits) due to continuous communication on the DMSA website, social media advertising, as well as search engine optimisation. As a result, DMSA virtual visitors grew by an average of 13% over a five-year period.

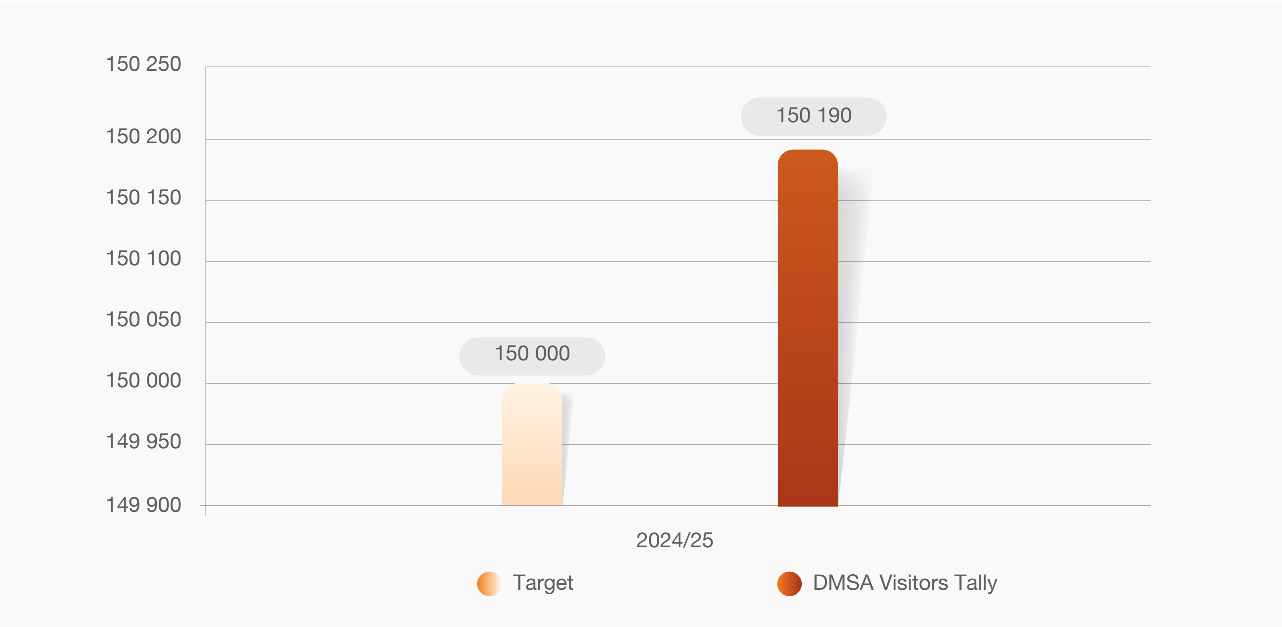
DMSA Virtual Visitors





DMSA Physical Visitors

The DMSA met its annual target of 150 000 closing the year on 150 190. Collaborations with strategic partners yielded the results DMSA would otherwise have found challenging. The DITSONG: National Museum of Natural History had the highest number of visitors (33%). The DITSONG: National Museum of Military History added a new exhibition 'Women in the Liberation Struggle Exhibition'. The DITSONG: National Museum of Cultural History launched an exhibition called 'Beautiful Things Exhibition' in partnership with the Department of Sport, Arts and Culture. These contributed to reaching the visitor numbers target.


150 250
150 200
150 150
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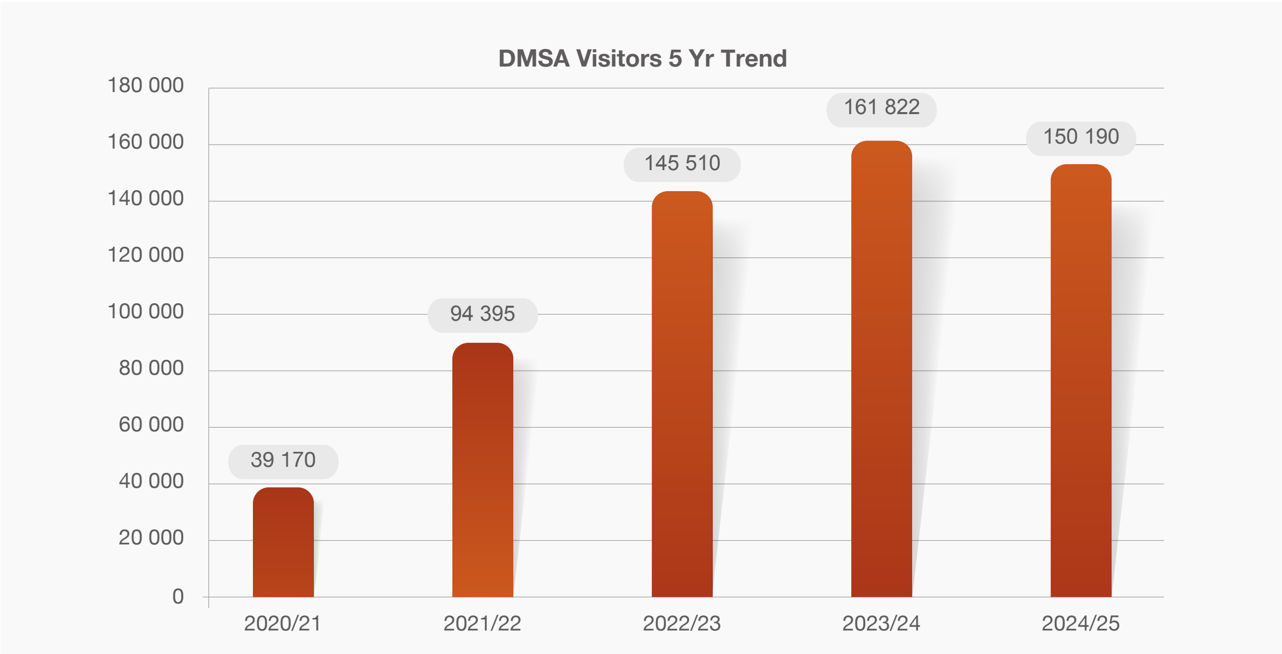
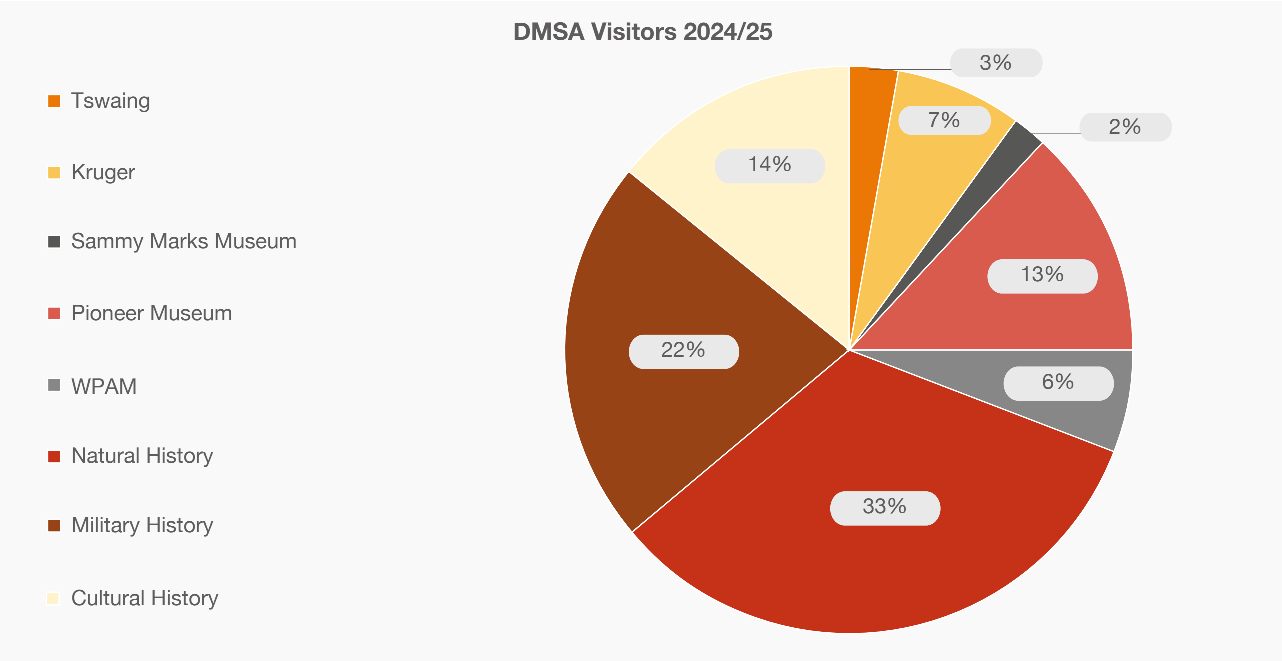
150 000
149 950
149 900
150 190
150 000
2024/25
Target
DMSA Visitors Tally

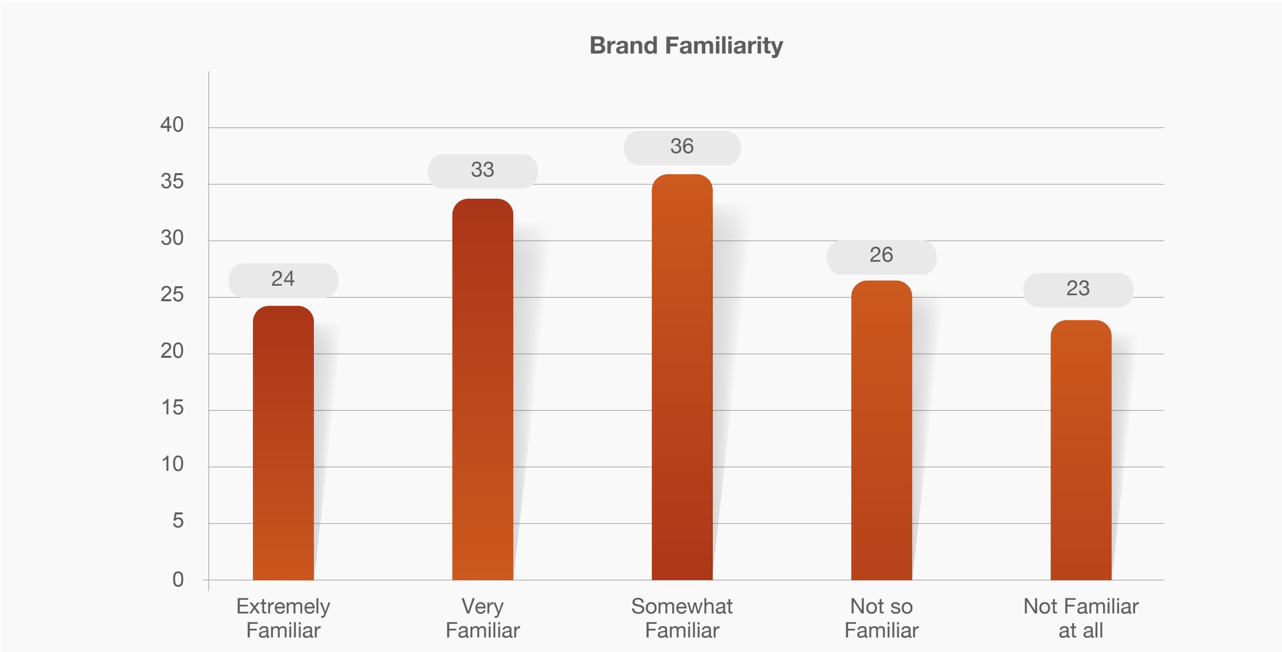

DMSA Visitors 5 Yr Trend
180 000
160 000
140 000
120 000
100 000
80 000
60 000
40 000
20 000
0
39 170
94 395
145 510
161 822
150 190
2020/21
2021/22
2022/23
2023/24
2024/25

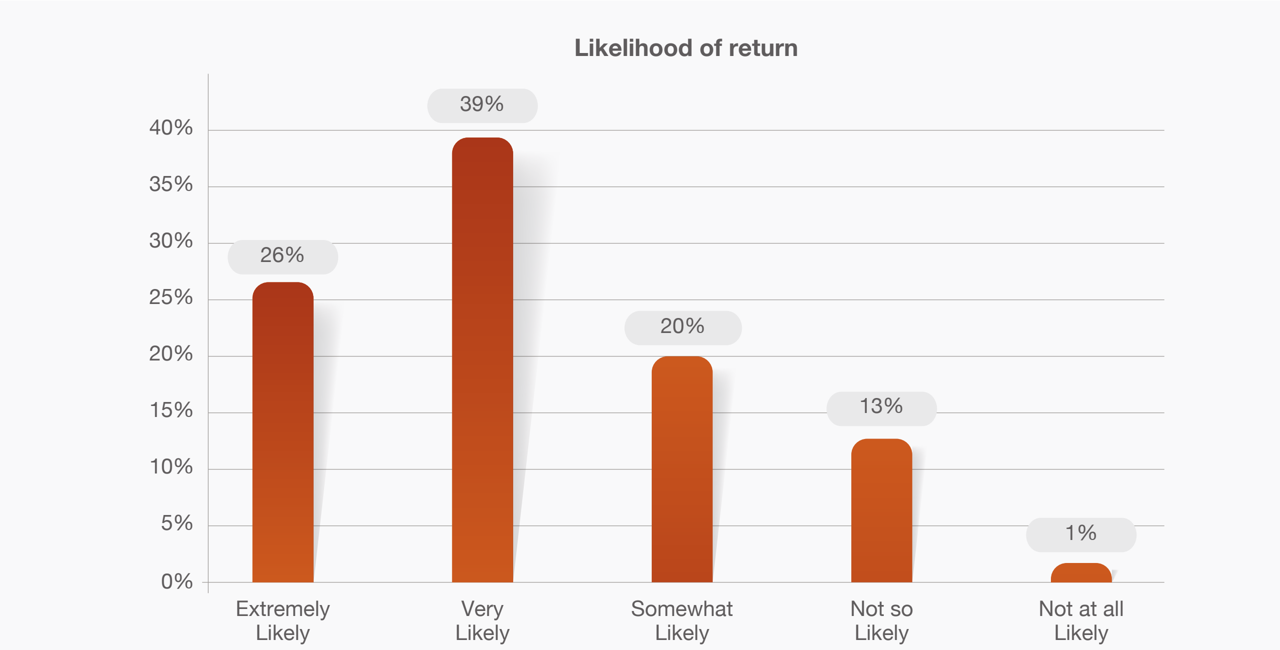


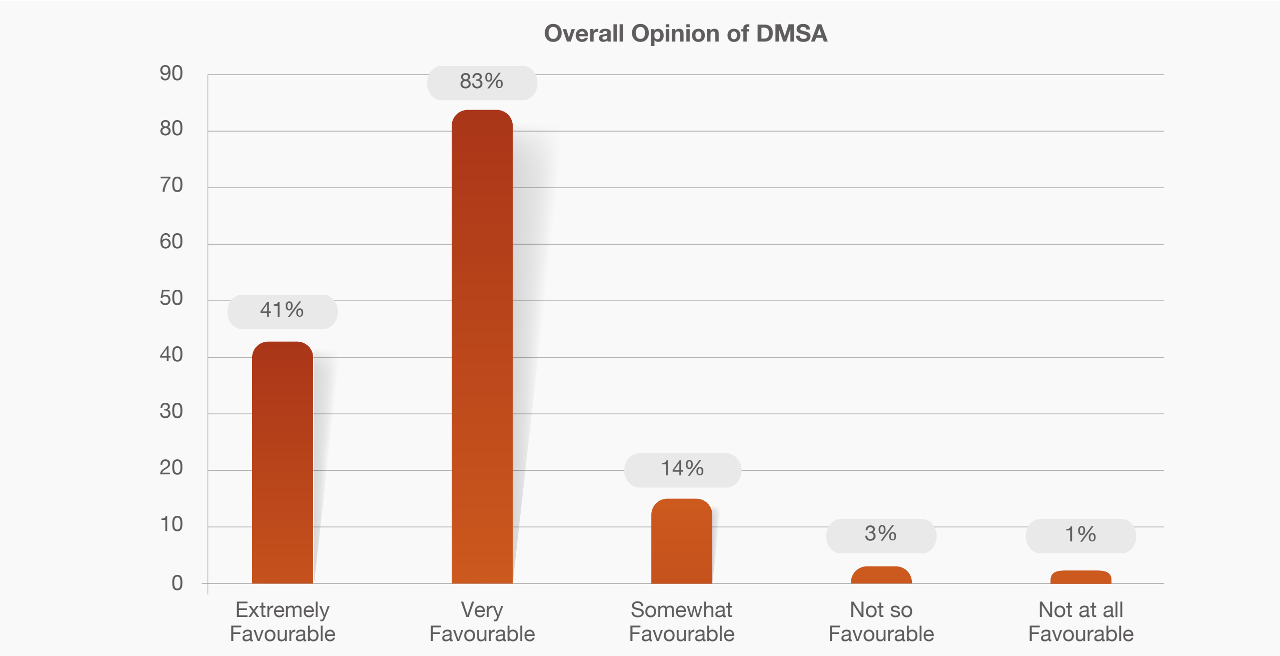
The Marketing and Communication Unit provided marketing support for DMSA events to position the DMSA as an agent for cultural diversity, social cohesion and economic development in the communities we serve. It also facilitated strategic alliances with sister organisations to maximise on the output of events, exhibitions and educational programmes.

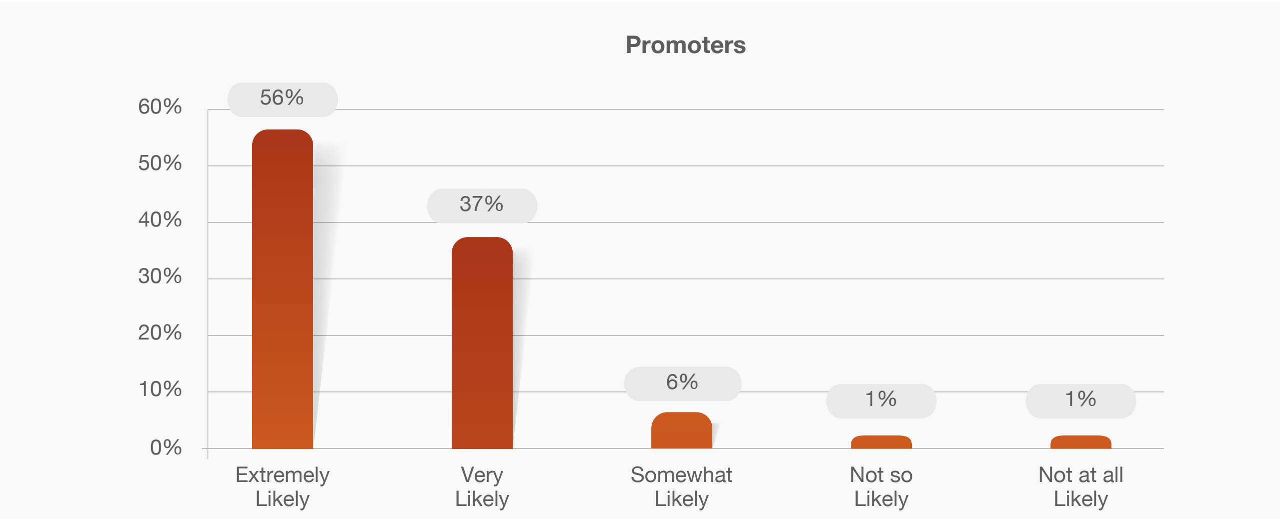
The Customer Perception Survey

The Museum conducted research to measure visitors' perception of the brand. In this research, the Museum measured brand familiarity, brand association, opinion about the DMSA brand, likelihood of return and rate of increase in brand promoters. Brand familiarity was low due to international visitors requiring more advertising in global markets. The annual growth in 2024/25 was 3%, underachieving the target by 10%. During the next planning phase, customer perception will be improved through enhancement of visitor experiences by establishing coffee shops/restaurants at some museums, infrastructure improvements and intensifying marketing activities.




Likelihood of return
40%
35%
30%
25%
20%
15%
10%
5%
0%
26%
39%
20%
13%
1%
Extremely Likely
Very Likely
Somewhat Likely
Not so Likely
Not at all Likely


Overall Opinion of DMSA
90
80
70
60
50
40
30
20
10
0
41%
83%
14%
3%
1%
Extremely Favourable
Very Favourable
Somewhat Favourable
Not so Favourable
Not at all Favourable


Promoters
60%
50%
40%
30%
20%
10%
0%
56%
37%
6%
1%
1%
Extremely Likely
Very Likely
Somewhat Likely
Not so Likely
Not at all Likely

Office of the CFO

The Office of the CFO set a target of raising R12 million in own revenue through diversified sources, achieving R10 907 487. An overachievement of 14% was attained in containing employee costs to below 60% of the total budget. Administration costs were also reduced resulting in more resources directed to core functions of DMSA. The actual planned target for the financial year was 43% of expenditure on activities that drive the organisation`s mandate, with DMSA overachieving at 59%.

The DMSA targeted a clean audit for the 2024/25 financial year. This was not achieved, as the organisation received an unqualified audit with material findings. The DMSA also targeted the achievement of 100% of project milestones against the ICT Infrastructure Implementation Plan, of which 83.3% was attained. The DMSA was also unable to achieve the target of two approved capital infrastructure projects implemented.

Human Capital Management

The Human Capital Management sub-unit achieved both of its APP indicators. The sub-unit reached twelve (12) experiential training participants for the 2024/25 financial year, against a target of ten (10), and attained 100% implementation of the annual Workplace Skills Plan.

Outcome	Sub Programme	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement	Reasons for deviation
3. Increased visibility, accessibility and awareness of heritage assets	Marketing and communications	Increased number of visitors to DMSA museums	3.1. Number of physical visitors to museums per annum	145 510	161 822	150 000	150 190	190 over	The positive variance is due to increased visitor numbers and hosting of events at the various sites.
			3.2. Number of virtual visitors per annum	10 763 765	7 177 852	4 200 000	5 188 670	988 670 over	The positive variance is a result of increased online activities which directed visitors to the DMSA website.
			3.3. Number of people exposed to DMSA through outreach activities	20 584	18 917	11 000	54 528	43 528 over	Participation in tourism and lifestyle activities resulted in more people being exposed to the DMSA brand.
	Human Capital Management	Internship and experiential programme implemented	4.1. Number of experiential training participants per annum	12	17	10	12	2 over	More than the anticipated number of experiential training participants received.
5. Improved financial sustainability	Office of the CFO	Increased revenue through diversified sources	5.1. Rand value of own revenue generated	R7 746 646	R8 364 687	R12 000 000	R10 907 487	R1 092 513 under	Target not achieved due to new revenue generation projects not being as profitable as anticipated.
		Costs contained and resources directed towards the core business	5.2. Percentage compensation of employees' expenditure to total expenses	56%	45%	60%	46%	14% over	Reduction in Cost of Employees was attributed to Cost Containment Measures and Amalgamation processes which imposed a moratorium on employee recruitment.
			5.3. Percentage expenditure of budget on core business functions	47%	53%	43%	59%	16% over	Cost containment measures in administration -including Marketing and Advertising and Personnel – allowed funds to cater for core functions.

Outcome	Sub Programme	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement	Reasons for deviation
6. A compliant and responsive organisation	Office of the CFO	External audit outcome on financial statements	6.1. External audit outcome on previous year's financial statements	Unqualified with material findings	Unqualified with material findings	Clean Audit Achieved	Unqualified with material findings	Material findings raised	Two material findings were raised and resolved. The Audit Implementation Plan was developed and is being monitored quarterly by Council through its Audit, Risk and Information, Communication &Technology Committee to avoid repeat findings.
	Human Capital Management	Improved systems, processes and people management	6.2. Percentage implementation of annual Workplace Skills Plan	100%	100%	100%	100%	-	-
	Marketing and Communications	Improved visitor perception of DMSA (survey conducted at targeted events)	6.3. Percentage improvement in visitor perception rating	11% Improvement	6%	13%	3%	10% under	According to survey respondents, the overall perception of DMSA has declined for various reasons, such as lack of coffee shops or restaurants and dated exhibitions in some DMSA museums. Requests for Proposals for restaurant/coffee shops will be advertised and partnerships will be sought with external stakeholders to enhance exhibitions in the new financial year.
	Office of the CFO	Secure ICT Infrastructure	6.4 Percentage achievement of the project milestones of the ICT Infrastructure Implementation Plan	-	-	100%	83.33%	16.67% under	Insufficient budget hampered achievement of 100% implementation of the Wi-Fi upgrades. These upgrades have been catered for in the 2025/2026 budget.
		Capital Infrastructure Investment	6.5 Number of approved capital infrastructure projects implemented	-	-	2	0	2	Tender advertisements were sent out on two occasions; however, an appointment could not be made for a project management service provider to implement infrastructure projects.

3.2 Programme 2: Business Development (Core Functions)

Purpose: The purpose of Programme 2: Business Development (Core Functions), is to research, manage, maintain, restore and render access to museum collections. The purpose of each sub-programme is as follows:

Sub-Programme	Purpose
Research	Endorse the research of articles and publications relating to heritage, ensuring dissemination of research that is increasingly relevant and inclusive.
Collection Management	Develop and maintain a system to ensure that all specimens and objects are well-documented and catalogued.
Conservation and Restoration	Contribute towards the achievement of curating collections, and to undertake conservation and restoration.

Programme Outcomes, Outputs, Output Indicators and Targets

In contributing towards DMSA's intended impact, the Business Development (Core Functions) Programme delivers against the following Outcomes reflected in the Strategic Plan:

Outcome 1: Enhanced contribution to knowledge production within the heritage sector through dissem inated research that is inclusive and relevant.

Outcome 2: Heritage assets preserved in accordance with international guideline standards.

3.2.1 Programme Performance Information

Research

All four output indicators under the sub-programme: Research were achieved. This positively contributes to *Outcome 1: Enhanced contribution to knowledge production within the heritage sector through disseminated research that is inclusive and relevant.*

Collections management

All (100%) heritage objects received and approved during the financial year were successfully accessioned. However, only 4.97% of high-value heritage assets were verified, falling short of the planned target of 9%. This shortfall was due to business process interruptions, including those resulting from loadshedding and service delivery failures, that impeded access to the collections.

Ongoing engagement between the Facilities Department, core functions staff, and other stakeholders is underway to ensure this target is met in future. As part of the DMSA User Asset Management Plan (UAMP) for 2025/26, the introduction of the "Greening Project" is expected to reduce municipal service disruptions. This will help provide for consistent access to collections, helping eliminate a key barrier to asset verification. In addition, core staff have been encouraged to prioritise this verification work earlier in the financial year to allow sufficient time for addressing any unforeseen challenges or shortfalls.

Conservation and restoration

All three Conservation and Restoration Plans developed for DNMCH, DNMMH, and DTMC were fully implemented, achieving the target of 100% for the financial year. This significantly contributed to the entity's overall output of heritage assets conserved and restored. Major restoration projects completed during the year included the Valentine MK 1 Infantry Tank, 122 Howitzer D30, Bofors 40 mm Anti-Aircraft Gun, and the single 4-inch Mark IV Naval Gun. In addition, specialised cleaning was conducted across several collections. These cleaning efforts, although perceived as trivial, play a critical role in heritage preservation. Each year, collection attendants meticulously clean and care for tens of thousands of heritage objects across all DMSA collections, safeguarding South Africa's cultural legacy through consistent, expert stewardship.

Outcome	Sub Programme	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned Target to Actual Achievement	Reasons for deviation
1. Enhanced contribution to knowledge production within the heritage sector through disseminated research that is inclusive and relevant	Research	Research outputs disseminated	1.1. Number of peer-reviewed articles submitted for publication	22	15	15	16	1 over	Increased partnerships in research resulted in curators being able to produce more research articles.
			1.2. Number of popular articles published or posted	54	53	45	48	3 over	Increased partnerships in research resulted in production of more popular articles.
			1.3. Number of public lectures presented	14	13	12	12	-	-
			1.4 Number of internal research seminars presented	2	2	2	2	-	-
2. Heritage assets preserved in accordance with international guideline standards	Collections Management	Heritage assets preserved	2.1.Percentage of heritage objects accessioned per annum	100%	100%	100%	100%	-	-
			2.2.Percentage of high-value heritage assets verified per annum	9.8%	8.4%	9%	4.97%	4.03 % under	Business interruptions prevented access to some heritage assets in storage areas and verification could not be performed. Catch-up plans implemented were inadequate to meet the target. Efforts will be intensified to achieve the target in the 2025/2026 financial year.
2. Heritage assets preserved in accordance with international guideline standards	Conservation and Restoration	Heritage assets conserved and restored	2.3 Percentage implementation of conservation plan per annum	100%	100%	100%	100%	-	-

3.3 Programme 3: Public Engagement

The purpose of Programme 3: Public Engagement is to develop and maintain public programmes and exhibitions to enhance wider public access and knowledge about natural, military and cultural heritage. The purpose of each sub-programme is as follows:

Sub-Programme	Purpose
Public programmes	To increase the accessibility of all DMSA museums through public programmes, through planned events and outreach, and exhibitions.

Programme Outcomes, Outputs, Output Indicators and Targets

In contributing towards DMSA's intended impact, the Public Engagement Programme delivers against the following Outcome reflected in the Strategic Plan:

Outcome 3: Increased visibility, accessibility and awareness of heritage assets.

3.3.1 Programme Performance Information

Public Programmes

DMSA formalised seven of the six partnership agreements planned for the reporting period. The organisation held 28 events, compared to the 13 events planned for the 2024/25 financial year, resulting in an overachievement of 15. A calendar of 28 events was delivered, including celebrations of national days. These celebrations help to foster social cohesion and nation-building, and support income generation for the organisation.

In the year under review, the DMSA Public Programmes and Exhibitions Unit surpassed its partnership goals, successfully establishing seven strategic collaborations against a target of six, to enhance the museum's operations and impact. One travelling exhibition and 15 displays were developed, exceeding the planned target three. Furthermore, one temporary and one permanent were also developed during the period.

Exhibition highlights included one travelling exhibition; The Beautiful Things Exhibition which captivated visitors while showcasing the creativity and expertise of South African crafters. A new permanent exhibition Women of the Liberation Struggle was unveiled, honouring a vital chapter in South Africa's history. A temporary exhibition commemorating the 80th anniversary of the Warsaw Uprising and Warsaw Flight was also installed. Fifteen displays were created, while four arts, culture, and heritage (ACH) projects were implemented, driving greater community participation and reinforcing DMSA's commitment to cultural preservation and engagement.

Through its outreach initiatives, the Public Programmes and Exhibitions Unit engaged over 50 000 individuals, significantly expanding its community reach. The unit further developed eight new educational programmes aligned with the national curriculum, enriching learning experiences for diverse audiences.

The business unit therefore achieved or exceeded all targets for the reporting period.

Outcome	Sub Programme	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement	Reasons for deviation
3. Increased visibility, accessibility and awareness of heritage assets	Public Programmes	Partnerships established	3.5. Number of new partnerships established per annum	8	2	6	7	1 over	Increased efforts in seeking partnerships yielded positive results and led to over-achievement.
		Increased exhibitions, displays and public programmes	3.6. Number of events held	28	26	13	28	15 over	Positive variance resulting from increased partnerships established.
			3.7. Number of new educational programmes developed and approved per annum	16	8	8	8	-	-
			3.8 Number of travelling exhibitions hosted	-	0	1	1	-	-
			3.9. Number of displays created	18	13	12	15	3 over	Increased partnerships resulted in more displays being created.
			3.10. Number of temporary exhibitions created	2	1	1	1	-	-.
			3.11. Number of Permanent exhibitions created	0	0	1	1	-	-
			3.12. Number of ACH projects implemented through the co-curate and co-create programme	4 ACH projects implemented	4 ACH projects implemented	4 ACH projects implemented	4 ACH projects implemented	-	-

Linking performance with budgets

In a bid to ensure that DMSA does not end the year with a deficit, stringent expenditure control measures were implemented throughout the year. The table below shows the results of those cost containment measures, which resulted in expenditure contained below budget. This had an un-intended consequence of negatively impacting the organisation's performance as three of the five indicators were not achieved due to budget constraints that hindered project execution. These projects include museum offerings and marketing activities to improve the visitor perception rating and own revenue generated, and funding to implement Wi-Fi at all museums. DMSA was, however, able to work economically over the year and achieved 78% of its planned targets with available resources.

Programme/ activity/ objective	2024/2025			2023/2024		
	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	78 209	75 513	2 696	72 898	69 045	3 853
Programme 2 – Business Development	81 869	76 401	5 468	79 054	69 961	9 093
Programme 3 – Public Engagement	6 936	6 383	553	7 237	6 428	809
Total	**167 014**	**158 297**	**8 717**	**159 188**	**145 434**	**13 755**

4. REVENUE COLLECTION

Sources of revenue	2024/2025			2023/2024		
	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
Rental of facilities	2 696	2 200	496	1 834	1 951	(117)
Entrance fees	4 546	3 768	778	3 880	3 492	388
Interest received	1 775	1 698	77	1 617	1 789	(172)
Business ventures	1 874	1 765	109	2 675	994	1 681
Total	**10 891**	**9 431**	**1 460**	**10 006**	**8 226**	**1 780**

The DMSA's revenue from exchange transactions was budgeted at R10 890 578. This is separate from the performance target of R12 000 000. Actual own revenue collected was R9 431 112 which is 87% of the budgeted amount. The actual revenue collected was less than the budgeted revenue due to low turnout at events and festivals and lack of capital to implement planned revenue generating projects.

The DMSA has put in place interventions to ensure an increase in revenue collection. These interventions include improving our brand visibility through advertising and increased social media presence, which will increase our visitor numbers, as well as full implementation of revenue generating projects including rental of our facilities.

5. CAPITAL INVESTMENT

The DMSA did not receive an infrastructure grant in the 2024/25 financial year. All infrastructure projects undertaken were funded from own revenue generated. This lack of funding put an enormous strain on DMSA's finances, resulting in the organisation`s inability to implement all planned infrastructure projects, despite the urgent need to address deteriorating buildings.

Infrastructure projects planned for the Tswaing Meteorite Crater, namely the construction of a fence and restoration of a burned down building, and fence installation at the Sammy Marks Museum were rolled over from prior years. A Project Management Company, who will facilitate the development of proper specifications for these projects, could not be appointed during the financial year.

The bidding process for these projects commenced in the fourth quarter of 2024/25. The appointment of service providers to carry out these projects will commence in the first quarter of the 2025/26 financial year.

The absence of these much-needed fences and renovations continue to pose serious security issues at both sites and thus these projects will be fast-tracked after the appointment of the Project Management Company.

Infrastructure projects	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Fencing of the Tswaing Meteorite Crater and Reconstruction of Tswaing Building	3 000	-	3 000	3 000	-	3 000
Renovations / upgrades of various DMSA museums / sites	267	-	267	2 242	1 975	267
Upgrade of the fence at Sammy Marks Museum	5 000	-	5 000	5 000	-	5 000
Total	**8 267**	**-**	**8 267**	**10 242**	**1 975**	**8 267**

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 of 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 IV Report on Corporate Governance. Parliament, the Executive and the Accounting Authority of DMSA are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

Parliament, through its Portfolio Committee on Sport, Arts and Culture exercises oversight over the DMSA through the Executive Authority. During the 2024/25 financial year there was no meeting scheduled between DMSA and the Parliamentary Portfolio Committee on Sport, Arts and Culture.

3. EXECUTIVE AUTHORITY

The Minister of Sport, Arts and Culture is the Executive Authority for the DMSA. The following table provides commentary on reports submitted to the Executive Authority during the 2024/25 financial year:

SUBMISSION DATE	DOCUMENT	ISSUES RAISED BY DSAC
2024/25 DMSA PERFORMANCE QUARTERLY REPORTS		
31 July 2024	1st Quarter Performance Report	None
30 October 2024	2nd Quarter Performance Report	None
30 January 2025	3rd Quarter Performance Report	None
30 April 2025	4th Quarter Performance Report	None
2024/25 INFRASTRUCTURE Quarterly REPORTS		
31 July 2024	1st Infrastructure Quarterly Report	None
30 October 2024	2nd Infrastructure Quarterly Report	None
30 January 2025	3rd Infrastructure Quarterly Report	None
30 April 2025	4th Infrastructure Quarterly Report	None
2024/25 GRAP 103 IMPLEMENTATION PLAN PROGRESS REPORTS		
31 July 2024	1st Quarter GRAP 103 Implementation Plan Progress Report	None
30 October 2024	2nd Quarter GRAP 103 Implementation Plan Progress Report	None
30 January 2025	3rd Quarter GRAP 103 Implementation Plan Progress Report	None
30 April 2025	4th Quarter GRAP 103 Implementation Plan Progress Report	None
2024/25 TREASURY PUBLIC ENTITIES QUARTERLY REPORT		
31 July 2024	1st Quarter Report	None
30 October 2024	2nd Quarter Report	None
30 January 2025	3rd Quarter Report	None
30 April 2025	4th Quarter Report	None

SUBMISSION DATE	DOCUMENT	ISSUES RAISED BY DSAC
2025/26 ANNUAL PROCUREMENT PLAN		
15 February 2025	Final	None
2025/26 ANNUAL PERFORMANCE PLAN (APP)		
30 October 2024	1st Draft APP	None
30 January 2025	Final APP	None
2025-2030 STRATEGIC PLAN (SP)		
30 October 2024	1st Draft SP	None
30 January 2025	Final SP	None
2025/26 BUDGET		
30 January 2025	Final	None
2025/26 STRATEGIC RISK REGISTER		
30 January 2025	Final	None
FRAUD PREVENTION POLICY		
30 January 2025	Final	None
MATERIALITY FRAMEWORK		
30 January 2025	Final	None

4. THE ACCOUNTING AUTHORITY / COUNCIL

Introduction

The DMSA is led by a Council, which serves as the Accounting Authority. Its role is to provide the organisation with strategic direction and to deliver Shareholder value over the long term. The Council also has ultimate responsibility for the finances of the organisation and holds legal responsibility for its ventures and actions.

Through the Audit, Risk, Information and Communication Technology Committee, the Council also reviews the organisation's risk management and internal control systems on an ongoing basis. The Council continuously holds Management accountable for the implementation of the organisation's strategy, policies, projects and for the overall performance of the organisation.

The role of the Council is as follows:

In terms of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), Council has the following responsibilities:

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

Council Charter

The Council operates in accordance with an approved Charter and signs an annual Shareholder Compact with the Executive Authority. The Council Charter was developed in line with good governance practice and King IV Report on Corporate Governance.

Compliance with the Charter

The DMSA Council members strive for good governance by fulfilling all obligations imposed upon them and acting in the best interest of the organisation, government and the public, by faithfully upholding and applying the applicable legislations. Through the leadership of the DMSA Council, the entity continues to improve in terms of systems of corporate governance. This was evidenced by introducing, through Management, various measures of reporting and dealing with corruption, such as establishing a DMSA hotline, managed by an external service provider and placing suggestions boxes for reporting any suspicions of fraud in all sites of the organisation. These efforts were further coordinated by outsourced internal auditors, which prepare a report and table to the Council through the ARIC.

The DMSA Council members promoted the objectives of the DMSA by upholding the rule of law and refraining from engaging in improper or illegal activities, or acting in a manner which, viewed objectively, could be construed as unbecoming of a Council Member.

DMSA Council Members demonstrated good faith by exercising diligence, honesty and objectivity in the performance of their duties and responsibilities. Council Members or Members of Management declare any personal interest vested in a matter before Council and recuse themselves when Council is expected to deliberate and decide on matters.

Composition of the Council

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Council Directorships	Other Committees or Task Teams	No. of Meetings attended
Adv. Motlatjo Ralefatane	Chairperson	01 Aug 2022	-	• B. Proc. Degree • LLB Degree • LLM • Certificate in Audit Committee • Certificate in Corporate Governance • Certificate in Land Reform • Certificate in Human Rights • Certificate in Labour Relations • Certificate in Legal, Labour Relations, Human Resources and Governance	Legal, Labour Relations, HR and Governance	-	-	Council = 8
Dr A. Mdletye	• Member of Council • Deputy Chairperson	01 Aug 2022	-	• Doctor of Philosophy (Leadership in Performance & change) • Masters in Development Studies • Master of Education (Curriculum Studies) • Master of Education (Curriculum & Teacher Leadership) • Bachelor of Arts • Bachelor of Arts Honours in Human Resource Development • Bachelor of Education • Bachelor of Business Administration • Bachelor of Management • Post Graduate Diploma in Labour Law • Diploma in Personnel Management and Industrial Relations • Higher Diploma in Education (Post Grad) • Certificate in Occupational Health and Safety • Certificate Programme in Leadership Development • Certificate Programme in Financial Performance Measurement and Control	• Financial Management • Human Resource Management • Facilities Management • Governance, Strategic Planning, Legal Services	-	Member of the Human Resources and Remuneration Committee (HRREMCO) at DMSA	Council = 8 Committee (HRREMCO) = 5
Ms Chuma Fani	Member of Council	01 Aug 2022	-	• Bachelor of Administration Honours • Bachelor of Administration	• Policy and Governance Expert • Corporate Governance Specialist • Council Effectiveness	-	Member of the Human Resources and Remuneration Committee (HRREMCO) at DMSA	Council = 8 Committees (HRREMCO) = 5

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Council Directorships	Other Committees or Task Teams	No. of Meetings attended
Mr Gregory Ontong	Member of Council	01 Aug 2022	-	• Master of Philosophy (Conservation of the Built Environment) • Master of City and Regional Planning • Bachelor of Theology (Degree)	• Heritage Conservation • Cultural Heritage • Heritage and Research • Performance Management • Financial Management • Liaising with Council departments, funding agencies, community organisations, voluntary history groups, tourist bodies and private companies	-	Chairperson for the Core Functions Committee at DMSA	Council = 8 Committees (Core Functions) = 4
Ms Zama Ngcibi	Member of Council	01 Aug 2022	-	• Post-Graduate Diploma in Business Management • Bachelor of Commerce Degree (B Com)	• Strategy Development and Implementation • Risk Management • Strategic Business Process Outsourcing • Financial Management • Strategic Supply Chain Management and Sourcing		Member of the Core Functions Committee at DMSA	Council = 8 Committees (Core Functions) = 4
Ms Zama Dlamini	Member of Council	01 Aug-2022	-	• Postgraduate Diploma in Management Practice (PGDip) • Bachelor of Management Leadership	• Governance • Strategic Planning • Legal Services		Member of the Audit, Risk and Information Communication Technology (ARIC) at DMSA	Council = 8 Committees (ARIC) = 5

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Council Directorships	Other Committees or Task Teams	No. of Meetings attended
Mr Mohlomi Masooa	Member of Council	01 Aug-2022	-	• M.A History (Cum-Laude) • BA Hons Degree • BA ED Degree	• History • Heritage Management • Education • Corporate Governance		Member of the Core Functions Committee at DMSA	Council = 8 Committees (Core Functions) = 4
Mr Harris Nkanyane	Member of Council	01 Aug-2022	-	• Master of Philosophy: Internal Auditing • Master Business Leadership • Post-Graduate Diploma: Compliance Management • Certificate in Money Laundering Control • Certificate in Corporate Governance • Certificate in Compliance Management • B. Tech: Cost and Management Accounting • N. Dip: Cost and Management Accounting	• Corporate Governance • Auditing • Finance • Risk and Compliance Management		Member of the Audit, Risk and Information Communication Technology (ARIC) at DMSA	Council = 6 Committees (ARIC) = 4
Dr Dalifa Ngobese	Member of Council	01 Aug-2022	-	• Doctor of Philosophy in African Studies (PhD AS) • Master of Arts (M.A) in History • Bachelor of Arts Honours (B.A. Hons) • Bachelor of Arts in Education (B.A. Ed.)	• History • Heritage Management • Education • Research • Corporate Governance		Chairperson of Human Resources and Remuneration Committee (HRREMCO) at DMSA	Council=8 Committees (HRREMCO)=5

Committees

Committee	No. of meetings held	No. of members	Name of members
Audit, Risk and Information Communication Technology Committee (ARIC)	5	3	Mr S Maharaj (Chairperson)* Mr H Nkanyane Ms Z Dlamini *Mr Maharaj resigned 30 November 2024
		3	Mr V Magan (Chairperson)* Mr H Nkanyane Ms Z Dlamini *Mr Magan was appointed effective 1 December 2024
Core Functions Committee	4	3	Mr G Ontong (Chairperson), Ms Z Ngcibi and Mr M Masooa
Human Resources and Remuneration Committee	4	3	Dr D Ngobese (Chairperson), Ms C Fani and Dr A Mdletye

Remuneration of Council Members

Name	Remuneration	Other allowance	Otherre-imbursements	Total
Adv.M Ralefatane	R26 896	R64 606	-	R91 502
Dr A Mdletye	R41 927	R40 174	-	R82 101
Ms Z Dlamini	R38 570	R16 183	-	R54 753
Dr D Ngobese	R44 009	R31 788	-	R75 797
Ms Z Ngcibi	R30 945	R12 450	-	R43 395
Mr G. Ontong	R36 328	R31 345	-	R67 673
Ms C Fani	R32 065	R9 802	-	R41 867
Mr H Nkanyane	R33 860	R19 574	-	R53 434
Mr M Masooa	R33 860	R14 064	-	R47 924
Mr M Maharaj (independent Chairperson of ARIC)	R26 124	R1 112	-	R27 236
Mr V Magan (independent Chairperson of ARIC)	R11 672	R8 894	-	R20 566

5. RISK MANAGEMENT

The DMSA leadership believes in the interrelatedness of risk management, strategy management, and corporate governance, with a view that the entity can achieve its objectives if this relationship is appreciated at the highest level. In line with the National Treasury Risk Management Framework, the DMSA has adopted an enterprise-wide risk management approach. The entity has an approved Risk Management Policy, Risk Management Strategy, and a Fraud Prevention Policy and Response Plan. These policies have been approved by Council.

The DMSA developed and maintained a Strategic Risk Register which is aligned with the Annual Performance Plan (APP). Operational Risk Registers are also maintained for all business units. The entity also has emerging risk identification and risk incident reporting tools, which enable staff and Management to identify risks that are emerging throughout the entity.

Risks are identified, assessed and rated. Mitigation strategies are put in place to mitigate the risks and reports on the status of risks are tabled to the Risk Management Committee, ARIC, and Council.

The DMSA has a functioning Risk Management Committee which meets quarterly to assess and determine the effectiveness of its Risk Management Strategy. The Committee tables its reports on the status of risk management at the Audit, Risk and Information Communication Technology Committee (ARIC) meetings. The ARIC receives and interrogates risk management reports that are prepared by Management and the Risk Management Committee. Interventions such as the establishment of a Risk Management Committee, the approval of risk and fraud policies and strategies, and the establishment of a risk function in the Office of the CEO, have started to yield the desired results, with great improvements emerging in risk culture within the entity. In addition, Risk Management is a regular agenda item in Exco and Manco meetings.

In the year under review, Council identified 12 strategic risks requiring mitigation to ensure DMSA's successful achievement of its outcomes.

As of 31 March 2025, the residual risk rating on the 12 strategic risks was as follows:

No.	Strategic Risk	Inherent Risk	Residual Risk
1.	Financial sustainable Risk	High(20)	Immediate Action(10)
2.	Liquidity Risk	High(20)	Immediate Action(10)
3.	Capital sustainability risk	Critical(25)	Immediate Action(12.5)
4.	Risk of security and threats	Critical(25)	Immediate Action(17.5)
5.	Product offering	Moderate(12)	Acceptable(3.6)
6.	Stakeholder management risk	High(16)	Acceptable(3.6)
7.	Non-compliance to laws and regulations	Moderate(12)	Acceptable(3.6)
8.	Low staff morale and productivity	High(20)	Monitor(6)
9.	Fraud and Corruption	High(20)	Acceptable(4.8)
10.	Loss of heritage assets	Critical(25)	Immediate Action(12.5)
11.	Cyber Security Risk	High(20)	Acceptable(6)
12.	Inadequate Investment in ICT	High(20)	Monitor(6)

6. INTERNAL AUDIT AND AUDIT COMMITTEES

6.1 Internal Audit

The DMSA completed the following internal audit work during the year under review, led by the Audit Committee:

- Review and update of Internal Audit Charter.
- Preparation of the three-year Strategic and one-year Internal Audit Plans for 2024/25.
- Follow up of AGSA and Internal Audit findings.
- Human Resource Management and Payroll.
- IT General Controls Review.
- Supply Chain and Contract Management Review.
- Heritage Asset Review.
- Security Management Review.
- Quarterly Audit of Performance Information Q1 to Q4 of 2024/25.
- Stakeholder Engagement Review.
- Marketing and Communications Management Review.
- Fraud Risk Assessment
- Review of the Annual Performance Report for 2024/25 and the APP for 2025/26.

6.1.1 Audit Committee

The tabled below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr Suren Maharaj	• Masters in Business Administration • Hons BComt Degree • BCom Degree • Chartered Accountant • Chartered Government Finance Officer • Municipal Executive Finance Management	External	-	01 May 2023	30 November 2024	4
Mr Viren Magan	• Master's Degree in Business Leadership • B (Compt) Hons CTA • Chartered Accountant • Certified Internal Auditor	External	-	01 December 2024	10 June 2025	1
Ms Zama Dlamini	• Postgraduate Diploma in Management Practice (PGDip) • Bachelor of Management Leadership	External	-	01 August 2022	To date	5
Mr Hangalakani Nkanyane	• Master of Philosophy Internal Auditing • Master Business Leadership • Post-Graduate Diploma: Compliance Management • Certificate in Money Laundering Control • Certificate in Corporate Governance • Certificate in Compliance Management • B. Tech: Cost and Management Accounting • N. Dip: Cost and Management Accounting	External	-	01 August 2022	To date	4

7. COMPLIANCE WITH LAWS AND REGULATIONS

As a schedule 3A public entity the DMSA regards compliance as an integral part of governance and has strengthened its focus on establishing structures and processes to ensure adequate and effective adherence to applicable statutes, guidelines, rules and codes. During the year under review, the Council approved the Compliance Management Framework, which has clarified the organisation's approach towards compliance.

A comprehensive Regulatory Universe has been established, alongside the development and approval of a Compliance Management Policy. In addition, the DMSA has developed and reviewed several other policies and regulations. A total of 50 policies were developed, reviewed, and approved by Council—addressing audit findings and supporting the organisation's strategic objectives. Furthermore, Management submits a quarterly Compliance Management Report to Council.

The DMSA endeavours to adhere to the PFMA, the Cultural Institutions Act, Treasury Regulations, Supply Chain Practice Notes, and other relevant prescripts. DMSA is audited by both the Internal Audit and the Auditor-General of South Africa (AGSA) on its level of compliance with laws and regulations.

8. FRAUD AND CORRUPTION

The DMSA developed a Fraud Prevention Policy and Response Plan, which was approved by Council and supports the organisation in tracking progress on policy implementation. To date, the following measures have been implemented to strengthen fraud prevention:

- The fraud hotline continues to operate, allowing for the anonymous reporting of suspected fraud, corruption, and unethical behaviour.
- Alarm systems and/or security cameras have been installed at museums to safeguard the heritage assets entrusted to the organisation.
- All employees have signed annual declarations of interest forms.
- Supply Chain Management (SCM) officials and DMSA service providers are bound by the SCM Code of Conduct.
- Internal controls have been put in place to ensure adequate segregation of duties.
- Access control registers for visitors and vehicles have been introduced at museum sites.

All DMSA employees are encouraged to report incidents of fraud, corruption, theft, maladministration, or any other dishonest conduct to their immediate supervisors, or through the external hotline. If an employee is uncomfortable doing so, they may escalate the matter to a higher authority, with the final recourse being the CEO. Matters pertaining to the CEO maybe escalated to the Council.

All reported incidents—whether submitted internally or via the hotline—are investigated, and disciplinary actions are taken in accordance with the Disciplinary and Grievance Policy, as necessary. The organisation also receives monthly reports from the hotline service provider, which are presented to Council through the Audit, Risk, Information and Communication Technology Committee (ARIC).

9. MINIMISING CONFLICT OF INTEREST

All Supply Chain Management personnel have formally signed the Code of Conduct as prescribed by Practice Note 7 of 2009/10, par 4.4.1. The Supplier Bidding Document (SBD) 4 is also provided by the prospective bidders to declare their interest in the organisation.

All DMSA employees are required to declare their financial interests annually, and to declare their interests on agenda items discussed in each formal meeting.

10. CODE OF CONDUCT

The Code of Conduct and Ethics Policy and Declaration of Interest Policy are in place. All employees signed their annual declaration of interest forms which are kept in the employees` files and properly monitored. Forward planning continues to ensure that all staff is informed and that the Code of Conduct is carried out.

The Approved Disciplinary Code and Grievance Procedure Policy is in place to address any breach of the Code of Conduct. DMSA is guided by the Code of Conduct for Public Servants in Part 2 of the Public Service Regulations (1999), which gives clear guidelines on expected behaviour and guidelines to reinforce appropriate behaviour in the organisation. All suppliers are required to sign the Client-Supplier Code of Conduct and are supplied with the Code of Conduct and Ethics.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The DMSA takes health and safety matters seriously and is committed to complying fully with all applicable legislation and regulations. The Occupational Health and Safety Committee has been established in terms of section 16(2) of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and operates in line with the approved Terms of Reference. All museums and sites are represented in the Committee by staff members who are formally appointed into the Committee by the CEO.

The Health and Safety Committee convened as required to ensure compliance to health and safety regulations and reported its progress to the Human Resources and Remuneration Committee (HRREMCO) and the Audit, Risk, Information and Communication Technology Committee (ARIC) of Council.

During the reporting period, fire extinguishers, hose reels and fire detectors were serviced and maintained at all museums by the Department of Public Works and Infrastructure (DPWI). Structural challenges identified by the Health and Safety Committee, for infrastructure such as ramps, lifts, and climate control, were addressed by the Repairs and Maintenance Programme (RAMP), which is funded by the DSAC and undertaken by the DPWI through the Infrastructure Committee. In addition, the City of Tshwane completed fumigation to eradicate a mosquito infestation at Tswaing Meteorite Crater.

Capital Investment- Infrastructure Projects

The DMSA did not receive an infrastructure allocation during the 2024/25 financial year. However, it was permitted to carry over an infrastructure grant from previous years, amounting to R1 263 087. This funding supported critical renovations and upgrades at some of the aging infrastructure under DMSA's control.

The advertisement of tenders for a Project Management Company to support the DMSA in managing its infrastructure projects was not finalised during the reporting period, which affected the organisation's ability to complete several planned projects.

Given the unique nature of the DMSA—operating across 11 sites (ten in Pretoria and one in Johannesburg)—and the deteriorating state of its infrastructure, there remains a significant backlog of projects requiring funding. One particularly critical issue is the perimeter fencing at the DITSONG: Tswaing Meteorite Crater (DTMC), which has been repeatedly vandalised by members of the surrounding community, leaving the site vulnerable to criminal activities.

12. COUNCIL SECRETARY

The role and responsibilities of the Council Secretary are outlined as follows:

- Ensure that the relevant governance structures and committees are in place.
- Induct new Council Members.
- Formulate and review of the Terms of Reference (TOR) for Council and Council Sub-Committees.
- Establish and monitor of the central Policies Register and Repository.
- Coordinate performance assessment of Council and Committees.
- Efficient and effective management of the Council budget in such a manner as to accomplish the objectives of the organisation.
- Stakeholder management.
- Administrative support for the Council and Council Sub-Committees.
- Records management for all meetings and the drawing and monitoring of the Resolutions Register.
- Ensure that all Council resolutions are executed within timeframes.
- Advise Council on all governance matters.

13. SOCIAL RESPONSIBILITY

Accessibility is one of the essential elements of DMSA 's vision. To increase accessibility to DMSA museums, numerous public engagement activities were implemented at no cost to the visitors. During the reporting period, 24 outreach activities were conducted, with 54 528 people reached. During certain commemorative days, free entry was granted to the public, including Heritage Day, International Museum Day and National Science Week. Throughout the year, DMSA considers and approves requests for free entry from schools and communities. DMSA further presented a free programme in celebration of Nelson Mandela Day.

14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Audit Committee Responsibility

The Audit Committee reports that it has fulfilled its responsibilities under Section 51(1)(a)(ii) of the PFMA and Treasury Regulations 27.1.10.

The Committee reports that it has adopted appropriate formal Terms of Reference (TOR) as approved by the Council and is satisfied that it has fulfilled its responsibilities accordingly, in accordance with the PFMA. The Committee has carried out its functions through attendance at Audit, Risk, Information Communication Technology (ARIC) meetings and discussions with Executive Management, Internal Audit, and the Auditor-General South Africa (AGSA), where appropriate. ARIC meets at least five times per year, with the authority to convene additional meetings as needed. Invitees to the Committee meetings include the Chief Executive Officer (CEO), Chief Financial Officer (CFO), internal and external auditors, and any other managers required to report on activities within the scope of its TOR. To perform its key functions and fulfill its responsibilities outlined in its TOR during the review period, the Committee executed the following functions:

- Assisted the Council in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems, risk management, compliance, and auditing processes applied within the entity in the day-to-day management of its business.
- Facilitated and promoted communication among the Council, Management, external auditors, and internal auditors on matters the Committee is responsible for.
- Advised on measures that may enhance the credibility and objectivity of the Annual Financial Statements.
- Reviewed and approved the Internal Audit reports.

Additionally, to the above, the Committee reviewed and recommended the following documents for approval by the Council:

- DMSA Strategic Planning for 2025-2030.
- Annual Performance Plan (APP) for 2025/2026.
- DMSA Budget for 2025/2026
- The fees to be paid to the external audit as well as the Audit Strategy and Engagement Letter.
- Annual Financial Statements and Annual Performance Report for 2024/2025.
- The policies for Finance, ICT, Risk Management, Compliance Management, and Supply Chain Management, along with the Committee`s Charter.
- The quarterly infrastructure reports align with approved business plans, and the performance information reports align with predetermined objectives.
- Reviewed the organization's going concern status and financial condition and provided recommendations to management on actions to resolve this issue.
- Reviewed the financial projections considering the current economic and trading environment to ensure more focused and realistic outcomes of the projections made by Management.
- Reviewed and approved the Internal Audit Plan and the revised Internal Audit Charter.
- Reviewed internal audit and ICT governance reports on a quarterly basis.

The Effectiveness of Internal Control

The Committee evaluated the effectiveness of the internal controls implemented by the entity. Our review of the Internal Audit findings, based on risk assessments conducted within the public entity, identified specific weaknesses. These issues were brought to the public entity's attention, and Management is currently addressing them.

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

(i) Internal Audit Charter.
(ii) Three-year Strategic and one-year Internal Audit Plans for 2024/2025.
(iii) Follow-up of AGSA and Internal Audit findings.
(iv) Human Resource Management, Payroll and Leave Migration process.
(v) ICT General Controls Review.
(vi) Supply Chain Management and Contract Management Review.
(vii) Heritage Asset Review.
(viii) Security Management Review.
(ix) Quarterly Audit of Performance Information Q1 to Q4 of 2024/2025.
(x) Fraud Risk Awareness & POPI Compliance.
(xi) Review of the Annual Performance Report for 2024/2025, Annual Financial Statement and the Annual Performance Plan for 2025/2026.
(xii) Internal Financial Controls.
(xiii) Infrastructure Projects.

The following were areas of concern:

- Repeated findings that have not yet been addressed.
- Liquidity ratios indicate current liabilities exceed current assets. Management anticipates improvement in the next financial year (2025/26) thanks to various income-generating initiatives introduced within the entity.
- High external audit fees. This issue will be addressed through collaboration between Internal and External auditors on areas where reliance on each other's work (combined assurance) is necessary, aiming to reduce costs as requested by the Committee.

In-Year Management and Monthly/Quarterly Reports

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

Evaluation of Financial Statements

We have reviewed the Annual Financial Statements prepared by the public entity for the year ending March 31, 2025, and have recommended them to the Council for approval.

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, except for the following issues raised by external and internal audit:

- Heritage Assets Management
- Inadequate Supply Chain Management processes
- Inadequate Internal Financial controls

The Audit Committee concurs and endorses the conclusions of the external auditor on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the auditor.

Ms Zama Dlamini
Chairperson of the Audit Committee
DITSONG: Museums of South Africa
31 July 2025

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition (dtic).

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**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	This is not applicable to DMSA.
Developing and implementing a preferential procurement policy?	Yes	DMSA`s approved Supply Chain Management Policy is based on applicable legislation, regulations and practice/instruction notes.
Determining qualification criteria for the sale of state-owned enterprises?	No	This requirement is not applicable to DMSA.
Developing criteria for entering into partnerships with the private sector?	No	DMSA has not identified the need for Private Public Partnerships in its operations for the reporting period.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	DMSA is not a funding disbursement institution and therefore this requirement is not applicable.

PART D
Human Resource Management

1. INTRODUCTION

The 2024/25 financial year is the final year of implementation of the current Human Capital Management Strategy. The Strategy will be reviewed in the 2025/26 financial year, and a new five-year Implementation Plan will be developed, in alignment with the Strategic Plan.

Training was conducted in accordance with the organisation`s Workplace Skills Plan (WSP) and all training targets were successfully met. These targets, as well as other goals related to human resource management, were achieved, despite serious financial constraints. Both the Employer of Choice and the Talent Management Strategies will be reviewed in 2025, and the implementation phase will then commence.

A key focus area in 2024/25 was the improvement on prior audit results and the implementation of the previous year's audit findings, resulting in a huge improvement in the HR processes and controls, as well as the credibility of the HR-related financial information.

On 2 September 2024, the Minister of Sports, Arts and Culture officially cancelled the planned amalgamation of public entities. Subsequently, the moratorium on filling permanent vacancies was lifted. A budget is set aside for the filling of crucial positions in the new structure. This process commenced in the current financial year and will be finalised in the 2025/26 financial year.

There are 126 positions currently filled in the organisation, with 37 vacant positions still to be filled.

The following initiatives were prioritised during the year under review:

- Managing the challenges brought about by the organisation's cashflow constraints.
- Implementation of the new structure.
- Implementation of the Human Capital Strategy, which was approved for the five-year strategic term ending in 2024/25.
- Implementation of the Talent Management Strategy for DMSA, which was approved for the five-year strategic term ending in 2024/25.
- Continuing with the implementation of the Organisational Change Management Programme.
- Implementation of an Integrated Performance Management Policy, under budgetary constraints.
- Reviewing and developing policies.
- Continued implementation of the Employee Wellness Programme after the appointment of a service provider through a competitive tender process.
- Ensuring a smooth implementation of the payroll system, following the appointment of a new service provider through a competitive tender process.

The workforce planning framework and key strategies to attract, recruit and retain a skilled and capable workforce include:

- Collaboration with institutions of higher learning to provide students with on-the-job training and research opportunities.
- Continued implementation of the Employer of Choice Strategy to improve conditions of service.
- Continued implementation of the Employee Wellness Programme to ensure employee sustainable health improvements.

The DMSA also developed a Succession Planning Policy during the year under review.

Highlights

The following highlights were achieved with respect to Human Resource management in the year under review:

- Winning two cases at the Commission for Conciliation, Mediation and Arbitration (CCMA) during the year under review.
- Filling of positions in the new structure through the Competitive Placement process with a total of 126 employees placed to date.
- Placement of 12 Experiential Learning students and 13 Interns within DMSA to further their training towards their qualifications.

Challenges Faced by the Public Entity

The following is a summary of key challenges which affected human resource management in the organisation during the year under review:

- Interruption in the appointment of personnel to the new structure due to cashflow challenges.
- Limited training opportunities for employees due to cashflow challenges and budget cuts.
- Freezing of posts to accommodate a reduction in the Compensation of Employees budget.
- Rationalisation of the performance bonus budget.
- Loss of key personnel due to contract completion and resignations.

Future HR Goals for 2025/26

The following is a list of HR goals for the 2025/26 financial year:

- Review the Human Capital Management, Employer of Choice, and Talent Management Strategies.
- Continue with the placement of employees into the new structure.
- Implement the Succession Policy, the reviewed Acting Policy, and the reviewed Conflict of Interest Policy.
- Continue with implementation of the Recognition and Rewards Policy and look at alternative ways to reward employees, especially for long service.
- Continue with the implementation of the Change Management Programme.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

This section provides an overview of key HR metrics for the reporting period, in line with public sector reporting requirements. The statistics presented reflect the DMSA's efforts to build a capable, diverse, and responsive workforce that supports the achievement of its strategic objectives.

2.1 Personnel Related Expenditure

Personnel cost by programme/ activity/ objective

Programme/ Activity/ Objective	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Programme 1: Administration	75 513	19 528	12.34%	39	501
Programme 2: Business Development	76 401	41 978	26.52%	73	575
Programme 3: Public Engagement	6 383	6 167	3.89%	16	385
Total	**158 297**	**67 673**	**42.75%**	**128**	**529**

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of Personal Expenditure to Total Personnel Cost (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	1 452	2.15%	1	1 452
Senior Management	2 620	3.87%	2	1 310
Professional qualified	30 947	45.73%	36	860
Skilled	13 685	20.22%	29	472
Semi-skilled	17 683	26.13%	57	310
Unskilled	680	1%	3	227
Contract	606	0.90%	0	606
TOTAL	**67 673**	**100%**	**128**	**529**

Performance rewards

Programme/ Activity/ Objective	Performance Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to Total Personnel Cost (R'000)
Top Management	0	1 452	0%
Senior Management	0	2 620	0%
Professional qualified	0	30 947	0%
Skilled	0	13 685	0%
Semi-skilled	0	17 683	0%
Unskilled	0	680	0%
Contract	0	606	0%
TOTAL	**0**	**67 673**	**0%**

Training costs

Programme/ Activity/ Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Average Training Cost per Employee (R'000)
Programme 1: Administration	19 528	164	0.24%	25	6.56
Programme 2: Business Development	41 978	304	0.45%	33	9.21
Programme 3: Public Engagement	6 167	0	0%	0	0
Total	**67 673**	**468**	**0.69%**	**58**	**15.7**

Employment and vacancies

Programme/ Activity/ Objective	2024/2025 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Programme 1: Administration	38	44	37	7	15.9%
Programme 2: Business Development	76	100	73	27	27.0%
Programme 3: Public Engagement	16	19	16	3	15.8%
Total	**130**	**163**	**126**	**37**	**22.7%**

Programme/activity/objective	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of Vacancies
Top Management	1	2	1	1	50%
Senior Management	1	3	2	1	33.3%
Professional qualified	38	48	36	12	25%
Skilled	26	31	27	4	12.9%
Semi-skilled	60	68	57	11	16.2%
Unskilled	4	11	3	8	72.7%
TOTAL	**130**	**163**	**126**	**37**	**22.7%**

The CEO position remained vacant as at 31 March 2025. The appointment process has commenced and will be finalised in the 2025/26 financial year.

Two Director positions were filled during the year under review, and one Director's employment was terminated.

Employment changes

The following is an overview of changes in employment over the 2024/25 financial year. The total number of employees decreased from 130 to 126, with five terminations and only one appointment, owing largely to cost containment measures.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	1	1	1	2
Professional qualified	38	0	1	36
Skilled	26	0	1	27
Semi-skilled	60	0	1	57
Unskilled	4	0	1	3
Total	**130**	**1**	**5**	**126**

In 2024/25, a Curator was appointed as Director for the Military History Museum. The new Director was internally moved from Professional Qualified to Senior Management salary band, as reflected in the table above.

Two internal employees were appointed as Sourcing Officers. These employees were internally moved from the Semi-Skilled salary band to the Skilled salary band, as reflected above.

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	0	0%
Dismissal	2	40%
Retirement	2	40%
Ill health	1	20%
Expiry of contract	0	0%
Other	0	0%
Total	**5**	**100%**

Labour Relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	3
Written Warning	1
Final Written Warning	1
Dismissal	2

In the year under review, two employees were dismissed after a disciplinary process, two employees retired, and one was medically boarded due to ill health. All vacant positions will be filled in the 2025/26 financial year.

Equity Target and Employment Equity Status

DMSA remains committed to meeting the organisation's employment equity targets, in alignment with the commitment to transformation. There are no major variances between the targeted and current figures, however, the organisation remains committed to recruiting staff and leadership from designated groups which are under- represented in the current figures.

The following tables show the number of male and female employees, by race and salary band, as well as the employment of people with disabilities, as at 31 March 2025.

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	0	1	0	0	0	0	1	0
Professional qualified	9	14	0	0	1	1	5	7
Skilled	17	10	0	1	0	1	0	2
Semi-skilled	25	30	0	1	0	1	2	3
Unskilled	3	6	0	0	0	0	0	0
TOTAL	**55**	**62**	**0**	**2**	**1**	**3**	**8**	**12**

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	1
Professional qualified	13	16	0	1	0	1	8	8
Skilled	10	10	0	1	0	1	2	4
Semi-skilled	30	30	0	0	0	0	0	4
Unskilled	0	4	0	0	0	0	0	1
TOTAL	**54**	**62**	**0**	**2**	**0**	**2**	**10**	**18**

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	1	1
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**1**	**1**


DADOXYLON

PART E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R	R
Opening balance	91 592 702	71 102 824
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	26 162 383	20 489 878
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable[1]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**-**	**-**
	117 755 085	**91 592 702**

Reconciling notes

Description	2024/2025	2023/2024
	R	R
Irregular expenditure that was under assessment	2 895 866	-
Irregular expenditure that relates to the prior year but was identified in the current year	-	65 768
Irregular expenditure for the current year	23 266 517	20 424 110
Total	**26 162 383**	**20 489 878**

[1] Transfer to receivables

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R	R
Opening balance	**5 373 538**	4 263 497
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	**1 086 026**	1 110 041
Less: Fruitless and wasteful expenditure recoverable[2]	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**6 459 565**	**5 373 538**

Reconciling notes

Description	2024/2025	2023/2024
	R	R
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	1 086 026	1 110 041
Total	**1 086 026**	**1 110 041**

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

Description[3]	2024/2025	2023/2024
	R	R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	30 914 814	30 914 814
Total	**30 914 814**	**30 914 814**

c) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

No disciplinary or criminal steps were taken because of fruitless and wasteful expenditure during the 2024/25 financial year. Criminal cases were opened against ex Ditsong officials for fruitless and wasteful expenditure included in the opening balance.

[2] Transfer to receivables

[3] Group similar items

2. SUPPLY CHAIN MANAGEMENT

2.1. Procurement by Other Means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Renewal of DBText SA Library Module Software	Mindex	Sole Provider	PO018904	R114 780.81
Laboratory for molecular analysis	University of Tubingen	Sole Provider	PO018922	R90 000.00
Laboratory for molecular analysis for National Research Foundation project	University of Cape Town	Sole Provider	PO018923	R60 000.00
Mampoer Festival at Willem Prinsloo Agricultural Museum	DMAP	Limited Bidding	PO018928	R15 000.00
Mampoer Festival at Willem Prinsloo Agricultural Museum	Best Care Emergency Medical Services	Limited Bidding	PO018929	R13 198.00
Renewal of licence	Sabinet	Sole Provider	PO018938	R67 796.06
Appointment of a service provider to render payroll services	Foundation for Professional Development	Emergency Procurement	PO018945	R13 800.00
Appointment of a service provider to render payroll services	Foundation for Professional Development	Emergency Procurement	PO018948	R40 475.16
Cleaning, hygiene and pest control Services	Powerful Cleaning, and Projects	Emergency Procurement	PO018959	R1 159 079.25
Disciplinary hearing	Advocate Nthokodi Junior Mohlala	Limited Bidding	PO018955	R50 000.00
Travelling arrangement	Olebelo Travel Management Services	Limited Bidding	PO018961	R16 885.00
Transport services for National Science Week	Rametse Express Tours	Limited Bidding	PO018964	R8000.00
Publications of annals Vol 11 of 2024	ISTEG Scientific Publications	Limited Bidding	PO01975	R15 810.00
Transport services for National Science week	Rametse Express Tours	Limited Bidding	PO019004	R15 800.00
Financial reporting software	Adapt IT	Limited Bidding	PO019009	R220 964.23
Total				**R1 606 610.60**

2.2 Contract Variations and Expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
				R'000	R'000	R'000
Appointment of a service provider to render travel arrangements	Atlantis Travel	Variation	PO018907	R5021.50	N/A	R700.40
Petty cash	Harry's Printers Tshwane	Expansion	N/A	R5175.00	N/A	R3 175.00
Appointment of a service provider to render the payroll services	Foundation for Professional Development (FPD) Pty Ltd	Variation	PO018907	R896 730.21	N/A	R41 692.44
Total						**R45 567.84**

PART F
FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on DITSONG: Museums of South Africa

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the DITSONG: Museums of South Africa set out on pages 89 to 151, which comprise the statement of financial position as at 31 March 2025, 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 DITSONG: Museums of South Africa as at 31 March 2025 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 concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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. This description, which is located at page 83, forms part of my 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 programme 2: business development presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Number of peer-reviewed articles submitted for publication.
    - Number of popular articles published or posted.
    - Number of public lectures presented.
    - Number of internal research seminars presented.
    - Percentage of heritage objects accessioned per annum.
    - Percentage of high-value heritage assets verified per annum.
    - Percentage implementation of conservation plans per annum.

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

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

15. The material findings on the reported performance information for the selected material indicators are as follows:

Percentage of heritage objects accessioned per annum

16. The indicator was not clearly defined during the planning process, as the basis for calculating the denominator was not adequately described in the technical indicator description. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

17. An achievement of 100% was reported against a target of 100%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements. This information should be considered in the context of the material findings on the reported performance information.

20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 41.

Programme 2: Business development

Targets achieved: 86%
Budget spent: 93%

Key indicator not achieved	Planned target	Reported achievement
Indicator 2.2: percentage of high value heritage assets verified per annum	9%	4,97%

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. The material misstatements were in the reported performance information for Programme 2: Business development. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

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

23. 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.

24. 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.

25. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Procurement and contract management

26. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with treasury regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22
.
27. Some of the construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board in accordance with section 18(1) of the CIDB Act.

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 30 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

29. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 30 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA.

Consequence management

30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure

Other information in the annual report

32. 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 programme presented in the annual performance report that have been specifically reported on in this auditor's report.

33. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.

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

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

Internal control deficiencies

36. 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.

37. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.

38. Management did not implement adequate review processes to ensure preparation of accurate and complete financial and performance reports that are supported and evidenced by reliable information as material misstatements were identified in the financial statements and the annual performance report.

39. Management did not implement adequate internal controls for the review and monitoring of compliance with applicable legislation as material instances of non-compliance were identified during the audit of compliance with legislation.

Auditor - General

Pretoria
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 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); Sections 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulations 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulations 16A6.1; 16A6.2(a); 16A6.2(b); Regulations 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulations 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulations 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulations 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulations 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulations 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulations 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulations 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulations 32.1.1(c); 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulations 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020-21	Paragraph 2
National Treasury instruction No 5 of 2020-21	Paragraphs 4.8; 4.9; 5.3
National Instruction No. 1 of 2021-22	Paragraph 4.1
National Instruction No. 4 of 2015-16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016-17	Paragraph 6
National Treasury SCM Instruction No. 3 of 2021-22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020-21	Paragraphs 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021-22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008-09	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009-10	Paragraph 3.3
Practice Note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Sections 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulations 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulations 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

DITSONG: Museums of South Africa
Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Safeguarding, preserving and conserving the heritage of South African citizen
Registered office	70 WF Nkomo Street Pretoria 0001
Business address	70 WF Nkomo Street Pretoria 0001
Postal address	PO Box 4197 Pretoria 0001
Controlling entity	Department of Sport, Arts and Culture (DSAC)
Bankers	First National Bank
Auditors	Auditor-General South Africa Chartered Accountants (S.A.) Registered Auditors
Council Secretary	Mr Frans Mashilo
Prepared	The Annual Financial Statements were internally compiled by: Mr Nkosinathi Hlophe, CFO

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The reports and statements set out below comprise the Annual Financial Statements presented to parliament

Abbreviations used:

AFS	Annual Financial Statements
DMSA	DITSONG: Museums of South Africa
DNMCH	DITSONG: National Museum of Cultural History
DNMMH	DITSONG: National Museum of Military History
DNMNH	DITSONG: National Museum of Natural History
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
GRAP	Generally Recognised Accounting Practice
NRF	National Research Foundation
PFMA	Public Finance Management Act
SAASTA	South African Agency for Science and Technology Advancement

Council's Responsibilities and Approval

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

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The Annual Financial Statements have been prepared in accordance appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

Based on the information and explanations provided by Management, the members are of the opinion that the system of internal control offers reasonable assurance that the financial records are reliable for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity remains dependent on the Department of Sport, Arts and Culture for continued funding of operations. The Annual Financial Statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Council is primarily responsible for the financial affairs of the entity, it is supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's Annual Financial Statements. The Annual Financial Statements have been examined by the entity's external auditors and their report is presented on page 78.

The Annual Financial Statements set out on page 88, which have been prepared on the going concern basis, were approved by the Council on 31 July 2025 and were signed on its behalf by:

ADV. MOTLATHO RALEFATANE

Adv. MJ Ralefatane
Chairperson of Council

Dr M Mohapi
Acting Chief Executive Officer

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025 R	2024 R
			Restated
Assets			
Current Assets			
Cash and cash equivalents	2	11 520 059	12 169 745
Trade and other receivables from exchange transactions	3	1 375 665	947 254
Inventories	4	622 173	477 244
		13 517 897	**13 594 243**
Non-Current Assets			
Property, plant and equipment	5	25 688 490	28 136 248
Intangible assets	6	3 509 648	3 666 568
Heritage assets	7	896 257 221	897 365 318
Living resources	8	60 740	77 058
		925 516 099	**929 245 192**
Total Assets		**939 033 996**	**942 839 435**
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	10	45 984 690	39 704 739
Employee benefit obligation	9 & 28	2 719 000	2 969 000
Income received in advance from non-exchange transactions	11	8 170 506	8 266 506
Provisions	12	2 372 096	2 189 804
		59 246 292	**53 130 049**
Non-Current Liabilities			
Employee benefit obligation	9	35 312 000	43 500 000
Total Liabilities		**94 558 292**	**96 630 049**
Net Assets		**844 475 704**	**846 209 387**
Accumulated surplus		844 475 704	846 209 387
Total Net Assets		**844 475 704**	**846 209 387**

Statement of Financial Performance as at 31 March 2025

Figures in Rand	Note(s)	2025 R	2024 R
Revenue			
Revenue from exchange transactions			
Admission fees	13.3	3 768 276	3 491 609
Rental income		2 200 082	1 950 911
Sales curios, refreshments and festivals	13.3	966 056	384 194
Other income	19	798 948	610 270
Interest received	15	1 697 750	1 789 210
Total revenue from exchange transactions		**9 431 112**	**8 226 194**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and donations	13.1	116 384 325	112 228 904
Services in-kind	13.2	18 628 841	13 971 631
Total revenue from non-exchange transactions		**135 013 166**	**126 200 535**
Total revenue	13	**144 444 278**	**134 426 729**
Expenditure			
Employee related costs	14.2	(67 673 290)	(65 037 192)
Administration costs	14.1	(28 337 399)	(24 902 410)
Depreciation and amortisation	21	(3 443 042)	(3 484 834)
Finance costs	22	(1 086 026)	(1 110 041)
Cost of sales	13.3	(49 084)	(8 245)
Operating expenses	14.3	(50 470 739)	(44 486 083)
Interest service cost	9.2	(6 482 000)	(5 594 000)
Current service cost	9.2	(755 000)	(811 000)
Total expenditure		**(158 296 580)**	**(145 433 805)**
Operating deficit	14	**(13 852 302**	**(11 007 076)**
Loss on assets written off	14.4	(40 078)	(459 251)
Actuarial gains	9.2	13 061 817	4 965 000
Operating Lease Straight Lining Adjustment	14.5	39 977	70 406
Inventories losses/write-downs		(214)	(141)
		13 061 502	**4 576 014**
Deficit for the year		**(790 800)**	**(6 431 062)**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit R	Total net assets R
Balance at 01 April 2023	**850 165 938**	**850 165 938**
Changes in net assets		
Deficit for the year	(6 431 062)	(6 431 062)
Trade and other receivables	255 177	255 177
Heritage assets non-cash additions	3 321 444	3 321 444
Heritage assets lost or stolen	(1 102 110)	(1 102 110)
Total changes	**(3 956 551)**	**(3 956 551)**
Balance at 01 April 2024	**846 209 387**	**846 209 387**
Changes in net assets		
Deficit for the year	(790 800)	(790 800)
Biological assets	106 354	106 354
Trade and other receivables	58 860	58 860
Heritage assets lost or stolen	(1 037 510)	(1 037 510)
Heritage assets other changes	(70 587)	(70 587)
Total changes	**(1 733 683)**	**(1 733 683)**
Balance at 31 March 2025	**844 475 704**	**844 475 704**

Cash Flow Statement

Figures in Rand	Note(s)	2025 R	2024 R
Cash flows from operating activities			
Receipts			
Sale of goods and services		5 787 699	4 059 961
Grants		115 246 329	110 091 268
Interest received		1 636 846	1 789 210
Other receipts		2 072 281	2 561 181
		124 743 155	**118 501 620**
Payments			
Employee costs		(70 074 157)	(67 672 848)
Suppliers		(53 354 797)	(47 695 698)
Finance costs		(1 101 762)	(1 110 041)
		(124 530 716)	**(116 478 587)**
Net cash flows from operating activities	**26**	**212 439**	**2 023 033**
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(949 704)	(885 752)
Proceeds from sale of property, plant and equipment		87 579	26 875
Purchase of other intangible assets	6	-	(559 398)
Purchase of living resources	8	-	(4 800)
Proceeds from sale of living resources	8	-	11 775
Net cash flows from investing activities		**(862 125)**	**(1 411 300)**
Net increase in cash and cash equivalents		**(649 686)**	**611 733**
Cash and cash equivalents at the beginning of the year		12 169 745	11 558 012
Cash and cash equivalents at the end of the year	**2**	**11 520 059**	**12 169 745**

The accounting policies on pages 15 to 39 and the notes on pages 39 to 71 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

	Final budget	Actual	Variance	Variance	Reference
Figures in Rand	R	R	R	%	
Income					
Revenue from non-exchange transactions					
Government grant	114 831 000	114 831 000	-	-%	
Other grant income	14 275 694	937 220	**(13 338 474)**	(93)%	N1
Service-in-kind	18 628 841	18 628 841	-	-%	
Donations	16 000	11 659	**(4 341)**	(27)%	N2
Donations in-kind	-	604 446	**604 446**	-%	N3
Total revenue from non-exchange transactions	**147 751 535**	**135 013 166**	**(12 738 369)**	**(9)%**	
Revenue from exchange transactions	**10 890 578**	**9 431 112**	**(1 459 466)**	(13)%	
Admission fees	4 545 500	3 768 276	**(777 224)**	(17)%	N4
Interest received	1 775 000	1 697 750	**(77 250)**	(4)%	
Other income	839 250	798 948	**(40 302)**	(5)%	
Rental income	2 696 296	2 200 082	**(496 214)**	(18)%	N5
Sales, curios, refreshments and festivals	1 034 532	966 056	**(68 476)**	(7)%	N6
Total revenue from exchange transactions	**10 890 578**	**9 431 112**	**(1 459 466)**	**(13)%**	
Total revenue	**158 642 113**	**144 444 278**	**(14 197 835)**	**(9)%**	
Expenditure					
Personnel	(72 158 773)	(67 067 042)	**5 091 731**	(7)%	N7
Remuneration of councillors	(627 284)	(606 248)	**21 036**	(3)%	
Administration	(21 990 753)	(28 337 399)	**(6 346 646)**	29%	N8
Depreciation and amortisation	(3 415 000)	(3 443 042)	**(28 042)**	1%	
Finance costs	-	(1 086 026)	**(1 086 026)**	-%	N9
Cost of sales	(104 000)	(49 084)	**54 916**	(53)%	N10
Operating expenses	(62 873 762)	(50 470 739)	**12 403 023**	(20)%	N11
Interest service cost	(4 962 000)	(6 482 000)	**(1 520 000)**	31%	N12
Current service cost	(882 000)	(755 000)	**127 000**	(14)%	N12
Total expenditure	**(167 013 572)**	**(158 296 580)**	**8 716 992**	**(5)%**	
Operating deficit	**(8 371 459)**	**(13 852 302)**	**(5 480 843)**	**65%**	
Gain / (Loss) on sale of assets	130 000	(40 078)	**(170 078)**	(131)%	N13
Operating lease straight lining adjustment	-	39 977	**(39 977)**	-%	N14
Actuarial gains	-	13 061 817	**13 061 817**	-%	N15
Inventories losses/write-downs	-	**(214)**	**(214)**	-%	N16
	130 000	**13 061 502**	**12 851 548**	**(131)%**	
Deficit before taxation	**(8 241 459)**	**(790 800)**	**7 450 659**	**(90)%**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(8 241 459)**	**(790 800)**	**7 450 659**	**(90)%**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

N1 - This relates to conditional grant for infrastructure projects that was not recognized due to non-spending on infrastructure.

N2 -Visitors did not have disposable income to donate as anticipated.

N3 - Unplanned donations in kind received from South African Museum of Military History Building and Development Trust.

N4 -The budget was not met as the number of visitors to the museums was lower than targeted.

N5 - Rental income is below budget as a result of available rental space being utilised by sister entities without a rental fee.

N6 -Target not met due to low turnout at events and festivals.

N7 - Employee costs were below budget due to vacant posts that were not filled.

N8 - The largest contributor to the variance is municipal charges which are in dispute.

N9 -Interest charged on overdue accounts by a department and municipalities.

N10 - Stock was slow moving during the year as a result of fewer visitors.

N11 -Savings were realised due to infrastructure projects that were put on hold.

N12 - Actual figures are determined by actuarial valuation, budget was based on prior valuations.

N13 - Could not reliably measure the budget for gain on disposals.

N14 - Lease straightlining movement was not included in the budget as it could not be reliably measured.

N15 - Gain not budgeted for as it could not be estimated reliable as it is based on actuarial valuation.

N16 - Could not reliably measure the budget for write-downs.

Statement of segment reporting

2025	Administration	Kruger House Museum	National Museum of Cultural History	National Museum of Military History	National Museum of Natural History	Pioneer House Museum	Sammy Marks Museum	Tswaing Meteorite Crater	Willem Prinsloo Agricultural Museum	Total
Revenue										
Revenue from non-exchange transactions	116 622 524	237 311	6 032 856	3 233 795	5 435 161	320 710	2 012 944	847 195	270 670	135 013 166
Revenue from exchange transactions	794 460	720 914	861 485	1 507 143	2 102 089	845 974	163 859	141 089	596 350	7 733 363
Interest received	1 697 750	-	-	-	-	-	-	-	-	1 697 750
Total segment revenue	**119 114 734**	**958 225**	**6 894 341**	**4 740 938**	**7 537 250**	**1 166 684**	**2 176 803**	**988 284**	**867 020**	**144 444 279**
Salaries and wages	(19 527 890)	(3 013 960)	(11 071 255)	(11 109 871)	(17 069 213)	-	-	(2 695 574)	(3 185 527)	(67 673 290)
Administrative	(12 163 417)	(111 874)	(9 243 260)	(2 127 963)	(2 090 738)	(691 366)	(797 347)	(262 379)	(849 058)	(28 337 402)
Operating expenses	(32 055 930)	(260 983)	(5 720 268)	(3 234 078)	(5 620 009)	(328 226)	(2 024 886)	(852 795)	(373 563)	(50 470 738)
Total segment expenses	**(63 747 237)**	**(3 386 817)**	**(26 034 783)**	**(16 471 912)**	**(24 779 960)**	**(1 019 592)**	**(2 822 233)**	**(3 810 748)**	**(4 408 148)**	**(146 481 430)**
Total segment surplus/ (deficit)	**55 367 497**	**(2 428 592)**	**(19 140 442)**	**(11 730 974)**	**(17 242 710)**	**147 092**	**(645 430)**	**(2 822 464)**	**(3 541 128)**	**(2 037 151)**
Cost of sales	-	1 130	-	(14 662)	(12 184)	(12 070)	(9 122)	(2 176)	-	(49 084)
Amortisation	(156 920)	-	-	-	-	-	-	-	-	(156 920)
Depreciation	(3 286 122)	-	-	-	-	-	-	-	-	(3 286 122)
Operating lease Straight lining	39 977	-	-	-	-	-	-	-	-	39 977
Actuarial gain	13 061 817	-	-	-	-	-	-	-	-	13 061 817
Loss on sale of assets	(40 078)	-	-	-	-	-	-	-	-	(40 078)
Impairment of assets	-	-	-	-	(214)	-	-	-	-	(214)
Interest service cost	(6 482 000)	-	-	-	-	-	-	-	-	(6 482 000)
Finance cost	(1 086 026)	-	-	-	-	-	-	-	-	(1 086 026)
Current service cost	(755 000)	-	-	-	-	-	-	-	-	(755 000)
Surplus/(Loss) for the period	**56 663 145**	**(2 427 462)**	**(19 140 442)**	**(11 745 636)**	**(17 255 108)**	**135 023**	**(654 552)**	**(2 824 640)**	**(3 541 128)**	**(790 800)**

Statement of segment reporting (Cont.)

2024	Administration	Kruger House Museum	National Museum of Cultural History	National Museum of Military History	National Museum of Natural History	Pioneer House Museum	Sammy Marks Museum	Tswaing Meteorite Crater	Willem Prinsloo Agricultural Museum	Total
Revenue										
Revenue from non-exchange transactions	110 711 229	240 804	6 261 203	2 314 559	4 081 099	240 530	1 509 574	635 234	206 302	126 200 534
Revenue from exchange transactions	258 900	544 005	1 100 799	1 226 203	1 989 518	716 874	140 577	127 374	332 736	6 436 986
Interest received	1 789 209	-	-	-	-	-	-	-	-	1 789 209
Total segment revenue	**112 759 338**	**784 809**	**7 362 002**	**3 540 762**	**6 070 617**	**957 404**	**1 650 151**	**762 608**	**539 038**	**134 426 729**
Expenses										
Salaries and wages	(18 759 958)	(2 733 745)	(10 706 737)	(10 365 506)	(16 786 475)	-	-	(2 668 563)	(3 016 207)	(65 037 191)
Administrative	(10 630 995)	(34 895)	(7 783 438)	(2 546 206)	(2 077 959)	(656 307)	(230 900)	(234 381)	(707 331)	(24 902 412)
Operating expenses	(28 654 565)	(193 788)	(6 438 934)	(2 317 333)	(4 196 937)	(245 695)	(1 529 545)	(649 365)	(259 919)	(44 486 081)
Total segment expenses	**(58 045 518)**	**(2 962 428)**	**(24 929 109)**	**(15 229 045)**	**(23 061 371)**	**(902 002)**	**(1 760 445)**	**(3 552 309)**	**(3 983 457)**	**(134 425 684)**
Total segment surplus (deficit)	**54 713 820**	**(2 177 619)**	**(17 567 107)**	**(11 688 283)**	**(16 990 754)**	**55 402**	**(110 294)**	**(2 789 701)**	**(3 444 419)**	**1 045**
Cost of sales	-	18 370	-	(12 108)	(9 714)	192	(5 126)	-	-	(8 386)
Amortisation	(126 935)	-	-	-	-	-	-	-	-	(126 935)
Depreciation	(3 357 900)	-	-	-	-	-	-	-	-	(3 357 900)
Operating lease Straight lining	70 406	-	-	-	-	-	-	-	-	70 406
Actuarial gain	4 965 000	-	-	-	-	-	-	-	-	4 965 000
Loss on sale of assets	(459 251)	-	-	-	-	-	-	-	-	(459 251)
Finance cost	(1 110 041)	-	-	-	-	-	-	-	-	(1 110 041)
Interest service cost	(5 594 000)	-	-	-	-	-	-	-	-	(5 594 000)
Current service cost	(811 000)	-	-	-	-	-	-	-	-	(811 000)
Surplus/(Loss) for the period	**48 290 099**	**(2 159 249)**	**(17 567 107)**	**(11 700 391)**	**(17 000 468)**	**55 594**	**(115 420)**	**(2 789 701)**	**(3 444 419)**	**(6 431 062)**

Types of goods and/or services delivered by each segment.

Administration

Administration offers strategic leadership and support services needed for the effective operation of the museums. The departments include Human Capital Management; Information Communications Technology; Supply Chain Management; Finance and Marketing and Communication.

Kruger Museum

The Museum consists of the original house in which S.J.P. Kruger, the President of the old Zuid-Afrikaansche Republiek (ZAR), and his family lived during the last years of the 19th century, as well as two display halls and President Kruger's state railway coach.

National Museum of Cultural History

Exhibitions include the following:
- Rock paintings and engravings of the San people;
- Thousand year old Iron Age figurines from Schroda in the Limpopo Province (described as "the best known artefacts indicating ritual behaviour in the Early Iron Age");
- An exhibition on Marabastad, which is a true example of a cosmopolitan and fully integrated rainbow nation before apartheid.

National Museum of Military History

Services on offer include:
- An opportunity to study relevant artefacts on display;
- Guided tours available on request during the week;
- An opportunity on weekdays to use Museum's extensive library and photographic facilities for research purposes on week days only.

The Museum is also regarded as the spiritual and symbolic home for all soldiers and veterans in South Africa. As a result, a number of veterans' organisations use the Museum as their headquarters. The South African Military History Society, the South African Arms and Ammunition Collectors Association, the South African Arms and Armour Society, the Gold Reef Scale Modelers and the Warsaw Flights Commemoration Committee use the Museum for monthly and annual meetings and are considered to be part of the 20 organisations that are stakeholders.

National Museum of Natural History

The Museum's collections and exhibits include hominid fossils from the Cradle of Humankind World Heritage Site and associated fauna, including Mrs Ples [the nickname attributed to a fossil skull believed to represent a distant relative of all humankind]; fossils, skeletons, skins and mounted specimens of amphibians, fish, invertebrates, reptiles and mammals.

Pioneer Museum

While enjoying a cup of coffee and homemade bread, visitors can experience a way of life that has irrevocably passed. The stories of the Pioneer Museum and the 1848 house, and of the people who lived on the farm, Hartebeespoort, are enacted with the background of the pioneer years in South Africa.

The house is surrounded by a traditional herb and vegetable garden, an orchard, a furnished wagon house and a vineyard. Well-trained guides in period clothing present adult programmes and curriculum-based educational programmes. Visitors can make use of the picnic and braai facilities. The two lapas and the hall can be rented for family celebrations and work-related functions. A New Year's Festival is held on 1 January every year.

Sammy Marks Museum

Products on offer at the Museum include:
- House tours from Tuesday to Sunday
- Bird walks: February, May and November
- Annual event: Sammy Marks' birthday celebration
- Education programmes
- Victorian picnics
- Wedding chapel
- Site available for photo shoots
- Tea garden/restaurant
- Bird walks are presented on selected Sunday mornings. After an early morning cup of coffee bird watchers go on a walk with a bird guide. Afterwards a well deserved breakfast is served at the croquet court.

Tswaing Meteorite Crater

Services on offer include the following:
- Annual Heritage Day event involving local dance, song, cuisine.
- Annual careers week for older school learners and the public, highlighting opportunities in heritage, environmental, and tourism careers.
- Education programmes including map work.
- Guided tours offering insights into local indigenous knowledge, including traditional beliefs, native plants, the surrounding area, and the history of Tswaing.
- Salt mine ruins.
- Site available for film and photo shoots.
- Overnight accommodation at the Kgotla, featuring traditional-style huts arranged around a lapa area, with a capacity of 64 guests.
- Well established picnic area with basic camping facilities.

Willem Prinsloo Agricultural Museum

Services on offer include the following:

Indoor exhibition area – exhibitions include a formal display on the history of the development of agriculture in South Africa and displays of vehicles of yesteryear such as donkey and horse carts, carriages, coaches and spider carriages. Various old agricultural implements will bring back pleasant memories to many visitors.

Visitors are offered unique public and curriculum based educational programmes. Guided tours are presented to school groups (of all ages) and adult groups.

Visitors can explore the 1880 and 1913 dwellings, outbuildings and three reconstructed Ndebele homesteads from various eras. The historic farmyard also has a variety of domesticated farm animals such as Colebrook pigs, Painted Persian sheep, Afrikaner cattle and indigenous chickens.

Accounting Policies

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (No. 1 of 1999).

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. All amounts are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Annual Financial Statements, are disclosed below.

The accounting policies applied in the preparation of the Annual Financial Statements are consistent with the previous period.

1.1 Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

The Annual 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.

Council approved DMSA's budgets and reviewed cash flow forecasts for the year ended 31 March 2026. On the basis of the review, and in view of the current financial position, Council believes that DMSA will be a going concern in the year ahead, and has continued to adopt the going concern assumption in preparing the Annual Financial Statements.

In arriving at the conclusion that DMSA is a going concern for the year ending 31 March 2025 Management has assessed the following factors:

- DMSA is founded by the Cultural Institutions Act of 1998;
- Funding from the Department of Sport, Arts and Culture (DSAC) has been committed;
- Assessment of net monthly cashflows indicate ability to meet obligations;
- Net current assets (liquidityratio) islow but being addressed
- There were no changes in government priorities or legislation.

DSAC, as a shareholder, has demonstrated commitment that it will support DMSA to ensure that the entity is a going concern in fulfilling its mandate.

1.3 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably

Accounting Policies (continued)

be expected to be influenced in making and evaluating decisions.

1.4 Offsetting

Assets, liabilities, revenues and expenses have not been offset. These items have been reported separately. Offsetting is only allowed if the entity has the intention (it reflects the substance of the transaction or event) to settle on a net basis or a legally enforceable right to set off the amounts either on a net basis or to realise the financial asset (gross basis) and settle the financial liability simultaneously.

1.5 Significant judgements and sources of estimation uncertainty

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

Trade and other receivables

The entity assesses its trade and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of financial performance, the entity makes judgements as to whether there is data indicating a decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The carrying value, less impairment provision of trade receivables, is assumed to approximate their fair value. Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The following are considered to be indicators of impairment for the various classes of assets:

Property, plant and equipment - Deterioration in the condition of the asset, increased repairs and maintenance of the asset and changes in the manner in which the asset can be utilised.

Intangible assets - Deterioration in the condition of the asset, increased repairs and maintenance of the asset and changes in the manner in which the asset can be utilised.

Financial assets - The credit quality of financial assets that are neither past due nor impaired are monitored by reference to historical information about counterparty default rates. The following are the criteria and indicators that are applied to assess whether or not financial assets may be impaired:

- financial difficulties identified from an analysis of the counter party's financial position that would indicate that the recoverability of the outstanding balance of cash and cash equivalents are doubtful.

- counter party has evidenced a trend of defaults that indicates that the recoverability of the outstanding balance of financial assets are doubtful.

Useful lives and residual values

The entity re-assesses the useful lives and residual values of property, plant and equipment on an annual basis. These assessments require judgements and assumptions to be made by management, related to the condition and expected use of the asset.

1.5 Significant judgements and sources of estimation uncertainty(continued)

Effective interest rate

An impairment loss in respect of trade debtors measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Provisions

Provisions are measured at the present value at the reporting date. In arriving at the present value management estimates the period over which it expects the provision to be settled and discounts the provision using the effective interest rate. The effective interest rate applied uses the risk free rate as the base of the rate, which is then adjusted for the risks related to the specific provision. This rate is a pre-tax rate.

1.6 Property, plant and equipment

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

1.6.2 Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost. The cost, if any, also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

1.6.4 Items of property, plant and equipment are recognised as assets when it is probable that:

1.6.4.1 The future economic benefits or service potential associated with the asset will flow to the entity and;

1.6.4.2 The cost of the asset can be measured reliably.

1.6.5 Land and buildings are made available to DITSONG: Museums of South Africa (DMSA) under section 9 of the Cultural Institutions Act and are therefore not included under fixed assets.

1.6.6 DMSA occupies and controls economic benefits arising from certain properties which are owned by other parties. Sammy Marks Museum (asset number 9/2/258/055), Kruger Museum (asset number 9/2/258/0010), Pioneer Museum (asset number 9/2/258/0027) and Natural History Museum (asset number 9/2/258/0100) are classified as Heritage Assets and no valuation is performed on these assets.

1.6.7 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Accounting Policies (continued)

1.6.8 De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the Statement of Financial Performance in the year it is recognised.

1.6.9 Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of the assets, over their estimated useful lives, using straight-line method, on the following basis:

Motor vehicles - Cars 6.7%

Motor vehicles - Canopy and Bike 6.7%

Motor vehicles - Trailer 6.7%

Office equipment - Digital cameras; fax machines; photocopiers; telephones; other 8.3%

Computer equipment - Hubs; monitors; other 14.3%

Computer equipment - Printers; scanners; servers 14.3%

Furniture and fixtures 5.0%

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The residual value and the useful lives of DMSA assets shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	20 years
Motor vehicles	Straight-line	15 years
Office equipment	Straight-line	12 years
IT equipment	Straight-line	7 years

Accounting Policies (continued)

1.7 Living and non-living resources

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for

(a) sale;
(b) distribution at no charge or for a nominal charge; or
(c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

(a) is used in the production or supply of agricultural produce;
(b) is expected to bear produce for more than one period; and
(c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

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

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the Annual Financial Statements.

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an entity, or the number of production or similar units expected to be obtained from the asset by an entity.

Recognition

Non-living resources, other than land, are not recognised as assets. Required information is disclosed in the notes to the Annual Financial Statements.

A living resource is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Where the entity is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information is disclosed in the notes to the Annual Financial Statements.

1.7 Living and non-living resources (continued)

Where the entity holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information is disclosed in the notes to the Annual Financial Statements. When the information about the cost or fair value of the living resource becomes available, the entity recognises, from that date, the living resource and apply the measurement principles.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

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

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

Measurement after recognition

When the DMSA holds a living resource for less than twelve months from the reporting date, it shall apply the principles in GRAP 12 to account for the living resource.

Where the DMSA holds a living resource for more than twelve months from the reporting date, it shall apply the cost model in accounting for the living resources

Cost model

After recognition as an asset, a group of living resources are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy.

Transfers to living resources are made when the asset meets the definition of a living resource.

Disclosure of living resources

The DMSA shall disclose the following, for each class of living resource recognised in the financial statements:

a) the measurement bases used for determining the gross carrying amount;
b) the depreciation method used;
c) the useful lives or the depreciation rates used;
d) the gross carrying amount aggregated with accumulated depreciation and accumulated impairment losses at the beginning and end of the period;
e) a reconciliation of the carrying amount at the beginning and end of the period showing:
    (i) increases due to purchases;
    (ii) increases due to resources acquired through non-exchange transactions;
    (iii) decreases due to sale;
    (iv) decreases due to death;
    (v) decreases due to distributions through non-exchange transactions;
    (vi) decreases due to harvest;
    (vii) impairment losses recognised in surplus or deficit.

1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset shall be measured initially at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition, shall be measured at its fair value as at that date. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses. Where an intangible asset is acquired at no or for a nominal cost, the cost shall be its fair value as at the date of acquisition.

An intangible asset shall be recognised if, and only if:

(a) it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
(b) the cost or fair value of the asset can be measured reliably.

Expenditure on an intangible item shall be recognised as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria

1.8.1 Amortisation of assets

Intangible assets are amortised on a straight-line basis over the estimated economic life. The estimated economic lives are as follows:

Computer software	12 years	Amortisation rate at 8.3%
Computer operating system	7 years	Amortisation rate at 14.3%
Software licence	1 year	Amortisation rate at 100%
Website	Indefinite	Amortisation rate at 0%

Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

The amortisation period for an intangible asset with a finite useful life shall be reviewed at least at each reporting date. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly

1.8.2 Retirements and disposals

An intangible asset shall be derecognised:

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

The gain or loss arising from the derecognition of an intangible asset shall be included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback)

1.8.3 Intangible assets under development

Intangible assets under development shall be capitalised at the costs incurred to date. Once the intangible asset under development is ready for use, it will be reclassified to the appropriate class and will be amortised as per the useful life applicable to that class.

1.9 Heritage assets (continued)

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

1.9.1 Recognition

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

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

(a) If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
(b) For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include: Purchase, donation, bequeathal, loan or transfer.
(c) Particularly within the Natural History Collection, material is often retrieved in a fragmentary state – finding a completely articulated specimen is the exception rather than the rule. A great deal of knowledge is thus required to identify and systematise the collections.
(d) The research required to identify, analyse and classify heritage items is often a collaborative effort between local and international experts that span several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the financial statements.

1.9.2 Measurement

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

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

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

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

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

(a) a revaluation in accordance with the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets; or
(b) the application of the fair value model in the Standard of GRAP on Investment Property, paragraph A4, which states that subsequent depreciation, if applicable, is based on that deemed cost, and starts from the measurement date.

1.9.4 Initial entries using deemed cost.

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

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

The DMSA 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

1.9.5 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.

1.9.6 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). 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)

1.9.7 Heritage asset classification

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

The DMSA has recognised the following classes of heritage assets:

- Natural History
- Cultural History
- Military History

Object collections in the Cultural History Collection consist of tangible artefacts that reflect the cultural and artistic knowledge, expressions, and behaviour of their makers and users, and comprise archaeological, historical and contemporary cultural artefacts and artworks. The Library Collections consist of both published and unpublished material, as well as research material.

1.9.8 Heritage assets on loan to other institutions

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

1.9.9 Retrospective application

Transitional provisions in other Standards of GRAP take precedence over the requirements of GRAP 1. The requirements of GRAP 1 will therefore not apply to an item until the transitional provisions in those other Standards of GRAP expire, and the item is measured in the financial statements. Where entities have not yet determined the deemed cost of those assets within the scope of Directive 7, they should consider GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors, and consider whether this change in accounting policy can be applied retrospectively from this date, or whether it is impracticable to do so. GRAP 3 states that: "When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable…."

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

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

1.9.10 Impairment

At each reporting date, the entity assesses 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.

1.9.11 Transfers

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

1.9.12 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. 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

1.10 Financial instruments

Initial recognition

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

A financial asset is:

(a) cash;
(b) a residual interest of another entity; or
(c) a contractual right to:
  (i) receive cash or another financial asset from another entity; or
  (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity

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

(a) deliver cash or another financial asset to another entity; or
(b) exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity

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

All “regular way” purchases and sales of financial liabilities are recognised using trade date accounting.

Classification

Financial instruments include cash and bank balances, receivables and trade payables. These financial instruments are generally carried at their estimated fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction.

Initial measurement

Financial instruments are initially measured at fair value, which includes transaction costs when the entity is a party to contractual arrangement.

Gains and losses

Gains and losses arising from a change in the fair value of financial instruments are included in net surplus or deficit in the period in which they arise.

Impairment and collectability of financial assets

At the end of the reporting period, the entity assesses all financial assets, other than those carried at fair value, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. Impairment losses are recognised as a reduction to the surplus. Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised. Reversals of impairment losses are recognised in the surplus.

Derecognition

The DMSA derecognises a financial asset (or where applicable part thereof) only when: the right to receive cash flows from the asset have expired, the DMSA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass through” arrangement; or the DMSA has transferred its rights to receive cash flows from the asset and has either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same customer on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is recognised in the surplus or deficit for the year.

Offset of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when the DMSA has a legally enforceable right to set off recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement

Receivables from exchange transactions

Receivables from exchange transactions are stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximates fair value due to the short period to maturity of these instruments.

Payables from exchange transactions

Accounts and other payables are stated at their nominal value. Short-term payables with no interest rate are measured at the original invoice amount if the effect of discounting on individual transactions is immaterial. All payables are settled within 30 days. Where there is a delay in payment, it is usually due to a dispute on the transaction. Under such circumstances, the time delay is not regarded as being material. The obligation to pay goods and services that have been acquired in the ordinary course of business from suppliers are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Income received in advance from non-exchange transactions

Income received in advance arises from conditional grants received. Income received in advance from non-exchange transactions are stated at their nominal value. Short-term payables with no interest rate are measured at the original transferred amount if the effect of discounting on individual transactions is immaterial. All payables are settled within 30 days. Payables are also settled when conditions are not met and the granter has requested a refund of unused grant. Where there is a delay in payment, it is usually due to a dispute on the transaction. Under such circumstances, the time delay is not regarded as being material. The obligation to pay goods and services that have been acquired in the ordinary course of business from suppliers are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value. The carrying amount approximates fair value due to the short period to maturity. Cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the DMSA unless otherwise advised or required.

1.11 Leases

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

Operating leases - lessor

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

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

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This liability is not discounted.

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

1.12 Inventories

Items of inventory are recognised as assets when it is probable that:

* The future economic benefits or service potential associated with the asset will flow to the entity, and
* The cost of the asset can be measured reliably.

Inventories consist of merchandise held for re-sale at the various museum shops. Inventories are stated at the lower of cost and net realisable value, using a First In First Out method.

Where cost cannot be determined, the net realisable value is used. Net realisable value is the estimated selling price in the ordinary course of business.

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

Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

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

1.13 Impairment of cash-generating assets

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

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

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

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

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.14 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.
Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

DITSONG: Museums of South Africa offers post-employment benefits, comprising retirement benefits and post- retirement medical aid to their employees and their dependents in terms of defined-benefit and defined-contribution plans.

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

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:
- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

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

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded.

The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of Financial Performance.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long- term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements

1.15 Provisions and contingencies

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that it will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Contingent assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or no-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or an amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised and are only disclosed in the notes to the financial statements due to the uncertain nature thereof.

1.15.1 Leave and bonus provisions

The liability for accumulated leave and bonus is recognised and measured at the estimated future cash flows to be made in respect of all employees at the reporting date.

1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16.1 Disclosure

The following should be disclosed in the notes to the financial statements for commitments:

- Distinction between operational and capital commitments;
- The aggregate amount of operational and capital expenditure contracted for at the reporting date, to the extent that the amount has not been recorded in the financial statements; and
- If a commitment is for a period longer than a year, it should be stated in the note.

1.17 Revenue from exchange transactions

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

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the fair value of the consideration received or receivable. At the time of initial recognition, the full amount of revenue is recognised.

When goods or services are exchanged or swapped for goods or services that are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

Admission fees and sales have been classified as revenue from the sale of goods. Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
(a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
(b) the entity does not retain:
  (i) effective control over the goods sold; or
  (ii) continuing managerial involvement to the degree usually associated with ownership;
(c) the amount of revenue can be measured reliably; and
(d) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from admission fees is recognised when the event takes place. When a subscription to a number of events is sold, the fee is allocated to the event that has the most services performed.

Contract income, exhibition income, restoration income and venue rentals for functions have been classified as revenue from the rendering of services.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
(a) the amount of revenue can be measured reliably;
(b) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
(c) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

Interest revenue, arising from the use by others of the entity's assets, is recognised using the effective interest method when the amount of the revenue can be measured reliably.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.18 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity receives revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions consist of public donations and government grants. Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or, where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the entity. Where public contributions have been received but the entity has not met the related conditions that would entitle it to the revenue, a liability is recognised.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

The accounting policy for expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue

Services in-kind

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

The entity is organised and reports to management on the basis of two major functional areas: corporate services and museum operations. The segments were organised around the type of museological history specialisation. Management uses these same segments for determining strategic objectives. Segments were aggregated as per below.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

1.19 Revenue

Revenue comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value-added taxation.

1.20 Cost of sales

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

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

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

1.21 Interest income

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

1.22 Finance costs

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

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual finance costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the finance costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The finance costs capitalised do not exceed the total finance costs incurred.

necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific finance pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalisation.

The capitalisation of finance costs commences when:

- Expenditures for the asset have occurred; finance costs have been incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress.
- Capitalisation is suspended during extended periods in which active development is interrupted.
- Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.
- All other finance costs are recognised as an expense in the period in which they are incurred.

1.23 Comparative figures

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

1.24 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

1.25 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are derecognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure notes when it is either
(a) condoned by the relevant authority if no official was found to be liable in law;
(b) recovered from an official liable in law;
(c) written-off if it’s irrecoverable from an official liable in law; or
(d) written-off if it’s not condoned and not recoverable.

Irregular expenditure that is not recoverable because no official was found to be liable in law for such a transgression and was also not condoned by the relevant authority must be de-recognised in the balance of the irregular expenditure note. The Accounting Officer or Accounting Authority must only de-recognise the irregular expenditure referred to above when he or she is satisfied that:

(a) reasonable steps have been taken to confirm that such irregular expenditure did not result in any loss or damages to the state and that the state did obtain value from such a transaction, condition or event;
(b) the non-compliance that lead to the irregular expenditure is being addressed; and
(c) transactions, conditions or events of a similar nature are regularly reviewed to ensure that there are no possible future non-compliance cases reported.

The Accounting Officer or Accounting Authority may proceed with the “write-off” of the irregular expenditure after confirmation of the controls indicated above have been met and by informing the relevant delegated official in writing to de-recognise the irregular expenditure in the notes to the financial statements and in the annual report.

1.26 Segment information

A segment is an activity of an entity:

* that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
* whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
* or which separate financial information is available.

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

The entity is organised and reports to management on the basis of two major functional areas: corporate services and museum operations. The segments were organised around the type of museological history specialisation. Management uses these same segments for determining strategic objectives. Segments were aggregated as per below.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purpose.

1.26.1 Measurement of segment surplus or deficit, assets and liabilities

The accounting policies of the segments are the same as those described in these significant accounting policies, except that pension expense for each segment is recognised and measured on the basis of cash payments to the pension plan.

1.26.2 Aggregation criteria

The entity has elected not to aggregate the operations of the site museums into the flagship museums operations. Each heritage site, consisting of Tswaing Meteorite Crater, Natural History Museum, Military History Museum, Kruger House Museum, Pioneer Museum, Sammy Marks Museum, Willem Prinsloo Agricultural Museum and Cultural History Museum, is reported separately.

Corporate services is also a segment.

1.27 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The Annual Financial Statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.28 Related parties

Related parties are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

(a) DMSA 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 three spheres of government in South Africa, only entities within the national/provincial/local spheres of government are considered to be related parties. This includes the Department of Sport, Arts and Culture, all the entities of DSAC, the Auditor-General South Africa, the Department of Public Works and Infrastructure, City of Tshwane, City of Johannesburg, the Parliament of South Africa

(b) Individuals owning, directly or indirectly, an interest in the DMSA that gives them significant influence, and close members of the family of any such individual;
(c) Key management personnel, and close members of the family of key management personnel. DMSA regards all individuals from the level of Executive Director and Council Members as key management per the definition of the financial reporting standard.
(d) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) above or over which such a person is able to exercise significant influence.

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part. Where related party transactions occur, these are disclosed. Related party transactions are not disclosed if that transaction occurs within: normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and terms and conditions within the normal operating parameters established by that reporting entity's legal mandate.

1.29 Events after reporting date

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

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

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

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

1.30 Effects of changes in foreign exchange rates

DMSA shall recognise exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, which shall be recognised in surplus or deficit in the period in which they arise.

1.31 Government grants

Grants received from statutory bodies are recognised as income as and when the entity complies with the conditions of the grant.

Grants received without any conditions attached are recognised as revenue when the asset is recognised. Revenue from a grant is measured at the amount of the increase in net assets recognised by the entity.

An asset, e.g. property, plant and equipment, investment property and inventory acquired through a grant is initially measured at its fair value as at the date of acquisition.

Monetary assets that would otherwise meet the definition of a financial instrument, e.g. cash and transfers receivable, will also be measured at fair value as at the date of acquisition. These assets are subsequently measured, derecognised and disclosed in accordance with the standards on financial instruments.

1.32 New standards and interpretation

Standards and interpretations issued, but not yet effective
The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
* GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
* IGRAP 22 on Foreign Currency Transactions and Advance Consideration	01 April 2025	Impact currently being assessed
* IFRS 17 Insurance Contract	01 April 2025	Impact is currently being assessed

Notes to the Annual Financial Statements

	2025	2024
	R	R
2. Cash and cash equivalents		

Cash and cash equivalents consist of cash on hand and balances with banks.

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash Float	2 550	2 550
Bank balances (Current Account)	1 447 130	2 773 437
Corporation for Public Deposits Account	22 339	45 425
Petty Cash	55 500	55 500
Infrastructure Call Account	9 992 540	9 292 833
	11 520 059	**12 169 745**

2.1 Pledged as security

None of the cash and cash equivalents have been pledged as security and are therefore not encumbered Furthermore, none of the cash and cash equivalents are denominated in foreign currency.

2.2 Credit quality cash and cash equivalents

The credit quality of cash and cash equivalents are ensured by only contracting with highly reputable financial institutions, as endorsed by National Treasury.

The credit quality rating of these cash and bank balances are as follows:

		2025		2024
Class	Rating	R	Rating	R
Bank balances	**High grade**	1 447 130	**High grade**	2 773 437
Short term deposits	**High grade**	10 014 879	**High grade**	9 338 258
Petty cash and floats	**Not rated**	58 050	**Not rated**	58 050

High credit grade – The counter party has evidenced no or minimal instances of defaults and / or re-negotiations of contractual terms in prior periods. As such the counter parties included in the high credit grade category pose a low credit risk to the entity.

2.3 Fair value of cash and cash equivalents

The carrying value, which the cash and cash equivalents are disclosed, approximate their fair values. The maximum exposure to credit risk, as a result of carrying cash and cash equivalents is limited to the carrying value of the cash as disclosed above.

2.4 Impairment of cash and cash equivalents

None of the cash and cash equivalents are considered to be impaired and consequently no provision was raised for the irrecoverability of these financial assets.

2.5 Restriction on the use of cash and cash equivalents

The cash and cash equivalents held by the entity may only be used in accordance with its mandate, as such no restrictions have been placed on the use of cash and cash equivalents for the operations of the entity.

Notes to the Annual Financial Statements

	2025	2024
	R	R
3. Trade and other receivables from exchange transactions		
Trade receivables	1 664 649	670 351
Provision for bad debts	(2 421 876)	(1 927 751)
Sundry receivables	2 132 892	2 204 654
	1 375 665	**947 254**

2025	Opening balance	Amounts received / used	Receivables raised	Closing balance
	R	R	R	R
Trade receivables	670 352	(2 665 124)	3 659 421	1 664 649
Sundry receivables	2 204 653	(350 188)	278 427	2 132 892
Less: Provision for doubtful debts	(1 927 751)	-	(494 125)	(2 421 876)
	947 254	**(3 015 312)**	**3 443 723**	**1 375 665**

2024	Opening balance	Amounts received / used	Receivables raised	Closing balance
	R	R	R	R
Trade receivables	768 434	(3 314 503)	3 216 421	670 352
Sundry receivables	2 182 043	(415 400)	438 010	2 204 653
Less: Provision for doubtful debts	(1 889 471)	-	(38 280)	(1 927 751)
	1 061 006	**(3 729 903)**	**3 616 151**	**947 254**

3.1 Pledged as security

None of the trade and other receivables have been pledged as security and are therefore not encumbered. Furthermore, none of the receivables are denominated in foreign currency. Also, no security is held for any of the receivables.

3.2 Credit quality and aging analysis of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired are assessed / monitored by reference to historical information about counterparty default rates. The credit quality rating of each of these financial instruments are as follows:

Class Aging	Rating	2025 R	Rating	2024 R
Trade receivables (Net)		**1 334 589**		**670 352**
Current to 30 days	**High grade**	992 729	**High grade**	486 505
Gross receivables		992 729		486 505
31 days to 60 days	**High grade**	59 940	**High grade**	10 068
Gross receivables		59 940		10 068
61 days to 90 days	**Medium grade**	19 391	**Medium grade**	3 643
Gross receivables		19 391		3 643
Over 90 days	**Medium grade**	262 529	**Medium grade**	170 136
Gross receivables		592 589		170 136
Provision for bad debts		(330 060)		-

Notes to the Annual Financial Statements

3. Trade and other receivables from exchange transactions (continued)

Class Aging	Rating	2025 R	Rating	2024 R
Other receivables - Current		**41 076**		**276 902**
Current to 30 days	**High grade**	41 076	**High grade**	99 380
Gross receivables		41 076		99 380
Provision for bad debts		-		-
Over 90 days	**Medium grade**	-		177 522
Gross receivables		2 091 816	**Medium grade**	2 105 273
Provision for bad debts		(2 091 816)		(1 927 751)
		1 375 665		**947 254**

Low credit grade – The counter party has evidenced high occurrences of defaults and/or re-negotiations of contractual terms in prior periods. As such the counter parties included in the low credit grade category pose a high credit risk to the entity.

Medium credit grade – The counter party has evidenced instances of defaults and/or re-negotiations of contractual terms in prior periods on the repayment of outstanding amounts. As such the counter parties included in the medium credit grade category pose a medium credit risk to the entity.

High credit grade – The counter party has evidenced no or minimal instances of defaults and/or re-negotiations of contractual terms in prior periods. As such the counter parties included in the high credit grade category pose a low credit risk to the entity.

3.3 Fair value of trade and other receivables

The carrying value, at which the trade and other receivables are disclosed, approximate their fair values. The maximum exposure to credit risk, as a result of carrying receivables, is limited to the carrying value of the receivables as disclosed above.

3.4 Impairment of trade and other receivables

None of the trade and other receivables were re-negotiated.

Process for impairment of trade receivables at DMSA

In assessing whether there is an indication that trade receivables may be impaired, the DMSA shall consider, as a minimum, the following indications in line with Instruments: GRAP 104 – Financial Instruments.

a) An impairment loss shall be recognised on receivables only when they are incurred. This means that there has to be objective evidence that a 'loss event' has occurred.
b) Loss events can be considered to be events that crystalise to form objective evidence of impairment; and examples include
   i. Death of the debtor (individual)
   ii. Bankruptcy of the debtor
   iii. Reports of an accident on a customer's major factory
   iv. Significant financial difficulty of the parties involved

Group Assets

In this case, trade receivables are assessed on a group basis.

Notes to the Annual Financial Statements

	2025	2024
	R	R

3. Trade and other receivables from exchange transactions (continued)

Individual assessment

It is necessary to consider whether there is objective evidence of an impairment for financial assets that are 'individually significant'. Assets that are not individually significant may be assessed either individually or collectively.

Collective assessment

When assessing a group of trade receivables collectively for impairment, asset groups used should include receivables with similar credit risk characteristics.

3.5 Reconciliation of provision for bad debts

	2025	2024
Opening balance	(1 927 751)	(1 889 471)
Amounts (raised) reversed	(494 125)	(38 280)
Closing balance	**(2 421 876)**	**(1 927 751)**

4. Inventories

	2025	2024
Inventories	622 173	477 244

Figures in Rand

5. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	16 960 337	(8 879 093)	8 081 244	17 069 683	(8 208 550)	8 861 133
Motor vehicles	4 964 144	(3 455 636)	1 508 508	4 964 163	(3 245 208)	1 718 955
Office equipment	24 394 784	(9 744 908)	14 649 876	24 369 152	(8 105 881)	16 263 271
IT equipment	3 943 854	(2 494 992)	1 448 862	3 980 056	(2 687 167)	1 292 889
Total	**50 263 119**	**(24 574 629)**	**25 688 490**	**50 383 054**	**(22 246 806)**	**28 136 248**

Notes to the Annual Financial Statements

Figures in Rand

5. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	8 861 133	-	(48 753)	(731 264)	8 081 244
Motor vehicles	1 718 955	-	-	(210 428)	1 508 508
Office equipment	16 263 271	398 925	(67 007)	(1 945 206)	14 649 876
IT equipment	1 292 889	550 779	(3 335)	(391 468)	1 448 862
	28 136 248	**949 704**	**(119 095)**	**(3 278 366)**	**25 688 490**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers received	Other changes, movements	Depreciation	Total
Furniture and fixtures	9 731 870	-	(205 615)	63 000	21 729	(749 851)	8 861 133
Motor vehicles	1 500 396	-	(1)	-	429 564	(211 004)	1 718 955
Office equipment	18 054 457	785 862	(159 131)	-	(489 721)	(1 928 196)	16 263 271
IT equipment	1 792 882	99 890	(109 604)	-	(31 582)	(458 697)	1 292 889
	31 079 605	**885 752**	**(474 351)**	**63 000**	**(70 010)**	**(3 347 748)**	**28 136 248**

Pledged as security

During the year, no items of property, plant and equipment were pledged as security.

Other information

At year end, DMSA assessed the useful lives, residual values and deprecation methods of assets to determine whether there is any indication that the expectations about the useful lives and residual values of an asset have changed since the preceding reporting date. This assessment indicated that there were no changes, hence no adjustments were made to the useful lives, residual values and depreciation methods.

6. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Website	2 092 275	-	2 092 275	2 092 275	-	2 092 275
Computer software	2 186 548	(769 176)	1 417 372	2 186 549	(615 179)	1 571 370
Computer operating system	21 155	(21 154)	1	21 155	(18 232)	2 923
Total	**4 299 978**	**(790 330)**	**3 509 648**	**4 299 979**	**(633 411)**	**3 666 568**

Notes to the Annual Financial Statements

Figures in Rand

6. Intangible assets (continued)

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Website	2 092 275	-	2 092 275
Computer software	1 571 370	(153 998)	1 417 372
Computer operating system	2 923	(2 923)	1
	3 666 568	**(156 921)**	**3 509 648**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Website	2 092 275	-	-	-	2 092 275
Computer software, other	760 606	559 398	375 270	(123 904)	1 571 370
Computer operating system	5 953	-	-	(3 030)	2 923
	2 858 834	559 398	375 270	(126 934)	3 666 568

Other information

The entity is in the process of developing a virtual museum. This is a multi year project which is expected to be finalised in 2025/26 financial year. There were no expenses incurred towards this project in the current financial year.

The cost to complete the project is estimated at R1 329 186 and the commitment has been included in the commitment note 30 below. Once the project is completed the total costs will capitalised and classified as intangible assets.

Intangible assets with indefinite lives:

The useful life of virtual museum (website) is considered indefinite. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the entity.

7. Heritage Assets

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Cultural History	359 857 097	-	359 857 097	360 205 234	-	360 205 234
Military History	530 523 125	-	530 523 125	531 283 085	-	531 283 085
Natural History	5 876 999	-	5 876 999	5 876 999	-	5 876 999
Total	**896 257 221**	**-**	**896 257 221**	**897 365 318**	**-**	**897 365 318**

Reconciliation of Heritage Assets - 2025

	Opening balance	Other changes, movements	Lost or Stolen	Total
Cultural History	360 205 234	(357)	(388 430)	359 857 097
Military History	531 283 085	(70 230)	(649 080)	530 523 125
Natural History	5 876 999	-	-	5 876 999
	897 365 318	**(70 587)**	**(1 037 510)**	**896 257 221**

Notes to the Annual Financial Statements

	2025	2024
	R	R

Reconciliation of Heritage Assets - 2024

	Opening balance	Additions	Lost or Stolen	Total
Cultural History	361 017 286	290 058	(1 061 460)	360 205 234
Military History	528 251 699	3 031 386	(40 650)	531 283 085
Natural History	5 876 999	-	-	5 876 999
	895 145 984	**3 321 444**	**(1 102 110)**	**897 365 318**

7. Heritage assets (continued)

Assets lost or stolen

During the year management removed assets that have been lost or stolen and not yet recovered. These assets were previously valued at R388 430 for Cultural History class and R649 080 for Military History class. These assets are retained in the asset register at R0 as they cannot be written off until a deaccessioning process as per the Heritage Assets Management Policy has been completed.

Heritage assets held by the DMSA that cannot be recognised due to reliable measurement not being available on initial recognition (GRAP 103, para .17 & .96)

The following heritage assets are held by the DMSA but on initial recognition, do not meet the recognition of a heritage asset because they cannot be reliably measured at the reporting date. These assets are still being investigated to provide sufficient information for a reliable valuation at a later stage.

There are assets on the floor that cannot be correctly quantified, described or reliably measured which are under investigation in the intervening financial years. These assets are identified during the execution of an ongoing physical verification exercise and they are immediately added to the asset register at R0. The number of such assets identified during the year are listed below and will be valued in the 2025/2026 financial year.

Class	Acquired in prior years	Current year additions	Totalassets
Military history	0	8	8
Cultural history	0	9	9
Natural history			

Notes to the Annual Financial Statements

	2025	2024
	R	R

8. Living resources

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Skilder sheep	5 000	(1 877)	3 123	5 000	(1 376)	3 624
Cattle	93 780	(62 168)	31 612	96 470	(58 839)	37 631
Horses	3 000	(2 026)	974	3 000	(1 906)	1 094
Poultry	5 659	(1 883)	3 776	6 039	(932)	5 107
Afrikaner sheep	23 397	(9 015)	14 382	23 400	(6 969)	16 431
Zebra	110 763	(105 309)	5 454	116 243	(104 580)	11 663
Impala	18 591	(18 591)	-	18 600	(18 591)	9
Donkeys	2 400	(981)	1 419	2 400	(901)	1 499
Total	**262 590**	**(201 850)**	**60 740**	**271 152**	**(194 094)**	**77 058**

Reconciliation of living resources - 2025

	Opening balance	Decrease due to sale / death / harvest	Depreciation	Total
Skilder sheep	3 624	-	(501)	3 123
Cattle	37 631	(2 690)	(3 329)	31 612
Horses	1 094	-	(120)	974
Poultry	5 107	(380)	(951)	3 776
Afrikaner sheep	16 431	(3)	(2 046)	14 382
Zebra	11 663	(5 480)	(729)	5 454
Impala	9	(9)	-	-
Donkeys	1 499	-	(80)	1419
	77 058	**(8 562)**	**(7 756)**	**60 740**

Notes to the Annual Financial Statements

	2025	2024
	R	R
		Restated

Reconciliation of Living Resources - 2024

	Opening balance	Increase due to purchases	Decrease due to sale / death / harvest	Decrease through nonexchange functions	Other changes, movements	Depreciation	Total
Skilder sheep	443	3 600	(3)	-	-	(416)	3 624
Cattle	58 478	-	(11 111)	(6 700)	-	(3 036)	37 631
Horses	1 214	-	-	-	-	(120)	1 094
Poultry	6 860	-	(661)	-	-	(1 092)	5 107
Afrikaner sheep	18 552	-	-	-	(75)	(2 046)	16 431
Zebra	14 970	-	-	-	-	(3 307)	11 663
Impala	9	-	-	-	-	-	9
Donkeys	359	1 200	-	-	-	(60)	1 499
	100 885	**4 800**	**(11 775)**	**(6 700)**	**(75)**	**(10 077)**	**77 058**

9. Employee benefit obligations

9.1 Pension fund

	2025	2024
	705 253	788 979

DITSONG: Museums of South Africa employees are members of a Museums Pension Fund which covers employees who are either on defined benefit or defined contribution plans. The Museums Pension Fund is administered on behalf of DMSA by pension fund administrators and is governed by the Pensions Fund Act, 1956 (Act No 24 of 1956), as amended. An independent Board of Trustees manages the fund.

The Museums Pension Fund is a multi-employer plan. The actuarial valuation is done for the plan in its entirety and does not specify, as a separate entity, DMSA's obligation, plan assets or liability in terms of the fund.

The following rates of contribution are applied:

Employee Benefit Obligations (continued)

Defined Benefit category: Employee contribution is 7.5% of pensionable salary (basic salary plus annual bonus) and the employer contributes 20%

Defined Contribution category: Employee contribution is 7.5% of pensionable salary (basic salary plus annual bonus) and the employer contributes 15%. The employer contribution rates can fluctuate as a result of changes to the insured benefit rate.

The Museums Pension Fund requires an actuarial valuation every three years. The defined benefit contribution plan fund was actuarially valued, using the projected unit credit method at 31 March 2024 and it revealed that the assets of the fund represented a funding position of 100% for the Museums Pension Fund. Any deficit advised by the actuaries is funded through increased contributions to ensure the on-going soundness of the pension fund. At the time of the valuation, the actuary reported that he was satisfied that the current composition of the investments of the Fund can be considered reasonable for the purpose of matching its assets and liabilities.

DMSA is fully funded and therefore has no liability.

Notes to the Annual Financial Statements

	2025 R	2024 R Restated

9.2 Post-employment benefit costs

	38 031 000	46 469 000

Employee Benefit Obligation

The assets are generally held in separate trustee-administered medical aid funds, namely Bestmed, Bonitas, Medshield, Medihelp, Fedhealth, Key Health and Discovery Health.

The liabilities for the DMSA with regard to subsidies in respect of continuation member health care costs can reasonably be regarded as the following:

* Total liability in respect of existing continuation members
* Total liability in respect of members in active employment

The DMSA 's contributions to the medical schemes are charged to the income statement in the year to which they relate. Provision is made for future liability in the financial statements. The defined benefit obligation is determined by making use of the projected unit credit method. All actuarial profits and losses are recognised immediately.

The actuarial valuation as at 31 March 2025.

	2025	2024
Current portion of Employee Benefit Obligation	2 719 000	2 969 000
Long-term portion of Employee Benefit Obligation Net Defined Benefit Liabilities	35 312 000	43 500 000
Liabilities in respect of: In-service members (eligible employees on medical aid)	14 918 000	22 043 000
Continuation members (retirees and surviving dependants)	23 113 000	24 426 000
Total DBO Liability Recognised in Balance Sheet	**38 031 000**	**46 469 000**
The reconciliation of the opening and closing balances is as follows		
Liability as at 1 April 2024	46 469 000	47 572 000
Interest service cost	6 482 000	5 594 000
Current service cost	755 000	811 000
Disbursements (benefits paid)	(2 613 183)	(2 543 000)
Actuarial gain	(13 061 817)	(4 965 000)
Liability as at 31 March 2025	**38 031 000**	**46 469 000**

Notes to the Annual Financial Statements

	2025	2024
	R	R

9. Employee Benefit Obligations (continued)

Projections

The projections of the expected change in the obligation over the period 1 April 2025 to 31 March 2026 is as follows:

Benefit Projection	R
PBO at start of period (1 April 2025)	38 031 000
Interest Service Cost	4 001 000
Current Service Cost	448 000
Benefit payments	(2 719 000)
PBO at end of period (31 March 2026)	**39 761 000**

	2025	2024
	R	R
Interest and Inflation Rate		
The actuary took into account the following assumptions in their calculation:		
Discount rate	10.9% p.a	14,16%p.a.
Post-retirement interest rate		3,75%p.a.
Expected return on plan assets	N/A	N/A
Long-term price inflation	5.0% p.a	8,53% p.a.
Medical inflation rate	6.8% p.a	10,03% p.a.
Average longevity for current pensioners aged 77.6 years (2023:24; 76 years)		
Males		9
Females		11,3
Average longevity at retirement age for current employees (future pensioners) Age 54.7 years (2023:24; 63 years)		
Males		16,6
Females		20,8
Benefit Cost in Profit and Loss		
Net interest cost	6 482 000	5 594 000
Service cost	755 000	811 000
Profit and loss expense	**7 237 000**	**6 405 000**

Notes to the Annual Financial Statements

	2025	2024
	R	R
9. Employee benefit obligations (continued)		
Other Comprehensive Income		
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial gains arising from changes in demographic assumptions	2 178 000	-
Actuarial gains arising from changes in financial assumptions	193 000	2 814 000
Actuarial gains arising from experience adjustments	10 690 817	2 151 000
Other (describe)		
Adjustments for restrictions on the defined benefit asset		
Components of defined benefit costs recognised in other comprehensive income		
Total gain on liability	13 061 817	4 965 000
Total Cost	-	1 440 000

Sensitivity analysis

The following changes were made:

a) A 1% increase/decrease in the medical inflation assumption; and

b) 1-year increase / reduction in the post-retirement mortality.

Medical Inflation Rate	Current Assumption 10,9%	1% decrease 9,9%	1% increase 11,9%
Liability	38 031 000	34 759 000	41 843 000
Cost / (Saving)	-	3 272 000	(3 812 000)
Mortality	Current Assumption Pa (90) -1	1 year reduction Pa (90)-2	1 year enhancement Pa (90)
Liability	38 031 000	39 299 000	36 767 000
Cost / (Saving)	-	1 268 000	(1 264 000)

The development of the defined benefit obligation over the current period and projects DMSA's DBO and periodic costs over the two year period following the valuation is as follows:

Prior Period Error

During the year, it was discovered that the current portion of the Post Employment Benefit Obligation was not accounted for. This correction has been implemented in the current year and prior year balances have been restated.

Notes to the Annual Financial Statements

	2025	2024
	R	R

	As previouslyreported	Adjustments	As restated
Current portion of Post Employment Benefit Obligation	-	2 969 000	2 969 000
Long-term portion of Post Employment Benefit Obligation	46 469 000	(2 969 000)	43 500 000
Total	**46 469 000**	**-**	**46 469 000**

Benefit Projection	Year Ending 31/03/2025	Year Ending 31/03/2026	Year Ending 31/03/2027
	R	R	R
Opening DBO	46 469 000	38 031 000	39 761 000
Interest Cost	6 482 000	4 001 000	4 170 000
Service Cost	755 000	448 000	497 000
Subsidy (benefit) payments	(2 613 183)	(2 719 000)	(3 091 000)
Actuarial gain	(13 061 817)	-	-
Actual closing DBO	**38 031 000**	**39 761 000**	**41 337 000**

10. Trade and other payables

Trade payables	3 215 425	1 982 199
13th Cheque accruals	1 483 797	1 453 773
Sundry payables	41 119 644	36 140 713
Payments received in advanced	57 942	39 905
Deposits received	107 882	88 149
	45 984 690	**39 704 739**

2025	Opening balance	Amount received / used	Payables raised	Closing balance
Trade payables	1 982 199	(40 229 754)	41 462 980	3 215 425
13th Cheque accruals	1 453 773	-	30 024	1 483 797
Sundry payables	36 140 713	(11 459 004)	16 437 935	41 119 644
Payments received in advance	39 905	(557 229)	575 266	57 942
Deposits	88 149	(12 720)	32 453	107 882
	39 704 739	**(52 258 707)**	**58 538 658**	**45 984 690**

2024	Opening balance	Amount received /used	Payables raised	Closing balance
Trade payables	1 815 642	(41 887 144)	42 053 701	1 982 199
13th Cheque accruals	1 380 169	73 604	-	1 453 773
Sundry payables	28 805 466	(6 156 619)	13 491 866	36 140 713
Payments received in advance	72 602	(448 838)	416 141	39 905
Deposits	88 649	(500)	-	88 149
	32 162 528	**(48 419 497)**	**55 961 708**	**39 704 739**

Notes to the Annual Financial Statements

	2025	2024
	R	R

10.1 Currency and security

None of the trade and other payables are denominated in foreign currencies. Furthermore, no financial assets or non- financial assets have been pledged as security for the trade and other payables and as such the payables are unsecured.

10.2 Defaults and breaches

The procurement policy of the entity makes provision for the settlement of trade and other payables within 30 days of receiving a valid invoice. During the period the entity renegotiated certain of the contractual terms of its creditors to address cash flow challenges it encountered. As a result of the cash flow challenges during the period the entity defaulted in payment of some of its creditors.

10.3 Sundry payables

Included in the Sundry payables amount of R41 119 644 are accruals for services rendered. The majority of thebalance relates to municipality bills owing of R17 720 688 and a Department for payments made on behalf of Ditsong amounting to R13 152 741.

The balance relates to month end creditors that are paid within 30 days on invoice

11. Income received in advance from non-exchange transactions

Unspent conditional grants and receipts comprises of:

	2025	2024
Unspent conditional grants and receipts		
Unspent grants	8 170 506	8 266 506

	2025	2024
Movement during the year		
Balance at the beginning of the year	8 266 506	9 913 111
Additions during the year	83 870	96 000
Income recognition during the year	(179 870)	(1 742 605)
	8 170 506	**8 266 506**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. See note 13.1 for reconciliation of grants from National Government.

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

12. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Total
Leave provision	2 189 804	182 292	2 372 096

Reconciliation of provisions - 2024

	Opening Balance	Utilised during the year	Total
Leave provision	2 303 020	(113 216)	2 189 804

		2025 R	2024 R
13. Revenue			
Admission Fees		3 768 276	3 491 609
Rental income		2 200 082	1 950 911
Sales curios, refreshments and festivals		966 056	384 194
Other income	Note 19	798 948	610 270
Interest received		1 697 750	1 789 210
Government grants & donations		116 384 325	112 228 904
Services in-kind		18 628 841	13 971 631
		144 444 278	**134 426 729**

The amount included in revenue arising from exchanges of goods or services are as follows:

Admission fees		3 768 276	3 491 609
Rental income		2 200 082	1 950 911
Sales curios, refreshments and festivals		966 056	384 194
Other income	Note 19	798 948	610 270
Interest received		1 697 750	1 789 210
		9 431 112	**8 226 194**

	2025 R	2024 R
The amount included in revenue arising from non-exchange transactions is as follows: **Taxation revenue** **Transfer revenue**		
Government grants and donations	116 384 325	112 228 904
Services in kind	18 628 841	13 971 631
	135 013 166	**126 200 535**

Notes to the Annual Financial Statements

	2025	2024
	R	R

13.1 Revenue From non-exchange transactions

Revenue comprises income received from the following sources:

	2025	2024
Grants and donations	116 384 325	112 228 904

Reconciliation of grants and donations:

Movement in grant 2025	Balance unspent at receipts beginning of year	Current year receipts	Current year non-cash receipts	Conditions met - transferred to revenue	Conditions still to be met - remain liabilities
	R	R	R	R	R
State subsidy	-	114 831 000	-	114 831 000	-
Other grants	8 266 506	403 670	437 550	937 220	8 170 506
Donations	-	11 659	604 446	616 105	-
	8 266 506	**115 246 329**	**1 041 996**	**116 384 325**	**8 170 506**

Movement in grant 2024	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Conditions still to be met - remain liabilities
	R	R	R	R
State subsidy	-	109 976 000	109 976 000	-
Other grants	9 913 111	96 000	1 834 955	8 266 506
Donations	-	417 949	417 949	-
	9 913 111	**110 489 949**	**112 228 904**	**8 266 506**

13.2 Services in kind

	2025	2024
Services in-kind	18 628 841	13 971 631

DMSA recognises services in-kind relating to the following properties:

- ERF 1694 portion 0 of Pretoria North - Coert Steynberg Museum
- ERF 308 portion 0 of Pretoria – DITSONG: Kruger Museum
- ERF 309 portion 1 of Pretoria – DITSONG: Head Office
- ERF 328 portion 177 of JR – DITSONG: Pioneer Museum
- ERF 3419 portion 0 of Pretoria– DITSONG: National Cultural History Museum ERF 714 portion 0 of Pretoria – National Natural History Museum
- ERF 3261 portion 0 Pretoria - DITSONG: Piernieef Museum
- ERF 430 Saxonwold- DITSONG: Museum of Military History
- PORTION 89 of farm 364 Zwartkoppies Jr- DITSONG: Sammy Marks Museum
- REMAINDER of farm 149 Jr - DITSONG: Tswaing Crater Museum
- REMAINDER of portion 88 of farm 513 Kaalfontein Jr-DITSONG: Willem Prinsloo Agricultural Museum

The Department of Sport, Arts and Culture is paying rent for these properties to the Department of Public Works on behalf of DMSA.

Notes to the Annual Financial Statements

		2025 R	2024 R
	13.3 Revenue From exchange transactions		
	Sale of goods and services	**5 458 280**	**4 472 694**
	Admission fees	3 768 276	3 491 609
	Income sales / services	723 948	596 891
	Sales curios, refreshments and festivals	966 056	384 194
	Cost of sales	**49 084**	**8 245**
	Opening inventory	477 385	337 631
	Purchases	193 872	147 999
	Less: Closing inventory	(622 173)	(477 385)
	Other revenue	**2 275 082**	**1 964 290**
	Other revenue streams	75 000	9 595
	Rental income	2 200 082	1 950 911
	Bad debts, bursary and training fees recovered	-	3 784
14.	**Operating deficit**	**(13 852 302)**	**(11 007 076)**
	Operating deficit for the year is stated after accounting for the following:		
	Loss on sale of property, plant and equipment	(40 078)	(459 251)
	Operating lease straight line adjustment	39 977	70 406
	Depreciation on property, plant and equipment	3 278 366	3 347 748
	Employee costs	67 673 290	65 037 192
	Expense items:		
	14.1 Administrative costs	**(28 337 399)**	**(24 902 410)**
	Advertising and Marketing	(1 236 671)	(1 250 203)
	Bank charges	(124 389)	(104 814)
	Insurance	(984 832)	(865 336)
	Legal fees	(701 075)	(677 979)
	Licence fees	(50 234)	(11 798)
	Postage and stationery	(51 129)	(77 540)
	Staff training	(479 328)	(398 195)
	Telephone and internet	(7 031 208)	(6 381 705)
	Travelling costs	(1 010 100)	(844 116)
	Water and electricity	(16 668 433)	(14 290 724)
	Cost of sales	(49 084)	(8 245)
	Current service cost	(755 000)	(811 000)
	Depreciation and amortization	(3 443 042)	(3 484 834)
	Interest service cost	(6 482 000)	(5 594 000)
	Finance costs	(1 086 026)	(1 110 041)

Notes to the Annual Financial Statements

	2025 R	2024 R
14. Operating deficit (continued)		
14.2 Employee costs-normal cost	**(67 673 290)**	**(65 037 192)**
Basic	(57 398 186)	(54 748 719)
Overtime payments	(144 820)	(69 625)
13th Cheques	(4 212 435)	(4 103 236)
Pension fund benefit	(705 253)	(788 978)
Housing benefits and allowances	(95 250)	(116 430)
Medical aid benefit	(653 791)	(705 033)
Cellphone allowance	(262 800)	(215 800)
UIF	(280 652)	(282 471)
Acting allowances	(1 108 465)	(1 293 737)
Travel allowance	(602 880)	(591 842)
Casual employees	(1 203 211)	(932 067)
Workmens Compensation	(77 671)	(129 237)
Movement in accumulated leave provision	(321 628)	(415 432)
Pensioners' medical aid contribution	-	(418)
Council remuneration	(606 248	(644 167)
14.3 Operating expenses	**(50 470 739)**	**(44 486 083)**
Bad debts	(494 125)	-
Consulting services	(1 701 901)	(2 063 220)
Consumables	(4 625 655)	(4 597 927)
Restoration expenses	(10 924)	(16 430)
Research expenses	-	(6 688)
Exhibition expenses	(29 737)	(46 530)
External audit fees	(4 094 126)	(3 026 088)
Library	(182 572)	(63 954)
Other expenses	(1 358 529)	(3 253 635)
Rental expense	(517 182)	(128 465)
Rental expense - Services in-kind	(18 628 841)	(13 971 631)
Repairs and maintenance	(973 388)	(101 790)
Security services	(17 853 759)	(17 209 725)
Total expenses	**(158 296 580)**	**(145 433 805)**
14.4 (Loss) / Profit on assets written off	**(40 078)**	**(459 251)**
Proceeds from insurance claim	87 579	26 875
Disposal of property, plant and equipment	(127 657)	(486 126)
14.5 Operating Lease Straight Lining Adjustment Operating Lease Income /(Expense)	39 977	70 406
	39 977	**70 406**

Notes to the Annual Financial Statements

	2025	2024
	R	R

15. Interest received

Interest revenue		
Bank	1 633 092	1 773 682
Interest charged on trade and other receivables	64 658	15 528
	1 697 750	**1 789 210**

Interest received comprises interest received from funds invested at the CPD account at interest rates ranging between 7.75% and 8.25% over the reporting period and interest on credit balances in the current account, call account at interest rates ranging between 5.5% and 8.1% and interest charged on outstanding debtors at a rate of 11.75% per annum.

16. Other revenue

Admission fees		3 768 276	3 491 609
Rental income		2 200 082	1 950 911
Sales curios, refreshments and festivals		966 056	384 194
Other income	Note 19	798 948	610 270
		7 733 362	**6 436 984**

17. Contingencies

17.1 Contingent liabilities

	Probable loss R	Possible loss R	Estimate Total costs/Future costs R
Service Provider for Cleaning Services vs DMSA	-	1 157 079	1 157 079

2025

Service Provider for Cleaning Services is suing DITSONG: Museums of South Africa for a full contract amount of R1 157 079 following an early termination of their cleaning services. The Service Provider was appointed for a three months period and their services were terminated in the first month of the contract due to a Court interdict that prevented DMSA from appointing a cleaning services company.

2024

There were no contingent liabilities at year end.

17.2 Contingent assets

2025

There were no contingent assets at year end.

2024

There were no contingent assets at year end.

Notes to the Annual Financial Statements

	2025	2024
	R	R

18. Operating lease

DMSA as a Lessor

DMSA is currently leasing out its facilities to generate income. DMSA has fixed term leases with terms ranging between 1 and 5 years at year end:

Lessee	Effective from	Duration of the agreement
RPM Events and Decor	01 Jul 2023	5 years
SAAACA	01 Oct 2024	2 years
Council for Geoscience	01 Apr 2023	2 years
Maribelo Trading and Projects	01 Jul 2023	5 years

The following lease payments are receivable:

	2025	2024
	R	R
Within 1 year	811 496	1 247 007
Between 1-5 years	1 154 864	1 515 306
Later than five years	-	-
Total lease commitments	1 966 360	2 762 313

The contracts entered into during the year and future contracts are benchmarked against the market rates. No contingent rental income was recognised as revenue in the reporting period.

DMSA as a Lessee

DMSA entered into a lease through transversal contract RT3 2018 with Altron Bytes Document Solutions for the lease of 9 photocopying machines for a period of 36 months for DMSA offices for a contractual value of R2 001 830.76.

The following lease payments are payable:

Within 1 year	667 277	667 277
Between 1-5 years	333 638	1 000 915
Later than five years	-	-
Total lease commitments	**1 000 915**	**1 668 192**

No contingent rental expense was recognised as expenditure in the reporting period.

Property Owned by the Department of Public Works and Infrastructure

All buildings occupied by DMSA are owned by the Department of Public Works and Infrastructure and have been occupied at no cost during the year. There is no contract in place for lease of these buildings.

19. Other income

Other revenue streams	75 000	9 595
Income sales / services	723 948	596 891
Bad debts, bursary and training fees recovered	-	3 784
	798 948	**610 270**

Notes to the Annual Financial Statements

	2025	2024
	R	R

20. Emoluments of Council, Committee Members and Senior Management Executive

2025

	Salary/Fee	13th Cheque	Travel Allowance	Other Benefits	Total
Dr M. Mohapi - ACEO	1 324 746	96 509	120 000	19 200	1 560 455
Mr N. Hlophe - CFO	1 301 836	109 216	21 600	19 200	1 451 852
Dr G. Seabela - Acting	773 877	49 203	-	-	823 080
Director DNMCH (#4)			24 000	12 000	1 115 431
Ms T. Perregil - Acting	1 001 329	78 102			
Director DNMCH					
Mr A. Sinclair - Director	972 536	72 859	-	14 400	1 059 795
DNMMH (#3)					
Dr W. Strümpher - Acting	803 441	49 371	-	-	852 812
Director DNMNH (#5)					
	6 177 765	**455 260**	**165 600**	**64 800**	**6 863 425**

2025

	Council	Core Functions	HRREMCO	ARIC	Other	Total
Council:						
Dr A. Mdletye - Deputy Chairperson of Council	24 437	-	17 490	-	40 174	82 101
Mr G. Ontong - Chairperson of Core Functions	22 200	14 128	-	-	31 345	67 673
Adv M.J. Ralefatane - Council Chairperson	26 896	-	-	-	64 606	91 502
Mr H. Nkanyane	22 200	-	-	11 660	19 574	53 434
Dr D. Ngobese	22 817	-	21 192	-	31 788	75 797
Mr M. Masooa	22 200	11 660	-	-	14 064	47 924
Ms C. Fani	20 405	-	11 660	-	9 802	41 867
Ms Z. Dlamini	22 200	-	-	16 370	16 183	54 753
Ms Z. Ngcibi	19 285	-	-	11 660	12 450	43 395
Mr S. Maharaj - Independent Chairperson of Audit, Risk & ICT Committee (#1)	4 446	-	-	21 678	1 112	27 236
Mr V. Magan - Independent Chairperson of Sudit, Risk & ICT Committee (#2)	4 446	-	-	7 226	8 894	20 566
	211 532	**25 788**	**50 342**	**68 594**	**249 992**	**606 248**

Notes to the Annual Financial Statements

	2025	2024
	R	R

#1 The Independent chairperson of ARIC resigned on 30 October 2024
#2 The Independent chairperson of ARIC was appointed on 1 November 2024
#3 The Director was appointed on 1 June 2024
#4 The Acting Director was appointed on 1 August 2024
#5 The Acting Director was appointed on 1 August 2024

2024

	Salary / Fee	13th Cheque	Travel Allowance	Other Benefits	Total
Dr M. Mohapi - ACEO	1 289 069	93 698	120 000	19 200	1 521 967
Ms A. Tinta - CEO (#1)	367 571	30 769	-	7 500	405 840
Mr N. Hlophe - CFO (#2)	1 332 633	71 537	21 600	18 000	1 443 770
Dr N. Solani - Director DNMCH(#3)	364 902	41 288	-	4 800	410 990
Ms T. Perregil - Acting Director DNMMH	1 082 196	74 654	24 000	12 000	1 192 850
Mr A. Sinclair - Acting Director DNMMH	678 633	34 304	-	-	712 937
Dr M. Tawane - Acting Director DNMMH	445 642	39 054	-	-	484 696
	5 560 646	**385 304**	**165 600**	**61 500**	**6 173 050**

	Council	Core Function	HRREMCO	ARIC	Other	Total
Council:						
Dr A. Mdletye - Deputy Chairperson of Council	27 393	-	13 010	-	40 282	80 685
Mr G. Ontong	24 900	15 752	-	-	35 654	76 306
Adv M.J. Ralefatane Council Chairperson	26 612	-	-	-	66 430	93 042
Mr H. Nkanyane	24 900	-	-	18 395	9 590	52 885
Dr D. Ngobese	24 900	-	15 752	-	36 157	76 809
Mr M. Masooa	24 900	13 010	-	-	9 927	47 837
Ms C. Fani	19 515	-	10 095	-	9 899	39 509
Ms Z. Dlamini	24 900	-	-	15 480	10 075	50 455
Ms Z. Ngcibi	21 985	13 010	-	4 344	26 915	66 254
Mr S. Maharaj	13 338	-	-	36 682	10 365	60 385
Independent Chairperson of Audit, Risk & ICT Committee						
	233 343	**41 772**	**38 857**	**74 901**	**255 294**	**644 167**

Notes to the Annual Financial Statements

	2025	2024
	R	R

#1 The CEO was appointed from 06 October 2023 and resigned on 31 January 2024
#2 The CFO was appointed on 1 June 2023
#3 The Director resigned on 30 June 2023

21. Depreciation and amortisation

Property, plant and equipment	3 278 366	3 347 748
Intangible assets	156 920	126 935
Living resources	7 756	10 151
	3 443 042	**3 484 834**

22. Finance costs

Interest on over due accounts	1 086 026	1 110 041

23. Breakdown of other expenses

23.1 Other expenses

Membership fees	11 397	45 272
Conferences and seminars	800	1 000
Catering and refreshments	81 572	95 970
Printing and stationery	124 116	159 439
Mampoer expenses	40 323	35 081
Education	78 081	34 061
Collection management	10 391	2 563
Festivals	7 957	-
Events	97 689	122 269
Outreach programmes	5 915	9 461
Farming expenses	68 361	28 311
Recruitment costs	143 611	531 874
Grant funded projects expenditure	688 316	2 188 334
Other Expenses	**1 358 529**	**3 253 635**

23.2 Other receipts

Other receipts

Other revenue streams	75 000	9 595
Rental income	2 200 082	1 950 911
Bad debts, bursary and training fees recovered	-	3 784
Other receipts	**2 275 082**	**1 964 290**

24. Auditors' remuneration

Fees	4 094 126	3 026 088

Notes to the Annual Financial Statements

	2025	2024
	R	R

25. Taxation

No provision has been made for taxation since DITSONG: Museums of South Africa is exempted from taxtion in terms of Section 10(1)(cA)(1) of the Income Tax Act.

26. Cash generated from operations

	2025 R	2024 R
Deficit	(790 800)	(6 431 062)
Adjustments for:		
Depreciation and amortisation	3 443 042	3 484 834
Gain on sale of assets and liabilities	40 078	459 251
Cost of sales	49 084	8 245
Operating Lease Straight Lining Adjustment	(39 977)	(70 406)
Movements in retirement benefit assets and liabilities	(8 438 000)	(1 103 000)
Movements in provisions	182 292	(113 216)
Inventory losses or write-downs	214	(141)
Changes in working capital:		
Inventories	(144 929)	(164 973)
Receivables from exchange transactions	(428 411)	57 495
Trade and other payables from exchange transactions	6 279 951	7 542 211
Unspent conditional grants and receipts	(96 000)	(1 646 605)
	56 544	**2 022 633**

27. Related parties

Relationships	
Council Members	Refer to members' report note 20
Custodian of assets	Department of Public Works and Infrastructure
Controlling entity	Department of Sport, Arts and Culture (DSAC)
Post employment benefit plan for employees of entity and/or other related parties	Museum Pension Fund
Post employment benefit plan for employees of the entity	Government Employees Pension
Fund members of key management	Refer to members' report note 20
Grant funder	National Research Foundation
Donor in-kind	South African Museum of Military History Building & Development Trust
Funding for interns	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA)
Grant funder	National Heritage Council

Notes to the Annual Financial Statements

	2025 R	2024 R
27.1 Related party balances		
Amounts included in Trade receivable (TradePayable) regarding related parties		
Department of Sport, Arts and Culture	8 170 506	8 266 506
Commitments with related parties		
Department of Sport, Arts and Culture	8 170 506	8 266 506
27.2 Related party transactions		
Remuneration of Council Members and Senior Management	7 469 673	6 817 217
DSAC grant transferred (equitable share)	114 831 000	109 976 000
DSAC services in-kind (non-cash grant)	18 628 841	13 971 631
Museum Pension Fund - post employment benefit plan	553 190	628 720
Government Employees Pension Fund - post employment benefit plan	152 063	160 258
The Department of Public Works and Infrastructure (DPWI)	-	63 000
NRF (NSCF) grant funded	113 769	96 000
CATHSSETA	319 800	-
National Heritage Council	500 000	-
South African Museum of Military History Building & Development Trust	604 446	335 681

28. Prior-year adjustments

Presented below are those items contained in the statement of financial position. During the year, it was discovered that the current portion of the Employee Benefit Obligation for 2024 was not accounted for. The correction has been implemented in the current year and the prior year balance have been restated.

Statement of financial position

Current Liabilities

	As previously reported	Adjustments	Restated
Trade and other payables from exchange transactions	39 704 738	-	39 704 739
Employee benefit obligation	-	2 969 000	2 969 000
Income received in advance from non exchange transactions	8 266 506	-	8 266 506
Provisions	2 189 804	-	2 189 804
	50 161 048	**2 969 000**	**53 130 049**

Non-Current Liabilities

	As previously reported	Adjustments	Restated
Employee Benefit Obligation	46 469 000	(2 969 000)	43 500 000
	46 469 000	**(2 969 000)**	**43 500 000**

Notes to the Annual Financial Statements

	2025	2024
	R	R

29. Risk management

29.1 General

Exposure to credit, interest rate, currency and liquidity risks arises in the normal course of business. It is the entity's objective to minimise its exposure to the various financial risks through its risk management policies and procedures.

The entity attempts to manage financial risk where this involves activities in which it has appropriate competencies.

29.2 Operational risk

Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The entity cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, the entity is able to manage the risk. Controls include effective segregation of duties, access control, authorisation and reconciliation procedures, staff education and assessment processes.

29.3 Categories of financial instruments

FINANCIAL ASSETS	Classification	2025 R	2024 R
Trade and other receivables		***1 375 665***	***947 254***
Trade receivables	Loans and receivables	1 664 649	670 352
Other receivables	Loans and receivables	(288 984)	276 902
Cash and cash equivalents		***11 520 059***	***12 169 745***
Bank balances	Loans and receivables	1 505 180	2 831 487
Short term deposits	Loans and receivables	10 014 879	9 338 258
FINANCIAL LIABILITIES			
Trade and other payables		***45 984 690***	***39 704 738***
Trade payables	Financial Liabilities at a mortised cost	45 984 690	39 704 738

Prudent liquidity risk management implies maintaining sufficient cash through proper management of working capital, capital expenditure and cash. Due to the dynamic nature of the underlying operations, the entity aims to maintain sufficient funding through a robust Medium-term Expenditure Framework (MTEF) budgeting process.

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

Liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funding from adequate banking facilities ranging from overnight to 364-day facilities and the ability to close out market positions.

29.4 Financing capacity

In terms of the Public Finance Management Act (No. 1 of 1999) as read with the Treasury Regulations the entity may not enter into any financing agreements without the express consent of National Treasury.

29.5 Interest rate risk

The entity's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on surplus / (deficit). The entity's interest rate risk arises from financial service assets such as cash and cash equivalents. Borrowings issued at floating rates expose the entity to cash flow interest rate risk,

Notes to the Annual Financial Statements

	2025	2024
	R	R

29. Risk management (continued)

while fixed rate borrowings expose the entity to fair value interest rate risk. As part of the process of managing the entity's fixed and floating rate borrowings mix, the interest rate characteristics of new borrowings and refinancing of existing borrowings are positioned according to expected movements in interest rates.

The sensitivity of the entity's surplus or net assets to its exposure to interest rate risk is presented below. The analysis considers the impact of a reasonably possible change in the prime rate of interest, with all other variables held constant. At the reporting date, the prime rate is 11% (2024: 11,75%).

2025	Movement in basis point	Effect on surplus for the year R	Effect on net assets R
Floating rate financial assets			
Cash and cash equivalents	+150	172 801	172 801
	-50	(57 600)	(57 600)

2024	Movement in basis point	Effect on surplus for the year R	Effect on net assets R
Floating rate financial assets			
Cash and cash equivalents	+150	182 546	182 546
	-50	(60 849)	(60 849)

There are no foreign interest-bearing borrowings.

The carrying amounts of the entity's financial instruments that are exposed to interest rate risk are as follows:

29.6 Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year R	Due in two to five years R	Due in five years to ten years R
Trade and other receivables	11,75%	1 375 665	-	-
normal credit terms Cash and cash equivalents:	5,5% - 8,25%	11 520 059		
- Bank balances	5,5%	1 505 180	-	-
- Short term deposits	7,35% - 8,25%	10 014 879	-	-
Trade and other payables	0.00%	45 984 690	-	-

Credit risk

Credit risk arises on cash and cash equivalents and trade receivables. The risk on the cash and cash equivalents is managed through dealing with well established financial institutions, endorsed by National Treasury.
The risk arising on the trade receivables is managed through normal credit risk relating to the trade receivables is not concentrated due to a diversified customer base. Adequate provision is made for doubtful debts.
The bulk of the customers is concentrated in the private sector but also consists of other government agencies. On-going credit evaluation is performed on the financial condition of trade receivables. No events occurred in the sector during the financial year that may have an impact on accounts receivable that have not yet been adequately provided for.

Notes to the Annual Financial Statements

	2025	2024
	R	R

29.7 Gains and losses on financial instruments

2025	Fair value movement R	Interest income R	Interest expense R	Impairment loss R	Total R
Trade and other receivables	-	(64 658)		-	(64 658)
Trade and other receivable	-	(64 658)		-	(64 658)
Cash and cash equivalents	-	(1 633 092)	-	-	(1 633 092)
Bank balances	-	(1 633 092)	-	-	(1 633 092)

2024	Fair value movement R	Interest income R	Interest expense R	Impairment loss R	Total R
Cash and cash equivalents	-	(15 528)	-	-	(15 528)
Trade and other receivable	-	(15 528)	-	-	(15 528)
Cash and cash equivalents	-	(1 773 682)	-	-	(1 773 682)
Bank balances	-	(1 773 682)	-	-	(1 773 682)

30. Irregular expenditure and fruitless and wasteful expenditure

	2025	2024
	-	-
Irregular expenditure	26 162 383	20 489 878
Fruitless and wasteful expenditure	1 086 026	1 110 041
Closing balance	**27 248 409**	**21 599 919**

Irregular expenditure is presented inclusive of VAT

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Two contracts for the provision of security services and cleaning services were deemed to be awarded irregularly. The irregular amount incurred for the two (2) contracts was R17 782 629 and R4 764 557 respectively.

Three service providers were appointed at incorrect CIDB levels at amounts of R611 996, R87 436 and R19 900

Non-compliance with delegation on the SCM Policy for awards totaling R448 787. Deviations not meeting the criteria for emergency amounted to R2 443 071

A service provider was overpaid by R4 008.

Fruitless and wasteful expenditure relates to interest charged on overdue accounts on municipal charges by the Department amounting to R1 068 989 and other municipal charges amounting to R17 037. The non payment is due to underfunding of utility expenses.

Notes to the Annual Financial Statements

	2025	2024
	R	R
31. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Intangible assets	1 760 584	1 976 562
Total capital commitments		
• Already contracted for but not provided for	1 760 584	1 976 562
Intangible assets		
Website	1 329 186	1 329 186
Computer software	431 398	647 376
	1 760 584	**1 976 562**
Authorised operational expenditure		
Already contracted for but not provided for		
• Cleaning services	16 106 976	20 522 090
• Security services	64 826 213	82 608 803
	27 137 410	39 744 581
	108 070 599	**142 875 474**
Total operational commitments		
Already contracted for but not provided for	108 070 599	142 875 474
Total commitments		
Authorised capital expenditure	1 760 584	1 976 562
Authorised operational expenditure	108 070 599	142 875 474
	109 831 183	**144 852 036**

This committed expenditure relates to intangible assets and operating expenses and will be financed by available bank facilities, retained surpluses.

32. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R844 475 704 and that the entity's current liabilities exceed its current assets by R45 728 395.

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

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the Department of Sport, Arts and Culture continues to fund the ongoing operations for the entity.

33. Segment information

Information about geographical areas

The entity's operations are in the Gauteng Province with the majority of operations being in Pretoria and some operations being in Johannesburg. The operations in Pretoria are spread to Northern Pretoria, Eastern Pretoria and Pretoria Central. Revenues are not allocated per geographical area.

The table below indicates the relevant geographical information after eliminating inter segmental transfers:

2025	Revenue from non-exchange transactions	Revenue from exchange transactions	Total expenditure	Current and Non-current assets	Current and Non-current liabilities
Johannesburg	3 233 795	1 507 143	(16 486 574)	568 395 356	-
Pretoria Central	141 389 670	6 176 596	(129 686 155)	367 542 563	(94 558 292)
Pretoria Central	2 604 324	1 606 183	(8 271 164)	2 976 973	-
Pretoria North	847 195	141 089	(3 812 924)	719 919	-
	148 074 984	**9 431 011**	**(158 256 817)**	**939 634 811**	**(94 558 292)**

2024	Revenue from non-exchange transactions	Revenue from exchange transactions	Total expenditure	Current and Non-current assets	Current and Non-current liabilities
Johannesburg	2 314 959	1 226 203	(15 241 153)	528 343 181	-
Pretoria Central	126 258 936	5 752 836	(120 448 896)	414 005 919	(96 630 048)
Pretoria East	1 956 406	1 190 188	(6 650 839)	480 146	-
Pretoria North	635 234	127 374	(3 552 309)	10 189	-
	131 165 535	**8 296 601**	**(145 893 197)**	**942 839 435**	**(96 630 048)**

sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

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