



Die Afrikaanse
**Taalmuseum
& -monument**

an agency of the
Department of Arts and Culture

ANNUAL REPORT 2016/2017



Die Afrikaanse Taalmuseum en -monument
Pastorielaan 11 Pastorie Avenue
Paarl 7646
T: 021 872 3441
F: 021 871 1106
E: admin@taalmuseum.co.za
www.taalmuseum.co.za

Cover Photo by: Vetman van der Naam

ISBN: 978-0-621-45104-7

RP380/2016

CONTENTS

PART A: GENERAL INFORMATION2

1. DIE AFRIKAANSE TAALMUSEUM EN - MONUMENT
GENERAL INFORMATION..... 2
2. LIST OF ABBREVIATIONS AND ACRONYMS 2
3. FOREWORD BY THE CHAIRPERSON..... 2
4. DIRECTOR'S OVERVIEW..... 5
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF
THE ACCURACY OF THE ANNUAL REPORT 6
6. STRATEGIC OVERVIEW 7
- 6.1 Vision 7
- 6.2 Mission 7
- 6.3 Values 7
7. LEGISLATIVE MANDATES..... 7
8. ORGANISATIONAL STRUCTURE..... 8

PART B: PERFORMANCE INFORMATION.....9

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED
OBJECTIVES 9
2. SITUATIONAL ANALYSIS 9
- 2.1 Service Delivery Environment 9
- 2.2 Overview of the Organisational Environment 9
- 2.3 Key Policy Developments & Legislative Changes 10
- 2.4 Strategic Outcome-oriented Goals..... 10
3. PERFORMANCE INFORMATION BY PROGRAMME 11
- 3.1 Programme: Administration 11
- 3.2 Programme: Business Ventures 13
- 3.3 Programme: Public Engagement..... 16
4. REVENUE COLLECTION..... 18
- 4.1 Revenue Collection 18
- 4.2 Capital Investment 19

PART C: GOVERNANCE 21

1. PORTFOLIO COMMITTEE 21
2. EXECUTIVE AUTHORITY 21
3. THE COUNCIL..... 21
4. RISK MANAGEMENT..... 23
5. INTERNAL CONTROL..... 24
6. INTERNAL AUDIT AND AUDIT COMMITTEES..... 24
7. COMPLIANCE WITH LAWS AND REGULATIONS..... 25
8. FRAUD AND CORRUPTION 25
9. MINIMISING CONFLICT OF INTEREST 25
10. CODE OF CONDUCT..... 25
11. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES.. 25
12. SOCIAL RESPONSIBILITY..... 25
13. AUDIT COMMITTEE REPORT 25

PART D: HUMAN RESOURCE MANAGEMENT 27

1. INTRODUCTION..... 27
2. HUMAN RESOURCE OVERSIGHT STATISTICS..... 27

PART E: FINANCIAL INFORMATION..... 30

1. REPORT OF DIRECTOR 30
2. REPORT OF EXTERNAL AUDITOR..... 31
3. ANNUAL FINANCIAL STATEMENTS 36

PART F: APPENDICES 71

* THESE DOCUMENTS ARE ONLY AVAILABLE IN THE ENGLISH VERSION
OF THE ANNUAL REPORT.



*Neville Alexander conversation, Receivers of awards and Board
Members, September 2016*

PART A: GENERAL INFORMATION

1. DIE AFRIKAANSE TAALMUSEUM EN - MONUMENT GENERAL INFORMATION

Die Afrikaanse Taalmuseum en -monument
11 Pastorie Avenue
PO Box 498
Paarl 7646
T: 021 872 3441
F: 021 871 1106
E: admin@taalmuseum.co.za
www.taalmuseum.co.za

2. LIST OF ABBREVIATIONS AND ACRONYMS

AAB	Approved Annual Budget
AFS	Annual Financial Statements
AG	Auditor-General
APP	Annual Performance Plan
ASP	Approved Strategic Plan
ATM	Die Afrikaanse Taalmuseum en -monument
BGR	BGR Chartered Accountants
DAC	Department of Arts and Culture
DPW	Department of Public Works
GRAP	Generally Recognised Accounting Practice
GAAP	Generally Accepted Accounting Practice
HED	Higher Education Diploma
MBL	Master of Business Leadership
MTEF	Medium-term Expenditure Framework
PAA	Public Audit Act of South Africa
PE	Public Entity
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMP	Senior Management Programme
TR	Treasury Regulations

3. FOREWORD BY THE CHAIRPERSON

3.1 Introduction

The Council of the ATM continues to focus on meeting the objectives set out in the Strategic Plan as part of its broader goal to enhance the operational effectiveness towards attaining the vision and mission of the Afrikaanse Taalmuseum & - Monument (Afrikaans Language Museum and Monument). Council is also generally satisfied that, despite the challenges it had to contend with since its appointment at the end of 2014, it has taken strides in providing strategic direction to the operations and initiatives of the entity, which encompasses flagship institutions in both the Museum and Monument. Council is also appreciative of the intervention of the Ministry of Arts & Culture in attempting to find a middle ground to accommodate and mitigate against adverse audit findings as a direct result of the implementation of the GRAP legislation, among others. In the light of the afore-mentioned it was pleasing to sign the current shareholders' compact with the honourable minister in the knowledge that the few queries raised by the office of the Auditor-General are being punctiliously attended to towards achieving a clean audit report. Accordingly, Council has given strict and clear instructions to the ATM Management team to ensure absolute compliance with the PFMA and GRAP regulations as well as Supply Chain challenges identified and highlighted in the past Auditor-General's Report on the ATM.

In compliance with the need to inhere demographic representivity Council also appointed a new Director, Mr Michael J Jonas, after its long-serving previous Director, Mr JP Louw, retired in June 2016. Council wishes to add emphatically that Mr Jonas was appointed after a rigorous meritocratic recruitment process and not just to comply with demographic imperatives. He simply was the best candidate for the job. To this end, Council is satisfied with his performance to date and believes that he will take the institution to even greater heights. Demographic representation within the ATM staff compliment remains central to Council's focus. However, the ATM's attempts to be as representative as possible are hampered by limited financial resources to afford the appointment of more permanent staff members. Despite this challenge, Council ensures that it offers interns opportunities to serve the institution in a broadly demographic representative way. Council has also persisted in ensuring that financial resources are used frugally without compromising the strategic imperatives of the institution as well as its national and cultural mandates.

Thus, Council remains satisfied that resources are used effectively for the institution to continue contributing to national healing and social cohesion. It is also worth noting here that Council and Management will soon finalise the ATM's strategic plan for the next three years for submission to the Department of Arts and Culture in due course.

3.2 Overview of Strategy and Performance

The ATM Council's objectives are predicated upon a commitment to reinforce the role of Afrikaans as an inclusive language from which other national languages can derive lessons, especially, but not limited to, language development and promotion. To this end, Council has, as part of its mission, the perpetuation of respect and appreciation the ATM commands, especially with regard to it conveying the history of Afrikaans in its full and inclusive manner that recognises the role and influence played by other languages towards the development of the Afrikaans language within a diverse cultural and linguistic landscape. **Overview**



The following key strategic objectives are constantly reinforced: A targeted exponential increase in visitor numbers, including the broadening of areas from which learners from surrounding areas in the district are drawn, through the presentation of more public programmes; strengthening the ATM's financial adequacy through targeted programmes and visits to augment the institution's finances; marketing and education that have become central to the business of the institution; and persistent commitment to meet the ATM's varied needs through enhancing sustainable delivery of service in the form of exhibitions. These approaches have become useful and catalysts for research articles, lectures and educational outreach programmes with a reach to other provinces than the Western Cape.

3.3 Strategic Relations

The ATM continues with its affiliation to Die Afrikaanse Taalraad (the Afrikaans Language Council), a body that consists of more than 40 associations. This strategic affiliation ensures that work done in the ATM remains validated, relevant and resonates with current developments within the Afrikaans language and cultural industries. A number of entities in the Afrikaans business community have also provided financial support that has been very helpful in assisting the ATM meet some of the objectives that it would otherwise not have been able to meet. Council is convinced that such relationships be maintained and strengthened. Research inputs on issues pertaining to Afrikaans as well as the Museum and Monument are regularly sent to overseas magazines and contact persons who often then publish these. **Director and Kaptein John McNab of Rehoboth Basters, Namibia, October 2016 – handing over letter from the ATM and ATR**



3.4 Challenges Facing the Council

The ATM Council acknowledges and recognises the austerity measures that have been introduced to mitigate the financial stress in South Africa. However, Council still pleads with the Department of Arts and Culture to consider reviewing the manner in which our annual allocations are made vis-à-vis the entity's needs and the ATM's desire to it meet and fulfil its financial commitments and national mandate. There are also the resource challenges that impede succession planning in key positions; the expansion of facilities for an even greater public participation in ATM events and activities; the continuous need to adapt exhibitions in order to tell the full story of the history of Afrikaans; and greater visibility in other provinces than is currently the case.

3.5 Medium to Long-term Goals

Transformation remains one of the ATM's priorities. The expansion of the ATM's collections to be fully representative of all the communities that speak Afrikaans, in an effort to promote nation building and social cohesion remains an ongoing objective. To this end, the publication of a collection of essays, entitled *"Ons kom van ver – bydraes oor bruin Afrikaanssprekendes se rol in die ontwikkeling van Afrikaans"*, is most welcome. The book crisply documents the role played by various communities and individuals towards the development of Afrikaans, in a more nuanced and as broadly representative a manner as possible. Better accessibility to visitors living with disabilities remains central to the ATM. Accordingly, the installation of Braille signage and the construction of more wheelchair-friendly paths remain priorities. In doing this, the ATM attempts to use Afrikaans as a medium through which the process of transformation and reconciliation can be encouraged.

3.6 Recognition and Appreciation

The current Council's term comes to an end towards the end of 2017. As Chairperson of the outgoing Council, I express my sincerest gratitude and appreciation to all members of the Council and its sub-committees for their unwavering commitment, and their valuable, knowledgeable and on-going contribution to the fortunes of the ATM. I also thank Prof Nhlanhla Maake, who unfortunately tendered his resignation due to professional commitments, for his stint as member of the ATM's council.

It has been a humbling experience to serve in this capacity with a group of progressive intellectuals imbued with a deep sense of commitment to the country. I gained many positives by being part of this group and I remain eternally grateful for the opportunity given to me to serve.

I wish also to thank Ms Isabeau Botha, the outgoing Manager for Communication and Visitor Services, who has accepted a position in a new environment. On behalf of Council, I wish her the best in her new career endeavours and further appreciate the enthusiasm and professional demeanour with which she performed her duties during her days in the employ of the ATM.

I would be remiss if I did not express the ATM Council's appreciation to the Honourable Minister of Arts and Culture, Mr NE Mthethwa (MP), for the continued annual financial allocation the Department makes in support of the ATM's work. His continued personal interest in, and insistence on, clean audits during the entire term of the current Council is testimony of his keen interest in the good fortunes of the ATM.

3.7 Concluding Remark

Afrikaans remains an integral part of South Africa's linguistic and cultural tapestry. It furthermore offers a possibility to, and opportunity for, deepen(ing) reconciliation and social cohesion. The ATM remains precious to well-meaning patriots and it is the ATM Council's fervent desire that the institution grows from strength to strength to the benefit and service of the South African community at large. It remains a possible beacon of hope from which even previously marginalised South African languages are likely to draw valuable lessons in terms of language development, management and promotion.



Prof MC Mashige
CHAIRPERSON
31 May 2017



The Council of the ATM: Prof Janis Grobbelaar, Prof Mashudu Mashige (Chairperson), Dr Donovan Lawrence, Prof Elvis Saal, Prof Wannie Carstens (Vice Chairperson), Mr Michael Jonas (Director) and Prof Steward van Wyk.

4. DIRECTOR'S OVERVIEW

4.1 General Overview of Finances

During the financial year under review a remarkable increase in visitor numbers and participation in revenue generating activities were achieved. The increase resulted in a much-needed surplus income which enables the ATM to expand its activities and deliver on its mandate.

The income of the ATM was further boosted when the negotiations for a new lease of the Amphitheatre ceased. The Council decided to lease the facility on an ad hoc basis with notable success. Three events were hosted during the summer period of December 2016 until February 2017. The ATM will in future continue to handle the management of this facility.

Capital funds received from DAC will be utilised for the enlargement of the kitchen at Volksmond Coffee Shop located at the Monument. The reconstruction phase will take place during the winter months when business activities normally subside. An additional R400 000 was granted by DAC to complete the project.

Despite receiving the third lowest annual allocation from DAC for declared public entities, the ATM has succeeded in overcoming difficult financial obstacles in the past year through the assistance of loyal patrons and donors, and by employing resourceful strategies.

4.2 Spending Trends

The ATM is aware of its responsibility to the broader society and therefore subscribes to the principles of sound financial management and practice. In applying these principles, budget expenditure is closely monitored. Where there is nonetheless a deviation from specific budget items, the Council is satisfied that the deviation is justified and in the best interest of the ATM.

4.3 Challenges and Constraints

During the 2016/2017 financial year, the ATM Council and Management largely focused on addressing matters and findings raised by the management report presented by the Auditor-General's office for the 2015/2016 financial year. Compliance to financial regulations and other relevant legislation is very challenging, considering the size of the institution and the fact that procurement of goods and services is performed by only two staff members.

Medium Term Expenditure Funding (MTEF) Guidelines issued by NT restricts PE's to a 6.2% increase in budget expenditure. Because of their very nature, as mentioned above, no limitation in expenditure growth (e.g. a consumer price index) should be placed on planning assumptions when considering price increases over the MTEF period. Restrictive measures (such as using inflation projections) curb public enterprise and initiatives that are particular to a PE, particularly in instances where own income is generated to fund earmarked projects. To entertain public enterprise and initiatives, the public entities are very dependent on public funds.

These self-generated funds form an integral part of their budget and cannot be ignored when budgeting for the next year. Self-generated funds should thus also be taken into consideration when reviewing the budget programme structures and activity descriptions. When restrictions are placed on our budget planning for expenditure, it causes a bottleneck effect on our income as well. Moreover, expenditure is often determined annually by the externally-generated funds and the utilised conditions applicable to such funds.

In conclusion, the way forward should be that new legislation be considered to make provision for the particular character of PE's.

4.4 Rollover of Funds

The ATM must make annual financial provision for the above-mentioned activities, as well as for staff leave, maternity leave, upgrading the hiking trail at the Monument, and additions to the exhibition. Another obligation for which the rollover of funds is requested is the provision for auditing costs.

4.5 Supply Chain Management

The ATM made one procurement of above R100 000, to appoint a service provider to conduct a work-study. Smaller procurements are carefully monitored to ensure that at least three quotations are obtained. Specifications that allow for the most important elements of goods and services to be procured are used. Some problems were experienced with regard to SCM (see Note 23 of AFS).

4.6 Audit Report and Feedback

Findings and matters raised by the Auditor-General were dealt with. Strategies were implemented to ensure greater compliance. In future, all service providers will be registered on the Central Supplier Databasis. Staff will furthermore ensure that the necessary documentation is completed for the procurement of goods and services.

4.7 Economic Viability

Strict financial guidelines and internal control measures are followed to maintain economic viability. Meticulous administration, assurance and proven financial practices are followed. Cooperation with the Auditor-General and internal auditors to ensure sound administration is one of the ATM's main targets.

4.8 Acknowledgements and Appreciation

Once again we would like to acknowledge a very competent Council who, in the many areas of their expertise, were helpful in making the ATM a proud institution. To Minister Nathi Mthethwa and his deputy, Ms Makhotsa Soty, our thanks for their excellent leadership. We wish them well for the future.



Mr MJ Jonas
DIRECTOR
31 May 2017

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

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

- ❖ All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General.
- ❖ The Annual Report is complete, accurate and free of omissions.
- ❖ The Annual Report has been prepared in accordance with the guidelines for annual reports as issued by the National Treasury.
- ❖ The annual financial statements (Part E) have been prepared in accordance with the GRAP standards applicable to the ATM.

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

The Accounting Authority is responsible for establishing and implementing a system of internal control that 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, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the ATM for the financial year ended 31 March 2017.

Yours faithfully



Mr MJ Jonas
DIRECTOR
31 July 2017



Prof MC Mashige
CHAIRPERSON
31 July 2017

6. STRATEGIC OVERVIEW

6.1 Vision

The vision of the ATM is to operate the national Afrikaans Language Museum and Monument in such a manner that Afrikaans may be respected and appreciated to its full extent and as inclusively as possible.

6.2 Mission

The mission of the ATM is to:

1. build relationships with all South Africans through the medium of Afrikaans and in the context of multilingualism
2. collect and conserve relevant material and information related to the origin and development of Afrikaans
3. conduct research that would deepen and broaden existing knowledge about Afrikaans
4. portray the origin, development, benefit and expansion of Afrikaans; thereby stimulating visitor interaction
5. give exposure to the different facets of Afrikaans by means of lectures and publications
6. promote and stimulate Afrikaans nationwide at all levels of society, for example by offering educational programmes, guided tours and cultural activities
7. manage the ATM on sound financial principles and strive for its independent economic management
8. increase the number of visitors and generate funds
9. maintain the ATM's culture-historical buildings and heritage sites and the heritage of Afrikaans for the benefit of visitors
10. liaise with and enter into partnerships with relevant institutions.

6.3 Values

The ATM strives for the wellbeing of Afrikaans in South African society. In this spirit we wish to encourage and support Afrikaans especially among the youth and non-mother-tongue speakers. We constantly endeavour to establish mutual respect between Afrikaans and other indigenous languages by, among other things, acknowledging the mutual influence of different languages on each other.

We always strive to work candidly and transparently. High standards are maintained in educational presentations to learners and other groups of visitors. A strong emphasis is placed on operating within the framework of the relevant legislation and the requisite rules and policies.

To survive and flourish, and at the same time to maintain a high standard of work performance, we strive for high levels of integrity, reliability, transparency and professionalism.

7. LEGISLATIVE MANDATES

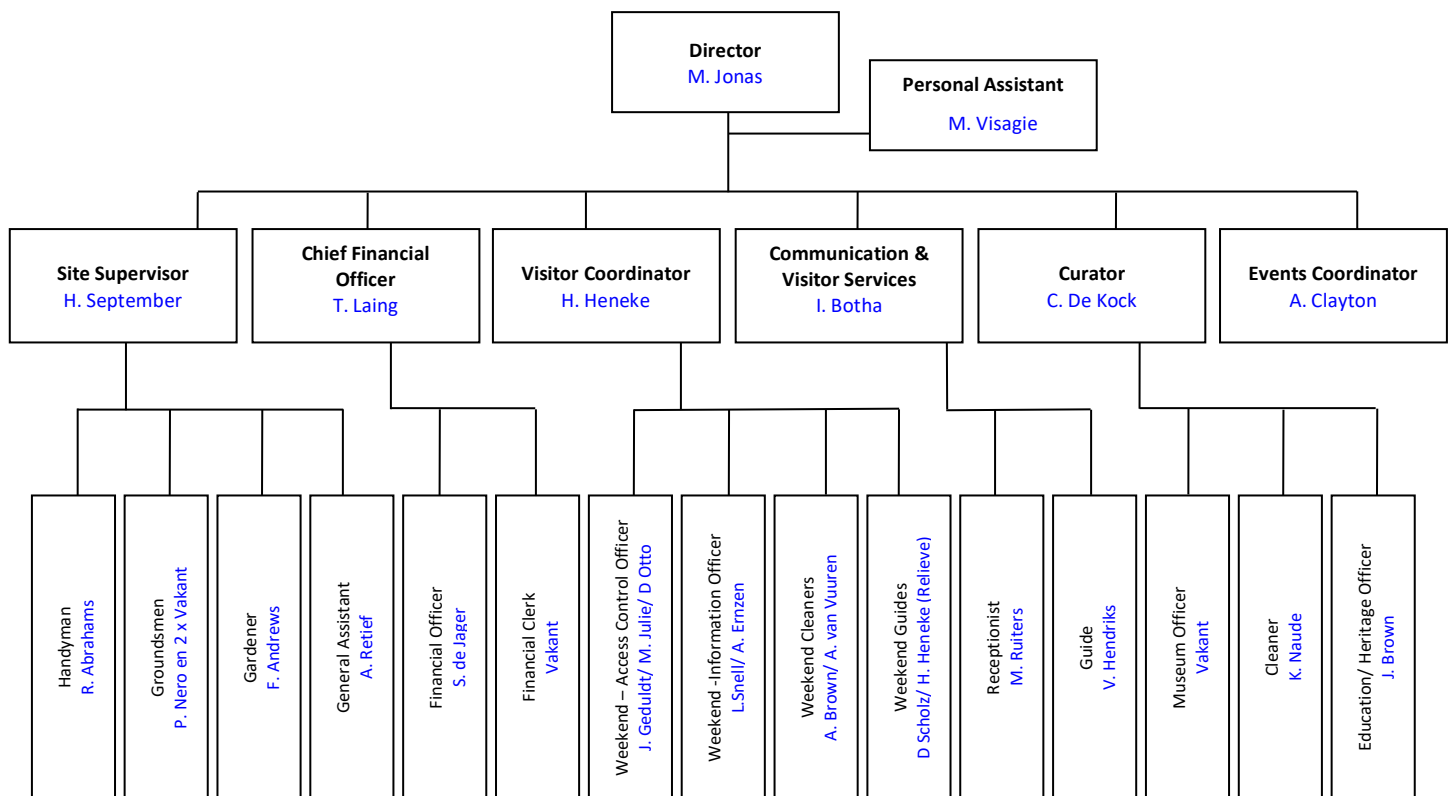
The ATM is a schedule 3A public entity in terms of the PFMA.

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA); Treasury Regulations, 2005; Cultural Institutions Act, 1998 (Act No. 119 of 1998), and other applicable acts and regulations.



Michelle Visagie, Executive Personal Assistant and Chantelle de Kock, Curator during the recording of the RSG Program - Die tale wat ons praat, January 2017

8. ORGANISATIONAL STRUCTURE



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General currently performs the necessary auditing procedures on the performance information in order to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to the ATM's management, with material findings being reported under the heading Predetermined Objectives in the section Report on Other Legal and Regulatory Requirements of the auditor's report.

Refer to page 31 of the Report of the Auditor-General, included in Part E: Financial Information.

2. SITUATIONAL ANALYSIS

Our fiscal resources will be allocated to exhibition reviews, research, collection management, and educational and public programmes. The number of outreach programmes to be undertaken varies continuously. Public programming efforts will focus on the educational and information needs of the respective audiences. The Garden Theatre at the Monument plays host to our picnic concerts in the summer. New research is being done to ensure the representativeness, scope and quality of our collections and of the research done on subjects relevant to the Afrikaans language. *Tania Laing, Chief Financial Officer and Michael Jonas during the annual Night Race December 2016*



2.1 Service Delivery Environment



The ATM is made up of three entities: The Afrikaans Language Museum, the Afrikaans Language Monument and the Amphitheatre. The Museum is situated in the heart of Paarl, while the Monument and Amphitheatre lie on the outskirts of the town against the slopes of Paarl Mountain.

The Museum houses an exhibition that portrays the establishment and development of Afrikaans.

At the Monument, facilities have been built and installed not only to attract visitors but also to support tourist activities. The approximately 100 hectares of fynbos with walking trails, mountain biking tracks, a children's play park, picnic facilities, a stage and two amphitheatres for events, a coffee shop and ample parking make the Monument an ideal venue for tourism initiatives.

The large Amphitheatre forms a very special part of our entertainment division. It can house a crowd of up to 4 250 people and is used for concerts and other events with popular and well-known artists and musicians.

2.2 Overview of the Organisational Environment

The ATM is governed by a Council, appointed for a three-year term by the Minister of Arts and Culture. The duties of the Council, as described in the Cultural Institutions Act, 1998 (Act No. 119 of 1998), are to:

- ❖ formulate policy;
- ❖ 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;
- ❖ receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1) [of the Act];
- ❖ raise funds for the institution;



Night Race in celebration of Boland School for Autism, December 2016

- ❖ 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;
- ❖ keep proper record of the property of the declared institution;
- ❖ 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;
- ❖ determine, subject to this Act and with the approval of the Minister, the objects of the declared institution; and
- ❖ generally, carry out the objectives of the declared institution.

In addition, the Council appoints, in consultation with the Minister, the Chief Executive Officer (CEO), and may determine the hours during which, and the conditions and restrictions subject to which, the public may visit the declared institution concerned, or portion thereof, and the admission charges to be paid.

The present structure of the ATM comprises of an exhibition panel, educational and heritage services, a curatorial division, financial division and a communication and marketing division.

2.3 Key Policy Developments and Legislative Changes

The Council approved a new policy with regards to post-employment benefits and revised and approved the policy for travel and subsistence.

2.4 Strategic Outcome-oriented Goals

The ATM has a staff complement of 36 as at 31 March 2017. In 2016/2017 the ATM's Director, Curator, Site Supervisor and Gardener retired. A handover period of one month for the position of Director was approved by the Council to ensure a smooth transition. The Council also approved a handover period for the Site Supervisor for two months due to extra projects that was in the pipeline (the upgrading of the existing gardens and the kitchen area). The post of Curator was filled full-time while the previous Curator only worked part-time. Two staff members were also employed on contract until 31 March 2017 to assist permanent staff in the Museum and educational division. These changes had a significant impact on the actual staff expenditure for 2016/2017.

All available funds not allocated towards the compensation of our employees is spent to ensure we have a skilled workforce, comply with necessary regulations, ensure functioning core functions, and achieve strategic goals and key outcomes. With the innovative means to attract more visitors and, in doing so, receive more revenue, the full-moon picnics, stargazing evenings and picnic concerts were born. This meant that the expenses also increased as the picnic concerts have artists performing. All the profits (if there are any) are utilised to further the ATM's projects. One of these is the Reading Project that the ATM started a few years ago. The aim of the project is to promote a culture of reading and awaken a love of books, and to create an environment where children will feel at home with books. This is mainly aimed at rural schools without reading facilities and without libraries.



Refentse, Picnic Concert, December 2016

With the growing interest in events that are held at the Monument, like the full-moon picnics, stargazing evenings and picnic concerts, provision needed to be made for additional security and first-aid services at these events. Due to weather and venue restrictions, the number of events planned needed to be curbed.

In 2015 the ATM was informed that National Treasury will no longer assist in the payment of the Auditor-General's audit fee. The ATM discussed the matter with the Auditor-General who agreed to do the audit at a lower cost to enable the ATM to afford the audit. The ATM also applied to have all the outstanding audit fees of the Auditor-General to be written off, which they were. The ATM made a provision for the external auditor's full fee in their budget for 2016/2017, but during the budget process for 2017/2018 it became evident that the ATM will not be able to sustain large payments towards audit fees.

The ATM's current IT system comprises stand-alone computers which are linked via a LAN connection. In July 2015 it was learned that there is no line-of-sight between the Museum and Monument, but a network with a server will be too costly for the ATM to install and maintain. An internal survey showed that about half of the computers used by staff are four years and older. In an effort to address this, provision was made for three computers to be replaced per year for the next three years from 2015/2016.

The visitors' centre at the Monument hosts an exhibition that is an extension of the current exhibitions at the Museum, as well as the activities and programmes already held at the Monument. The centre also controls visitor flow, enquiries and visitor administrative logistics. Furthermore, its lecture hall serves as a place where groups are informed about the different activities and aspects concerning the heritage of Afrikaans and its contribution to nation building and social cohesion. A temporary exhibition which features poems is currently hosted in an outdoor gallery in the garden of the Monument.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme: Administration

3.1.1 Strategic objective 1: Entrance to the Museum and Monument

Purpose of programme	Sub-programmes	Strategic objective
Increasing revenue at the Museum and Monument	Entrance to the Museum and Monument	To increase the number of visitors by 10% over the next five years

3.1.1.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/2016 to 2016/2017	Comment on variances
Increased No of visitors per annum	76 264	62 300	89 912	27 612	13 648	Significantly more visitors to the Monument
No of profitable events per annum	18	22	18	-4	0	Two events were postponed due to unforeseen circumstances. The weather was not suitable for International Sight the Moon Night in September. Three events were not profitable.

3.1.1.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Presenting profitable events	237	673	-436	132	686	-554
Total	237	673	-436	132	686	-554

3.1.2 Strategic objective 2: Human Resource Management

Purpose of programme	Sub-programmes	Strategic objective
Ensuring staff are well-trained and evaluated regularly in order for a higher level of service delivery to be achieved.	Human Resource Management	To maintain a 100% evaluation rate and ensuring a well-trained staff

3.1.2.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/2016 to 2016/2017	Comment on variances
Percentage of staff members evaluated per annum	100%	100%	0%	-100%	-100%	Evaluation of job descriptions and performance agreements were compiled. A work study was conducted to evaluate current staff's salary levels.
Coordinate and manage training for each staff member (in percentage) per annum	100%	100%	100%	0	0	Target reached – 13 different training opportunities for the year

3.1.2.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Training costs	46	32	14	46	15	31
Total	46	32	14	46	15	31

3.1.3 Strategic objective 3: Property Management

Purpose of programme	Sub-programmes	Strategic objective
Ensuring presentable buildings, well-kept gardens and conserving the fynbos	Property Management	To adhere 100% to our annual property maintenance work programme

3.1.3.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
Percentage of annual repairs and maintenance completed						
-Museum	Completed 100%	Completed 100%	Completed 75%	-25%	-25%	Painting of the Museum foyer is outstanding as no suitable painter could be appointed. Target reached
-Monument	100%	100%	100%	0	0	
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
Percentage of annual eco-management completed						
-Water ditches cleaned	Completed: 100%	Completed: 100%	Completed: 100%	0	0	Target reached
-Invasive alien trees cleared	100%	100%	100%	0	0	Target reached
-Firebreaks cleared	100%	100%	100%	0	0	Target reached

3.1.3.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property management	288	362	-74	288	370	-82
Total	288	362	-74	288	370	-82

3.1.3.3 Strategy for overcoming areas of underperformance

- ❖ The painting of the foyer of the Museum was identified in November 2016, but the maintenance staff's priority shifted to the Amphitheatre and Monument during the peak season to ensure a good visitor experience. Management decided that a suitable painter must be contracted to paint the foyer as it is a heritage building with wooden floors. No suitable painter could be found by the 31st of March 2017. It is expected that the painting of the foyer will be completed by 30 June 2017.

3.1.4 Strategic objective 4: Applicable Legislation

Purpose of programme	Sub-programmes	Strategic objective
Complying with applicable legislation	Applicable Legislation	To fully comply with applicable legislation

3.1.4.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
Annual performance plan	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Quarterly reports	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Performance information and financial statements	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Annual report and audited financial statements	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Strategic plan	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Financial management systems and procedures	100% compliant	100% compliant	100% compliant	0	0	Target reached
Performance management systems implemented	100% implemented	100% implemented	100% implemented	0	0	Target reached
Enterprise risk management	Plan approved and implemented	Plan approved and implemented	Plan approved and implemented	0	0	Target reached

3.1.4.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Applicable legislation	41	26	15	45	27	18
Total	41	26	15	45	27	18

3.2 Programme: Business Ventures

3.2.1 Strategic objective 4: Fundraising and Marketing

Purpose of programme	Sub-programmes	Strategic objective
Presenting fundraising events and skills development courses	Fundraising and marketing	Presenting 4 fundraising events and 10 courses/workshops

3.2.1.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
No of fundraising events per annum	3	4	3	-1	0	A decision was made to only continue with the Night Race.
No of skills development courses per annum	2	10	9	-1	7	A decision was taken to have only one Star Trails photography workshop in the year due to limited interest.

3.2.1.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Fundraising and marketing	59	50	9	56	24	32
Total	59	50	9	56	24	32

3.2.1.3 Strategy for overcoming areas of underperformance

- ❖ Realign course plan to introduce new subjects.

3.2.2 Strategic objective 5: Public Programmes and Communication

Purpose of programme	Sub-programmes	Strategic objective
Promoting the institution at all levels of society by offering public programmes	Public Programmes and communication	Offering 7 public programmes and transporting 1 less privileged group to the Museum and Monument

3.2.2.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
No of public programmes per annum	4	7	7	0	3	Target reached
Sponsor-A-Bus project: No of less-privileged groups transported to museum and monument	0	1	1	0	1	Target reached

3.2.2.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public programmes and communication	28	76	-48	28	55	-27
Total	28	76	-48	28	55	-27

3.2.3 Strategic objective 6: Collection Management

Purpose of programme	Sub-programmes	Strategic objective
Collecting of valuable and relevant documentation, artefacts and books, for purposes of reference, research and display. Documenting them in a digital register. Conserving them for the future by means of restoration, repair, cleaning and care under proper climatic conditions and accepted musicological standards, according to the ATM's conservation policy.	Collection Management	Acquire 2 books per annum
		Restoring or repairing 2 damaged artefacts per year
		Inspect the textile collection 4 times per annum
		Inspect archives 4 times per annum
		Monitor climatic conditions in the archives 50 times per annum
		Exhibitions will be inspected 12 times per annum
		New acquisitions registered will be verified 12 times per annum

3.2.3.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/2016 to 2016/2017	Comment on variances
No of books bought per annum	2	2	3	1	1	Target reached
No of times registration of new acquisitions will be verified by curator per annum	0	0	0	0	0	Verification not required as curator does the registrations herself
No of artefacts restored or repaired by professionals per annum	8	2	3	1	-5	Three books were repaired.
No of times archives will be inspected by curator per annum	4	4	5	1	1	Target reached
No of times textile collection will be inspected by internal museum staff per annum	4	4	5	1	1	Target reached
No of times climatic conditions in archives will be monitored by internal staff per annum	51	50	50	0	-1	Target reached
No of times total exhibition will be inspected by curator per annum	11	12	9	-3	-2	No curator appointed in second quarter

3.2.3.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Collection management	6	5	1	6	0	6
Total	6	5	1	6	0	6

3.2.3.3 Changes in planned targets

Planned target for registration of new acquisitions verified by the curator was when an assistant was used to register all new acquisitions. From April 2015 an assistant was not needed for new registrations as the work diminished due to GRAP103 being implemented and no verification was needed.

3.2.4 Strategic objective 7: Research

Purpose of programme	Sub-programmes	Strategic objective
Widening horizons for the benefit of the community as a whole and making results of research known as widely as possible	Research	Writing 12 monthly short articles for the ATM's website/Facebook page per annum
		Writing 2 articles for the ATM's newsletter per annum
		Delivering 4 lectures or articles per year

3.2.4.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
No of articles written or lectures presented by researcher per annum	4	4	3	-1	-1	No curator appointed in second quarter
No of short articles written for website / Facebook per annum	6	12	6	-6	0	Time constraints and no curator appointed during second quarter
No of articles written for newsletter per annum	0	2	0	-2	0	No newsletters published

3.2.4.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research	23	10	13	23	6	17
Total	23	10	13	23	6	17

3.3 Programme: Public Engagement

3.3.1 Strategic objective 8: Exhibitions

Purpose of programme	Sub-programmes	Strategic objective
Informing the public of our core message in a modern, informative and enjoyable manner	Exhibitions	Installing one new exhibition per year or updating one exhibition per year
		Expected number of visitors to see the exhibition = 62 300

3.3.1.1 Key Performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/201 to 2016/2017	Comment on variances
No of exhibitions held or updated per annum	1	1	1	-	-	Target reached – updated information and maintenance done on exhibition
No of visitors at exhibitions per annum	76 264	62 300	89 912	27 612	13 648	Significantly more visitors to the Monument

3.3.1.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Exhibitions	55	1	54	60	70	-10
Total	55	1	54	60	70	-10

3.3.2 Strategic objective 8: Education

Purpose of programme	Sub-programmes	Strategic objectives
Presenting educational programmes of a high standard to visiting school groups, based on the current school curriculum.	Education	Reaching 63 school groups
Transporting less privileged schools to the Museum and Monument		Planning and presenting 5 events
Cultivating a culture of reading, stimulating a love of books and creating an environment where learners feel at home among books.		Sponsoring 15 school groups per annum
Designing and presenting special programmes focusing on writing and public speaking		Establishing 1 reading group per annum
Reaching out to communities and presenting specific programmes for self enhancement		Organising 2 competitions per annum
		Embarking on 2 outreach projects per annum



World Environment Day

3.3.2.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2015/2016	Planned target 2016/2017	Actual achievement 2016/2017	Deviation from planned target for 2016/2017	Variance from 2015/2016 to 2016/2017	Comment on variances
No of school tours conducted per annum	120	63	114	51	-6	Many schools visited the ATM because of our curriculum-based programmes
Sponsor-A-Bus project: No of less-privileged school groups transported to museum and monument per annum	15	15	18	3	3	Target reached
No of language projects per annum – to design and present special programmes focusing on reading and writing	2	2	3	1	1	Liaise with other institutions
No of competitions held for schools/learners per annum	2	2	2	-	-	Target reached
No of outreach projects per annum – present specific programmes for self-enhancement	1	2	2	-	1	Youth Day and Mandela Day
No of special events (Museum Day, Day of Monuments and Sites, World Environment Day, Language Day, Harbour Day, Heritage Day, Water Week, Emancipation of the Slaves Day & International Mother Language Day)	9	9	9	0	0	Target reached

3.3.2.2 Summary of payments by sub-programme

Sub-programme name	2016/2017			2015/2016		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Education	67	114	-47	52	51	1
Total	67	114	-47	52	51	1

4. REVENUE COLLECTION

4.1 Revenue Collection

Sources of revenue	2016/2017			2015/2016		
	Estimate amount	Actual amount collected	(Over)/under collection	Estimate amount	Actual amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Transfer received: DAC	5 894	7 907	-2 013	5 597	6 030	-433
Entrance fees	998	1 683	-685	822	1 795	-973
Rent income received	224	461	-237	228	248	-20
Interest received	69	151	-28	48	103	-55
Funding and marketing	90	473	-383	90	422	-332
Other income	35	133	-98	26	813	-787
Total	7 310	10 808	-3 498	6 811	9 411	-2 600

4.1.1 Comments on revenue collection

4.1.1.1 Transfer received – DAC

Every financial year the ATM receives a monthly transfer from the DAC. From this monthly transfer we pay our staff and cover some of the operating expenses at the Museum and Monument. Self-generated funds are used to cover the rest of the operating expenses and to generate additional funds. In March 2015 the ATM received funding regarding capital works to be done at the Museum and Monument. This was disclosed as a deferred income in the 2014/2015 and 2015/2016 financial statements. In 2015/2016 and 2016/2017 some of the funds were used for capital works projects and the rest is still disclosed as deferred income. Also see Note 3 in the financial statements which includes funds paid on behalf of the ATM for rental of office space as well as municipal costs

4.1.1.2 Entrance fees

The ATM charges an entrance fee at the Museum and the Monument. Apart from the transfer we receive from the DAC; this is our main income. The income we receive from entrance fees is used to cover most of the operating expenses and expenditure on the ATM's core functions. Our entrance revenue increased in the last five financial years owing to a series of picnic concerts (launched in 2011). This builds on the success of full-moon picnics and stargazing evenings in the previous two years (2009 and 2010). Our education department also reached out to the Western Cape Department of Education and schools to ensure that the programmes and tours presented to school groups fall within the national curriculum. In total, visitors to the Museum and Monument increased by 17,9% from the previous year (2015/2016: 75 640; 2016/2017: 81 017). Other events held, like the authors' evenings, evening race and other events, attracted another 8 895 visitors, which brings us to a total of 89 912 visitors reached for the financial year.

4.1.1.3 Rental income received

The ATM also generates income by means of monthly rent from a coffee shop on the premises of the Monument and annual rent from a promoter that leases the Amphitheatre. The lease for the Amphitheatre came to an end in 2015 and the lease was advertised. Although there was an interested party, no agreement could be reached and the ATM now leases the Amphitheatre on an ad hoc basis. The Monument terrain is used for film and advertising productions by national and international photographers, and also for wedding ceremonies and photography. Revenue collected from rental income was more than anticipated for 2016/2017. This can mostly be attributed to more film and advertising productions at the Monument.

4.1.1.4 Interest received

We receive interest on low-risk investments (fixed-deposit and money market accounts). In March 2015 and 2017 the ATM received funds for capital works projects, which were transferred to a savings account after approval was obtained from National Treasury. The funds generated some interest during the financial year and resulted in the ATM having an increase in the interest received.

4.1.1.5 Funding and marketing

Each year we apply to various possible private funding institutions for donations and sponsorships for specific projects. We received donations and sponsorships from private funders in 2015/2016 and 2016/2017.

4.1.1.6 Other income

Other income consists mostly of income generated from sales of merchandise and in part from the sale of assets that have been written off, as well as from insurance claims. In 2015/2016 we had an insurance claim of R21 430, which formed part of the over collection of other income. In 2016/2017 we again had an insurance claim of R5 299, which formed part of the over collection of other income.

4.2 Capital Investment

- 4.2.1 The ATM only has movable assets and heritage assets. Movable assets are only replaced when they are beyond repair or stolen. New movable assets are budgeted for and bought as needed. The ATM does not have capital assets.
- 4.2.2 The Department of Public Works normally handles infrastructure projects for the ATM. We are planning a new building at the Monument for ablution facilities.
- 4.2.3 Planned infrastructure projects are: Upgrading of the kitchen area of the restaurant at the Monument (R1 200 000). This project for 2016/2017 were postponed to 2017/2018 due to adjustments that needed to be made to the plans, a required letter of ownership from Department of Public Works when submitting the plans to the local municipality, and because upgrading of the kitchen area can only be done in the winter months.
- 4.2.4 No plans exist to downgrade or close down any current facilities.
- 4.2.5 Maintenance is done at the Museum and Monument on a quarterly basis according to a work schedule.
- 4.2.6 Maintenance of the Visitor Centre is now the responsibility of the ATM, although there is still a warranty of approximately 8 years on the building. Because of the warranty, this responsibility will not have an immediate effect on expenditure, but it will certainly have an effect in coming years.
- 4.2.7 We have acquired assets to the amount of R91 693 (cost before depreciation) and written off assets to the amount of R183 406 (cost before depreciation). Of the assets that were written off, R120 was due to theft, R26 220 was reallocated to rental improvements, R27 075 was disposals and R129 991 was scrapped.

- 4.2.8 The ATM uses the software program Pastel Evolution Fixed Assets to manage the database. The database is updated on a monthly basis and depreciation is calculated after the update. The assets are also counted on a quarterly basis by means of the sample method and a full count is done annually.
- 4.2.9 Condition of the buildings:
- Visitor Centre, Monument – fair (some cracks suggest that the foundation of the building may have moved)
 - Coffee shop, Monument – good
 - Ticket office, Monument – good
 - Museum – poor (in need of painting on the outside, electrical work, roof needs to be repaired, floors need extra stabilisation)
 - Amphitheatre – fair (some maintenance like painting etc. needed)

1. PORTFOLIO COMMITTEE

1.1 Date of Meeting

No meeting was scheduled for 2016/2017.

1.2 Areas of Risk and Implementation Plans and Actions

No areas of risk and the implementation of plans and actions were discussed during 2016/2017.

2. EXECUTIVE AUTHORITY

Reports submitted to the Executive Authority as required by the PFMA and Treasury Regulations:

Quarterly reports	1 st quarterly report	29 July 2016
	2 nd quarterly report	28 October 2016
	3 rd quarterly report	30 January 2017
	4 th quarterly report	28 April 2017

No feedback on the quarterly report was received from DAC. From 2014 a quarterly report was also submitted to National Treasury. The report was submitted on the same dates mentioned above.

Annual Performance Plan	1 st draft	26 August 2016
	2 nd draft	30 November 2016
	Final	25 January 2017

Feedback on the Annual Performance Plan was received from DAC. The printed Annual Performance Plan was presented to Parliament on 17 March 2017.

The Strategic Plan 2015-2020 that was presented on 11 March 2015 is still applicable and no changes were made during 2016/2017.

Annual Report	Draft	31 July 2016
	Final	31 August 2016

The Annual Report was presented to Parliament on 28 September 2016.

Audit report and management report	29 July 2016
------------------------------------	--------------

Audit outcomes improvement plans	1 st feedback	28 October 2016
	2 nd feedback	30 January 2017
	3 rd feedback	28 April 2017

Medium term expenditure framework	MTEF database	14 July 2016 No changes
Estimated national expenditure	ENE database	7 November 2016

3. THE COUNCIL

3.1 Introduction

The members of the Council are very efficient and professional in their approach to matters. All of them are connected to universities as professors or senior lecturers and make valuable contributions.

3.2 The role of the Council is as follows

The role of the Council, in an overall capacity, is to monitor the activities of the ATM, to determine policy, appoint senior staff and to comply with audit and statutory regulations.

- ❖ It holds absolute responsibility for the performance of the ATM.
- ❖ It retains full and effective control over the ATM.
- ❖ It has to ensure that the ATM complies with applicable laws, regulations and government policy.
- ❖ It has unrestricted access to the information of the ATM.
- ❖ It formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans.
- ❖ It ensures that performance objectives are achieved.
- ❖ It manages potential conflicts of interest.
- ❖ It develops a clear definition of levels of materiality.
- ❖ It ensures financial statements are prepared.
- ❖ It must maintain integrity, responsibility and accountability.

3.3 Council Charter

The Council's Charter was approved and signed on 30 November 2015.

3.4 Composition of the Council

The ATM has a Council consisting of seven members. These members were appointed by the Minister of Arts and Culture from 1 December 2014 until 30 November 2017. Their term for 2016/2017 was 1 April 2016 until 31 March 2017. In 2016/2017 Council met 5 times; 4 times for their quarterly meetings and once for a special meeting to appoint the Director.

Council members from 1 December 2014 – 30 November 2017

Name	Designation (in terms of the public entity council structure)	Term	Qualifications	Area of expertise	Council/board directorships (List the entities)	Other committees	Number of Council meetings attended
Prof MC Mashige	Chairperson	1 Dec 2014 – 30 Nov 2017	DLitt et Phil in English	Literary Studies, Identity and Culture	N/A	N/A	4
Prof WAM Carstens	Vice Chairperson	1 Dec 2014 – 30 Nov 2017	DLitt in Afrikaans Grammar, BA, BA Hons, MA, and HED	Afrikaans grammar	Chairperson of the SA Academy for Science and Art, chairperson of the National Language Body for Afrikaans (NTLA), member of the Afrikaans Language Board, board member of the Dictionary of the Afrikaans Language (WAT), councillor of Stellenbosch University, designated councillor PanSALB	N/A	3
Prof N Maake	Member	1 Dec 2014 – 30 Nov 2017	BA, BA Hons, MLitt, DLitt et Phil	Language studies, drama, theatre and comparative literature	Member of the Distribution Agency of Arts, Culture, Environment and National Heritage of National Lotteries Commission	N/A	1
Prof S van Wyk	Member	1 Dec 2014 – 30 Nov 2017	DLitt in Afrikaans Literature	Afrikaans Literature	Member of the National Language Body for Afrikaans (NTLA)	Member of the Audit Committee	4
Dr DC Lawrence	Member	1 Dec 2014 – 30 Nov 2017	DLitt et Phil in Afrikaans, MA (Afrikaans) Cum Laude, Hons (Afrikaans), HOD, BA	Computer Assisted Language Learning, E- learning for Afrikaans, Sociolinguistic, Lexicography	N/A	Member of the Remuneration Committee	4
Prof EO Saal	Member	1 Dec 2014 – 30 Nov 2017	BA (Afrikaans, History, Linguistics), HOD, Hons MA (Afrikaans), PhD (Industrial communication)	Afrikaans language studies (specific sociolinguistics and document design)	N/A	Member of the Remuneration Committee	5

Name	Designation (in terms of the public entity council structure)	Term	Qualifications	Area of expertise	Council/board directorships (List of the entities)	Other committees	Number of Council meetings attended
Prof J Grobbelaar	Member	1 Dec 2014 – 30 Nov 2017	DLitt et Phil (sociology), MA, B Soc Sc	South African studies: African nationalism, race, class, ethnicity, the SA democratic transition, human rights, social justice and the SA Truth and Reconciliation Commission	Councillor: Tshwane University of Technology and University of Edinburgh. Liz Stanley. ESRC Professorial Research Fellow – “Whites Writing Whiteness” project (South Africa 1770 – 1970).	Member of the Audit Committee	4

3.5 Committees

Committee	Number of meetings held	Number of members	Names of members
Audit	4	8	Chairperson: Prof J Rossouw Deputy Chairperson: Prof S van Wyk Member: Prof J Grobbelaar Director: Mr JP Louw/Mr MJ Jonas Chief Financial Officer: Ms T Laing Secretary: Mrs S de Jager External Auditors: Ms L Klue-Knipe (AG) Internal Auditors: Mr N de Villiers (BGR)
Remuneration	4	4	Chairperson: Dr D Lawrence Member: Prof EO Saal Director: Mr JP Louw/Mr MJ Jonas Secretary: Mrs S de Jager

3.6 Remuneration of Council Members

We receive a circular each year from the National Treasury to inform us of the remuneration of council members. The remuneration is paid per day. All members were remunerated.

Council members from 1 April 2016 – 31 March 2017

Name	Remuneration (R'000)	Other allowance (R'000)	Other re-imbursements (R'000)	Total (R'000)
Prof MC Mashige	6	0	20	26
Prof WAM Carstens	4	0	10	14
Prof N Maake	1	0	7	8
Prof S van Wyk	5	0	2	7
Dr DC Lawrence	5	0	15	20
Prof EO Saal	5	0	18	23
Prof J Grobbelaar	5	0	2	7

4. RISK MANAGEMENT

The ATM has developed a risk management strategy in conjunction with the internal auditors. Risks are identified throughout the year by staff members, Management, Audit Committee and Council. All risks are assessed and reported to the Audit Committee and the Council. A risk assessment is also done by the internal auditors on a yearly basis. Risks identified and assessed are then managed according to the risk management strategy. The Audit Committee advises the management and Council on risk management and monitors the effectiveness of the risk management system. Risks identified are adequately addressed within the means of the ATM.

The ATM identified the Museum building as a high risk as the floor is partly unstable, the roof and walls need urgent attention and the electricity is becoming a fire hazard. Procedures were put in place to mitigate the risk, but ultimately the building needs urgent repair to properly address the risk. Unfortunately, the ATM lacks the necessary funds and for that reason contact has already been made with the DAC and DPW.

Another risk identified, is the excessive audit fees of the external auditor and National Treasury not being so forthcoming with their share of the payment, despite the ATM qualifying for the 1%-concession on audit fees as stipulated by the Public Audit Act, No. 25 of 2004. The external auditors have written-off all outstanding audit fees in the previous financial year and have lowered their fee substantially for the next audit, but it still remains 5% of the ATM's total budget. An amount is still owed to the AG for the audit they conducted in 2016.

The ATM may have a possible claim of damages from a party who was interested in leasing the Amphitheatre on a long term basis. Although the amount and the possibility of the claim is not significant, the Audit Committee and Council felt that this risk needs to be recognised.

Security at the Monument (because of its location on Paarl Mountain) remains a concern for Management, Audit Committee and Council. A lack of security staff during the day may pose a threat to staff, especially at the entrance to the Monument.

5. INTERNAL CONTROL

Internal controls are tested by the internal auditors and any weaknesses are reported to the ATM's management, the Audit Committee and the Council. Reports must then be made on a quarterly basis to ensure that the weaknesses are addressed.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

6.1 Internal Audit

The purpose of the internal audit function is to investigate and evaluate the adequacy and effectiveness of the system of internal control and the quality of the performance of assigned responsibilities. The role of the internal audit function is to provide certain consulting services to the ATM's management, Audit Committee and Council, and to provide the necessary assurance to the Council as to the management of the internal control and risk management process of the ATM.

6.2 Audit Committee

The Audit Committee is responsible for overseeing internal controls, financial reporting and compliance with legal requirements. The Audit Committee is responsible for the following:

- ❖ The effectiveness of the system of internal control and risk management
- ❖ Financial reporting
- ❖ Financial statements
- ❖ The internal audit function
- ❖ The Auditor-General's report
- ❖ The Council's compliance with laws and regulations
- ❖ Compliance with the Council's code of conduct and ethics
- ❖ Management of performance

Attendance of Audit Committee meetings by Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the ATM	Date appointed	Date resigned	Number of meetings attended
Prof J Rossouw (Chairperson)	PhD, BComm Hons, MBA, MComm (Econ)	-	-	20 Mrt 2015	-	4
Prof S van Wyk (Vice chairperson)	DLitt in Afrikaans Literature	-	Council member until 30 Nov 2017	20 Mrt 2015	-	4
Prof J Grobbelaar	DLitt et Phil (sociology), MA, B Soc Sc	-	Council member until 30 Nov 2017	20 Mrt 2015	-	3
Mr JP Louw	-	Internal	Director/Chief Executive Officer	1 Apr 1998	30 June 2016	2
Mr MJ Jonas	-	Internal	Director/Chief Executive Officer	1 June 2016	-	4
Ms T Laing	-	Internal	Chief Financial Officer	1 Mar 2002	-	4
Ms S de Jager	-	Internal	Financial Officer	1 Feb 2015	-	2
External auditors	-	External	-	-	-	4
Internal auditors	-	External	-	-	-	4

The Council appointed the Audit Committee at their first meeting on the 20th of March 2015. Due to his expertise and for continuity, Prof Rossouw was reappointed as an independent member of the Audit Committee. The term of the Audit Committee is the same as that of the Council.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The ATM strives to comply with all the set laws and regulations by submitting its financial statements, performance information, Strategic Plan, Annual Performance Plan and other relevant plans and reports.

8. FRAUD AND CORRUPTION

The ATM has a fraud prevention plan that has already been implemented. In addition to this, the staff are constantly reminded that they may report any suspected fraud or corruption through the Department of Arts and Culture hotline at 0800 701 701.

We receive a monthly update on every allegation of fraud and corruption against officials of the ATM. No complaints were lodged against any officials of the ATM for the period under review.

9. MINIMISING CONFLICT OF INTEREST

The Council and staff of the ATM have to certify that they have no conflicts of interest when participating in meetings and the procurement of goods and/or services. No conflicts of interest were identified for the year under review.

10. CODE OF CONDUCT

Members of the Council must attend meetings. They must declare all conflicting interests and may not accept gifts or rewards, interfere with administration or make confidential information known to unauthorised persons. In the case of violation of this code, an enquiry will be launched by a specially appointed committee. The member may receive a formal warning and the Minister has the power to fine, suspend or remove the member from his/her post.

For staff members, the code of conduct serves as a guideline to indicate what is expected of staff from an ethical point of view, both in their individual conduct and in their relationships with others (internally and externally). If a staff member does not comply with the code's requirements, that member will be guilty of misconduct and consequent action will be taken as outlined in the ATM's rules and disciplinary code.

11. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

For the ATM, as for any other establishment, it is important that staff's health be optimised. The ATM has designated safety representatives and there is a health and safety committee which meets quarterly and consists of two staff representatives per building.

12. SOCIAL RESPONSIBILITY

The ATM is involved in several social responsibility initiatives, including a women's empowerment project in collaboration with two women's groups in Paarl and Wellington. During the October school holidays, our reading project (Let us Read!) held a free puppet show at eight libraries in Drakenstein as part of our Heritage Month celebrations. Our annual Evening Race is held in aid of the Boland School for Autism. In addition, staff members each year participate in a Nelson Mandela Day outreach programme. During National Book Week, the ATM, in collaboration with Biblionef South Africa, donated 200 books each to seven schools in the Northern Cape.

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

13.1 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

1.32 The Effectiveness of Internal Control

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King III Report on corporate governance requirements, the internal audit function provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested improvements to the controls and processes. From the various reports of the internal auditors, the audit report on the annual financial statements and the management report of the Auditor-General, the

following compliance issues are noted: predetermined objectives such as collection management, financial statements, internal audit, and management of procurement, contract and expenditure. The necessary steps will be taken to comply with the relevant requirements. Otherwise, we can report that the systems of internal control for the period under review were effective and efficient.

13.3 In-year Management and Quarterly Reports

The ATM has submitted quarterly reports to the Executive Authority as required by the PFMA.

13.4 Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the ATM.

13.5 Auditors' Report

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

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



Prof J Rossouw
CHAIRPERSON OF THE AUDIT COMMITTEE
31 July 2017

1. INTRODUCTION

The aim is to utilise every staff member effectively by channelling their gifts and talents to benefit not only the ATM but also themselves. Supervisors monitor work performance and interview their staff to determine their strengths and weaknesses. Adjustments are made where necessary, and job descriptions are updated.

Targets are defined by staff members. Evaluation of work takes place quarterly to determine whether targets are reached. Staff members are therefore continually monitored to stay focused in the pursuit of their targets.

To enable members of staff to strive for more effective work performance, they are encouraged to attend at least one training course per year. Efforts are made to develop their skills and creativity.

The ATM entered into an agreement with the local college, Boland College, for the period under review to provide an opportunity for two college students to intern at the ATM at no cost to the ATM. These two interns are not mentioned in the Human Resource Oversight Statistics below.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel Cost

Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as percentage of total expenditure	Number of employees	Average personnel cost per employee (R'000)
10 530	4 971	47%	36	121

2.2 Personnel Cost by Salary Band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	899	21%	2	449
Senior management	1 361	31%	4	340
Professional qualified	908	21%	6	151
Skilled	368	9%	7	53
Semi-skilled	820	19%	17	48
Unskilled	0	0%	0	0
TOTAL	4 356	100%	36	1 041

The top management consisted of two Directors, but the one Director retired in June 2016. Senior management decreased as the Curator resigned in May 2016, and the new Curator was only appointed in September 2016. The semi-skilled expenditure increased profoundly because the weekend supervisor was appointed permanently and additional weekend personnel was hired on contract. One of the gardeners also retired and contract workers were hired in order to reach our annual targets. The contracts of the interns, who were paid by Boland College in the previous year, expired and the ATM thus had to pay to continue these internships for business purposes. There were also semi-skilled employees who resigned.

2.3 Performance Awards

Level	Performance rewards (R'000)	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost
Top management	0	899	0%
Senior management	0	1 361	0%
Professional qualified	0	908	0%
Skilled	0	368	0%
Semi-skilled	0	820	0%
Unskilled	0	0	0%
TOTAL	0	4 356	0%

2.4 Training Cost

Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as percentage of personnel cost	Number of employees trained	Average training cost per employee (R'000)
4 971	24	0%	36	0.67

2.5 Employment and Vacancies

Level	2015/2016 number of employees	2016/2017 approved posts	2016/2017 number of employees	2016/2017 vacancies	Percentage of vacancies
Top management	1	2	2	0	0%
Senior management	3	4	4	0	0%
Professional qualified	6	6	6	0	0%
Skilled	7	7	7	0	0%
Semi-skilled	17	17	17	0	0%
Unskilled	0	0	0	0	0%
TOTAL	34	36	36	0	0%

2.6 Employment Changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top management	1	1	-1	1
Senior management	3	1	-1	3
Professional qualified	6	0	0	6
Skilled	9	1	-3	7
Semi-skilled	7	12	-2	17
Unskilled	0	0	0	0
TOTAL	26	15	-7	34

Four staff members on salaries resigned. Three staff member on wages' contracts ended. Twelve new staff members were appointed on wages and three new staff members on salaries for the 2016/2017 financial year.

2.7 Reasons for Staff Leaving

Reason	Number	Percentage of total number of staff leaving
Death	0	0%
Resignation	0	0%
Dismissal	0	0%
Retirement	4	11%
Ill health	0	0%
Expired contract	3	8%
Other	0	0%
TOTAL	7	0%

2.8 Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0

2.9 Equity Target and Employment Equity Status

Level	Male							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	1	1	0	0	1	1
Senior management	0	0	0	0	0	0	0	0
Professional qualified	0	0	0	0	0	0	0	0
Skilled	0	0	2	2	0	0	2	2
Semi-skilled	0	0	6	6	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	9	9	0	0	3	3

Level	Female							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	4	4
Professional qualified	0	0	4	4	0	0	0	0
Skilled	0	0	4	4	0	0	1	1
Semi-skilled	0	0	9	9	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	17	17	0	0	5	5

Level	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

2.10 Internships

Two students did their internships at the ATM in 2016/2017. The divisions that participated were the communication and marketing division, education division, and museum reception.

1. DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

The director presents the annual report which forms part of the audited financial statements of the entity for the year ended 31 March 2017.

1.1 Legal form and country of incorporation

The ATM is an institution established under the Cultural Institutions Act, 119 of 1998 and the National Heritage Resources Act, 25 of 1999 and is incorporated in the Republic of South Africa.

1.2 Principal activities of the entity

The principal activities of the entity during the year were the maintenance of and presentation to the general public of the ATM as well as the advancement of the history of the Afrikaans language. The vision of the ATM is to conduct the affairs of the National Afrikaans Language Museum and Language Monument in such a way that all South Africans will respect and appreciate Afrikaans.

1.3 Geographical location and segmentation

The ATM is situated at the following addresses:
Museum and administration - 11 Pastorie Avenue, Paarl
Language Monument - Gabbema Street, Paarl

1.4 Statement of responsibility

The director is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards board.

The director is also responsible for the entity's system of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the director to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared in accordance with the prescribed effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board, including Generally Accepted Accounting Practices (GAAP), which includes any interpretations of such Statements issued by the Accounting Practices Board.

1.5 Operating results

The entity's business and operations are clearly reflected in the attached financial statements.

1.6 Property, plant and equipment

There were no major changes in property, plant and equipment during the year.

1.7 Director and chief financial officer

The name of the entity's director and chief financial officer appear on the index page of the financial statements.

1.8 Events subsequent to balance sheet date

The director is not aware of any event or circumstance that have occurred since the end of the financial year, which are not dealt with in the annual financial statements and which may have a material effect on the operations of the entity or the results of any such operation.



Mr MJ Jonas
DIRECTOR
31 July 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Afrikaans Language Museum and Monument set out on pages 36 to 70, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the 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 Afrikaans Language Museum and Monument as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of errors in the financial statements of the entity at, and for the year ended, 31 March 2017.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the Afrikaans Language Museum and Monument'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 there is an intention either to liquidate the trading entity or to cease operations, or there is no realistic alternative but to do so.

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

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – business ventures	13 to 16
Programme 3 – public engagement	16 to 17

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- ❖ Programme 2 – business ventures
 - ❖ Programme 3 – public engagement

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 13 to 17 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA. Material misstatements of non-current assets, current assets, current liabilities, revenue, expenditure and disclosure items, identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement processes

22. Some quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3. Similar non-compliance was also reported in the prior year.
23. Some quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations. Similar non-compliance was also reported in the prior year.
24. Some quotations were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations. Similar non-compliance was also reported in the prior year.

Expenditure management

25. Effective steps were not taken to prevent irregular expenditure of R3 571 928 as disclosed in note 23 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by expenditure that was incurred in excess of the approved budget.

OTHER INFORMATION

26. The Afrikaans Language Museum and Monument's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

INTERNAL CONTROL DEFICIENCIES

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

30. Leadership of the entity was ineffective in their oversight of financial reporting processes to ensure that the financial statements submitted for auditing were free from material misstatement and material non-compliance. The lack of documented policies and procedures to guide the entity's supply chain management operations resulted in material non-compliance. The monitoring of the entity's action plan to address internal control deficiencies and external audit findings highlighted in previous years were not effective to avoid repeat findings.

Financial and performance management

31. The financial statements submitted for audit contained material misstatements across various components. This was because staff did not fully understand the requirements of the SA Standards of GRAP. The entity's internal audit prepared the underlying information for the financial statements, but did not adequately consider the requirement of the SA Standards of GRAP. The consultants appointed by management to prepare the entity's annual financial statements did not ensure that the financial statements were compiled in terms of the SA Standards of GRAP. The financial statements submitted for audit were therefore not prepared in accordance with the prescribed financial reporting framework and were not free from material misstatements. Management corrected all material misstatements in the financial statements. This, however, required extensive audit effort to confirm that all material misstatements were appropriately corrected.
32. The preferential procurement policy framework and treasury regulations had not been adhered to, resulting in material non-compliance relating to quotations.
33. Effective steps were not taken by the accounting authority to prevent irregular expenditure, which also resulted in material non-compliance.

Governance

34. Although the entity conducted risk management activities, the impact thereof was inadequate as evidenced by the extent of material misstatements in the financial statements, as well as material non-compliance. Due to repeat findings on compliance with legislation on the entity's supply chain management processes, the audit committee did not provide sufficient guidance on rectifying internal control deficiencies and monitoring the implementation of internal and external audit recommendations.

Auditor-General

Cape Town
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the 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 entity’s internal control.
- ❖ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
- ❖ conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Afrikaans Language Museum and Monument’s ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause an entity to cease operating as a going concern.
- ❖ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF FINANCIAL POSITION

as at 31 March

2017

2016

	<u>Notes</u>	<u>R</u>	<u>R</u>
NET ASSETS AND LIABILITIES			
Net assets		5 141 853	4 866 043
Accumulated surplus		3 540 863	3 365 053
Revaluation reserve		1 600 990	1 600 990
Non-current liabilities		102 914	95 241
Retirement benefit obligation	2	102 914	95 241
Current liabilities		2 407 767	1 607 166
Deferred income	3	1 265 983	943 339
Provisions	4	536 239	110 105
Trade and other payables	5	605 545	553 722
Total net assets and liabilities		<u>7 652 534</u>	<u>6 568 450</u>
ASSETS			
Non-current assets		3 092 818	3 334 829
Property, plant and equipment	6	1 476 982	1 724 589
Heritage assets	7	1 601 474	1 601 474
Intangible assets	8	14 362	8 766
Current assets		4 559 716	3 233 621
Investments	9	2 905 511	2 443 311
Receivables from exchange transactions	10	93 982	44 507
Inventories	11	32 354	34 863
Cash and cash equivalents	12	1 527 869	710 940
Total assets		<u>7 652 534</u>	<u>6 568 450</u>

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March

2017

2016

	<u>Notes</u>	<u>R</u>	<u>R</u>
Revenue			
Income other than investment income		10 655 981	9 325 664
Investment income		<u>150 536</u>	<u>103 408</u>
Total revenue		10 806 517	9 429 072
Expenses			
Administration costs		(5 130 504)	(3 835 988)
Employee benefit costs		(4 971 134)	(4 636 849)
Depreciation and amortisation expense		(343 651)	(266 107)
Other expenses		<u>(85 418)</u>	<u>(65 480)</u>
Total expenses		(10 530 707)	(8 804 425)
Net Surplus / (Deficit) for the year		<u><u>275 810</u></u>	<u><u>624 647</u></u>

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March

2017

	<u>Revaluation reserve</u> <u>R</u>	<u>Accumulated surpluses</u> <u>R</u>	<u>Total</u> <u>R</u>
Opening balance as previously reported	1 600 990	2 463 694	4 064 684
Prior period error	<u>-</u>	<u>176 712</u>	<u>176 712</u>
Balance at 1 April 2015 restated	1 600 990	2 640 406	4 241 396
Surplus / (deficit) for the year - restated	-	624 647	624 647
Opening balance as previously reported	1 600 990	3 138 193	4 739 183
Prior period error	<u>-</u>	<u>126 860</u>	<u>126 860</u>
Balance at 1 April 2016 restated	1 600 990	3 265 053	4 866 043
Surplus / (deficit) for the period	-	275 810	275 810
Balance at 31 March 2017	<u><u>1 600 990</u></u>	<u><u>3 540 863</u></u>	<u><u>5 141 853</u></u>

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF CASH FLOWS

for the year ended 31 March

		2017	2016
	Notes	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Funding and marketing		472 552	421 773
Sale of goods and rendering of services		2 094 486	2 058 695
Grants		6 369 382	5 666 522
Interest received		150 536	103 408
Other income		132 573	86 931
Payments			
Suppliers and employees		(5 009 928)	(4 648 251)
Other payments		(2 826 912)	(2 799 401)
Net cash flows from operating activities	21	1 382 690	889 676
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in property, plant and equipment	6	(91 692)	(620 785)
Sale of property, plant and equipment	6	508	-
Purchase of other intangible assets	8	(12 377)	(7 193)
Purchase of short term investments		-	(943 339)
Purchase of long term investments		(539 556)	(129 152)
Proceeds from short term investment		77 356	-
Net cash flows from investing activities		(565 761)	(1 700 469)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Total cash movement for the year		816 929	(810 793)
Cash at the beginning of the year		710 940	1 521 733
Total cash at end of the year	12	1 527 869	710 940

ACCOUNTING POLICIES

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

These annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

The annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

These standards are summarised as follows:

GRAP Framework - Framework for the preparation and presentation of financial statements.

GRAP 1 - Presentation of financial statements

GRAP 2 - Cash flow statements

GRAP 3 - Accounting policies, changes in accounting estimates and errors

GRAP 4 - The effect of changes in foreign exchange rates

GRAP 5 - Borrowing costs

GRAP 6 - Consolidated and separate financial statements

GRAP 7 - Investment in associates

GRAP 8 - Investment in joint ventures

GRAP 9 - Revenue from exchange transactions

GRAP 10 - Financial reporting in hyperinflationary economies

GRAP 11 - Construction contracts

GRAP 12 - Inventories

GRAP 13 - Leases

GRAP 14 - Events after the reporting date

GRAP 16 - Investment property

GRAP 17 - Property, plant and equipment

GRAP 18 - Segment reporting

GRAP 19 - Provisions, contingent liabilities and contingent assets

GRAP 21 - Impairment of non-cash-generating assets

GRAP 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers)

GRAP 24 - Presentation of Budget Information in Financial Statements

GRAP 25 - Employee benefits

GRAP 26 - Impairment of cash-generating assets

GRAP 27 - Agriculture

GRAP 31 - Intangible assets

GRAP 100 - Discontinued operations (as revised in 2013)

GRAP 102 - Intangible assets

GRAP 103 - Heritage assets

GRAP 104 - Financial Instruments

IAS 19 - Employee benefits

IAS 32 - Financial instruments: Presentation

IAS 39 - Financial instruments: Recognition and measurement

IPSAS 20 - Related party disclosure

1.2 Standards, amendments to standards and interpretations issued but not yet effective

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The entity has not early-adopted any of these new Standards or amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5:

GRAP 20 - Related party disclosure

GRAP 32 - Service Concession Arrangements: Grantor

GRAP 105 - Transfer of functions between entities under common control

GRAP 106 - Transfer of functions between entities not under common control

GRAP 107 - Mergers

GRAP 108 - Statutory receivables

GRAP 109 - Accounting by principals and agents

iGRAP 17 - Service concession arrangements where a grantor controls a significant residual interest in an asset

The ASB Directive 5 paragraph 29 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors."

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows.

1.3 Significant judgements and estimates

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

Judgements

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

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies the following estimates, were made:

Post-employment benefits

Determining the post-employment benefit liability requires an estimation of the expected future life expectancy of the retired employees on whose behalf the contributions are being made as well as an estimation of the expected annual contributions during that period. The carrying amount of the post-employment benefit liability at the reporting date was R102 914 (2016: R95 241) and was calculated using the official life expectancies of the retired employees and discounting the current annual contributions over that period at the official interest rates.

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Heritage Assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The valuation of heritage assets is dependent on the type of the asset and the availability of reliable information. Management makes estimates and assumptions about factors such as the restoration cost, replacement cost and cash flow generating ability in estimating fair value.

Impairments of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

1.4 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.5 Going concern assumption

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

1.6 Financial instruments

Initial Recognition

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

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

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

Initial Measurement

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

- a) Financial instruments at fair value.
 - ° Derivatives.
 - ° Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract.
 - ° Instruments held for trading.
 - ° Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.
 - ° An investment in a residual interest for which fair value can be measured reliably.

Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

b) Financial instruments at amortised cost.

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates at fair value at initial recognition or are held for trading.

c) Financial instruments at cost.

Investments in residual interests, which do not have quoted market prices and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

Derecognition

A financial asset is derecognised at trade date, when:

The cash flows from the asset expire, are settled or waived;

a) Significant risks and rewards are transferred to another party; or

b) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Policies relating to specific financial instruments

Investments at amortised cost

Investments, which include fixed deposits and short-term deposits invested in registered commercial banks are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Investments at fair value

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

Investments at cost

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

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

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

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

Trade and other payables

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

1.7 Inventories

Initial recognition and measurement

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the first-in, first-out (FIFO) method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.8 Property, plant and equipment

Initial recognition and measurement

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

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring 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 at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent expenditure

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation rates are based on the following estimated asset useful lives:

Land & Buildings	Useful Life Range in Years
<i>Land and buildings</i>	<i>10 - 50 years</i>
<i>Furniture and fittings</i>	<i>3 - 6 years</i>
<i>Computer equipment</i>	<i>3 years</i>
<i>Other equipment</i>	<i>3 - 24 years</i>
<i>Vehicles</i>	<i>5 years</i>

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.9 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Afrikaans Language Museum and Monument, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Intangible assets are annually tested for impairment and the estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.10 Heritage Assets

Initial recognition and measurement

Items of heritage assets are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Heritage assets that qualify for recognition as an asset shall be measured at its cost.

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

Subsequent measurement

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

Impairment

A heritage asset shall not be depreciated but an entity 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.

1.11 Employee benefits

Short term employee benefits

Short term employee benefits encompasses all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

Post-employment benefits

The entity provides post-employment benefits for its officials. These benefits are provided as either defined contribution plans or defined benefit plans. The entity identifies as defined contribution plans any post-employment plan in terms of which it has no obligation to make further contributions to the plan over and above the monthly contributions payable on behalf of employees (for example in the event of a funding shortfall). Any other plans are considered to be defined benefit plans.

1.12 Leases

The entity as Lessee

Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets subject to finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets subject to operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of iGRAP 3.

Measurement

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured as the undiscounted difference between the straight-line lease payments and the contractual lease payments.

Derecognition

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

The entity as Lessor

Recognition

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity derecognises the asset subject to the lease at the inception of the lease. Along with the derecognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated to between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not derecognised and no lease receivable is recognised at the inception of the lease. Lease payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of iGRAP 3.

Measurement

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

Derecognition

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

1.13 Revenue

Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Recognition

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

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

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

Specific exchange-revenue sources

Revenue from the sales of goods is recognised when the risk and rewards of ownership is passed to the consumer.

Revenue arising from the sale of tickets / vouchers is only recognised when the entity's related obligation to perform has been extinguished.

Revenue from services rendered is recognised with reference to the stage of completion of the service being rendered when the outcome of the transaction can reliably estimated.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- The stage of completion of the transaction at the reporting date can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

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

Revenue from Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions.

Revenue from non-exchange transaction arises when the entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Specific non-exchange-revenue sources

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.

Measurement

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.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

Expenditure relating to Non-Exchange Transactions

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

1.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The entity ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capitals asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.15 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government or organ of state and expenditure in the form of a grant that is not permitted. Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as income in the Statement of Financial Performance.

1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 Recovery of unauthorised, irregular, fruitless & wasteful expenditure

The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable. The recovery of unauthorised, irregular, fruitless and wasteful expenditure is treated as other income.

1.19 Post-reporting date events

Events after the 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 is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts 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 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.

1.20 Related parties

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the entity any one or more related parties, and those transactions were not 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 the reporting entity's legal mandate.

Further details about those transactions are disclosed in the notes to the financial statements.

Information about such transactions is disclosed in the financial statements.

1.21 Comparative information

Current year comparatives (Budget)

Budget information in accordance with GRAP 1 and 24, has been provided in a separate disclosure note to these annual financial statements.

Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

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

1.22 Segment information

The extent and nature of the activities of the ATM is of such a nature that it is neither feasible nor practical to organise the entity into different major functional areas. The ATM operates only in Paarl and can therefore not be geographically divided into segments.

All activities of the ATM, being sufficiently similar to warrant aggregation, are reported as such to management. There are no separate segments for which separate financial information is provided. No additional external disclosure regarding different segments was there for deemed appropriate.

1.23 Changes in accounting policies, estimates and errors

Change in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the Afrikaans Language Museum and Monument shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Afrikaans Language Museum and Monument shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

for the year ended 31 March	2017	2016
	R	R
2 EMPLOYEE BENEFITS		
<u>Reconciliation of post-employment benefit liability</u>		
Carrying value		
Present value of obligation at beginning of year	(95 241)	(87 938)
Interest cost	(10 000)	(9 233)
Benefits paid	32 197	28 896
Fair value adjustment	(29 870)	(26 966)
Present value of obligation at end of year	<u>(102 914)</u>	<u>(95 241)</u>
Key assumptions used		
Expected future life expectancy	3.77 years	3.92 years
Expected annual contributions	34 524	28 896
Official interest rate	10.50%	10.50%
Analysed as:		
Non-current liabilities	<u>(102 914)</u>	<u>(95 241)</u>
3 DEFERRED INCOME		
Capital works funds		
The ATM received capital works funds from the Department of Arts and Culture for the refurbishment of the veranda, stabilisation of the museum building's floor and the upgrading of the kitchen area of the Coffee shop at the Taalmonument.		
Beginning of the year	943 339	1 000 000
Transfer received from DAC	400 000	-
Interest received	56 413	51 424
Expenditure incurred during the financial year	<u>(133 769)</u>	<u>(108 085)</u>
Capital works funds available at end of year	<u>1 265 983</u>	<u>943 339</u>

for the year ended 31 March

2017

R R R

4. PROVISIONS

Reconciliation of provisions - 2017	Audit fees	Leave pay provision	Total
Opening balance	-	110 105	110 105
Additional provision	472 601	-	472 601
Increase / (decrease) in provision resulting from a change in discount rate	-	-	-
Increase / (decrease) in provision resulting from remeasurement of estimated future cash flows or service potential	-	(46 467)	(46 467)
Increase in provision arising from passage of time (unwinding of discount)	-	-	-
Reduction in provision due to payments made	-	-	-
Unused amounts reversed	-	-	-
Closing balance	472 601	63 638	536 239

Reconciliation of provisions - 2016	Audit fees	Leave pay provision	Total
Opening balance	-	128 811	128 811
Additional provision	-	-	-
Increase / (decrease) in provision resulting from a change in discount rate	-	-	-
Increase / (decrease) in provision resulting from remeasurement of estimated future cash flows or service potential	-	(18 706)	(18 706)
Increase in provision arising from passage of time (unwinding of discount)	-	-	-
Reduction in provision due to payments made	-	-	-
Unused amounts reversed	-	-	-
Closing balance	-	110 105	110 105

5. TRADE AND OTHER PAYABLES

Trade payables		581 916	448 473
Income received in advance		23 629	100 000
Operating lease liability		-	5 249
		605 545	553 722

6. PROPERTY, PLANT AND EQUIPMENT

6.1

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	1 193 310	(205 581)	987 729	1 184 679	(163 500)	1 021 179
Furniture and fixtures	1 594 285	(1 147 339)	446 946	1 659 167	(1 060 247)	598 920
Motor vehicles	412 766	(370 459)	42 307	412 766	(308 276)	104 490
Total	3 200 361	(1 723 379)	1 476 982	3 256 612	(1 532 023)	1 724 589

Reconciliation of property, plant and equipment - 2017								
	Opening balance	Additions	Disposals – cost	Transfers	Disposals – accumulated depreciation	Depreciation	Impairment loss	Total
Buildings	1 021 179	9 484	(854)	-	849	(42 929)	-	987 729
Furniture and fixtures	598 920	82 208	(118 213)	(400)	115 789	(202 882)	(28 476)	446 946
Motor vehicles	104 490	-	-	-	-	(62 183)	-	42 307
Total	1 724 589	91 692	(119 067)	(400)	116 638	(307 994)	(28 476)	1 476 982

Reconciliation of property, plant and equipment - 2016								
	Opening balance	Additions	Disposals – cost	Transfers	Disposals – accumulated depreciation	Depreciation	Prior Period error	Total
Buildings	579 465	436 909	-	-	-	(18 269)	23 074	1 021 179
Furniture and fixtures	498 015	183 876	(41 940)	-	41 833	(180 993)	98 129	598 920
Motor vehicles	166 673	-	-	-	-	(62 183)	-	104 490
Total	1 244 153	620 785	(41 940)	-	41 833	(261 445)	121 203	1724 589

R

R

6.2 Other information

6.2.1	Carrying value of idle property, plant and equipment	-	-
6.2.2	Property, plant and equipment retired from active use, but not classified as held for sale	-	-
		-	-
		-	-

- 6.2.3 Contractual commitments for the acquisition of property, plant and equipment
The land and buildings consists only of improvements erected on erven 11827, Paarl. This property of which the Afrikaans Language Museum and Language Monument has the unrestricted use of, is owed by the Department of Public Works.

7. HERITAGE ASSETS

7.1

	2017			2016		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
Artifacts	1 374 189	-	1 374 189	1 374 189	-	1 374 189
Collection of rare books and manuscripts	165 525	-	165 525	165 525	-	165 525
Collections of textiles	61 760	-	61 760	61 760	-	61 760
Total	1 601 474	-	1 601 474	1 601 474	-	1 601 474

Reconciliation of heritage assets - 2017		
	Opening balance	Total
Artifacts	1 374 189	1 374 189
Collection of rare books and manuscripts	165 525	165 525
Collections of textiles	61 760	61 760
Total	1 601 474	1 601 474

Reconciliation of heritage assets - 2016		
	Opening balance	Total
Artifacts	1 374 189	1 374 189
Collection of rare books and manuscripts	165 525	165 525
Collections of textiles	61 760	61 760
Total	1 601 474	1 601 474

7.1.1 Revaluation of heritage assets

The additions included as the heritage assets was evaluated in 2015 and in 2016. The effective date being immediately after being valued. The items that was valued in 2016 was done at yearend. These items were identified during the financial year as heritage assets and reclassified from PPE. Some of the items did not have a value and was valued at R16 950 when included in heritage asset register. For this reason it did not have an effect on the PPE. The rest of the items' values were known at R480 which is still market related and was reclassified from PPE to heritage assets.

7.1.2 Valuer and method used

The ATM used an independent valuer who have more than 12 years' experience in this field. The items that was valued was according to valuations of similar and identical pieces according to the valuer's stock list of the past 12 years. The prices are not only in terms of estimated market value, but also measured in terms of the factual sales value on request.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES OF THE FINANCIAL STATEMENTS

for the year ended 31 March

2017

2018

8. INTANGIBLE ASSETS

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Software licenses	66 819	(52 457)	14 362	59 881	(51 115)	8 766
Total	66 819	(52 457)	14 362	59 881	(51 115)	8 766

Reconciliation of intangible assets - 2017					
	Opening balance	Additions	Transfers	Amortisation	Total
Software licenses	8 766	12 377	400	(7 181)	14 362
Total	8 766	12 377	400	(7 181)	14 362

Reconciliation of intangible assets - 2016					
	Opening balance	Additions	Transfers	Amortisation	Total
Software licenses	6 234	7 193	-	(4 661)	8 766
Total	6 234	7 193	-	(4 661)	8 766

9 INVESTMENTS

Short term investments

	<u>R</u>	<u>R</u>
Fixed Deposit - ABSA Bank Ltd	1 652 854	1 142 748
Money Market Fund - Sanlam Ltd	386 674	357 224
Liquidity Plus - ABSA Bank Ltd	865 983	943 339
	<u>2 905 511</u>	<u>2 443 311</u>

10 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Sundry debtors	44 316	4 545
Prepaid expenses	49 666	39 962
	<u>93 982</u>	<u>44 507</u>

Ageing of Receivables from Exchange Transactions

Sundry debtors		
Current (0 - 30 days)	44 316	-
31 - 60 days	-	-
61 - 90 days	-	-
91 - 120 days	-	-
121 - 365 days	-	4 545
	<u>44 316</u>	<u>4 545</u>

Prepaid expenses		
Current (0 - 30 days)	49 666	39 962

11 INVENTORIES

Inventories at cost	32 354	34 863
Consumables written down due to losses	-	-
Inventory recognised as expense	-	-
Dormant or slow moving at year end	-	-
	<u>-</u>	<u>-</u>

for the year ended 31 March

2017

2016

12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash on hand	14 725	4 493
Primary bank account	1 513 144	706 447
	<u>1 527 869</u>	<u>710 940</u>

The carrying amount of these assets approximates their fair value.

Primary account (ABSA – account nr 400 140 987):

Cash book balance at beginning of year	706 447	1 517 869
Cash book balance at end of year	1 513 144	706 447

Bank statement balance at beginning of year	706 447	1 517 869
Bank statement balance at end of year	1 513 144	706 447

13 GOVERNMENT GRANTS AND SUBSIDIES

Government grant	<u>6 046 738</u>	<u>5 705 085</u>
------------------	------------------	------------------

14 DEBT FORGIVENESS

Auditor General fee	<u>-</u>	<u>725 582</u>
---------------------	----------	----------------

15 OTHER INCOME

Deferred income written-off	-	18 098
Stock sales	117 889	53 343
Other sales	9 385	12 158
Insurance claims	5 299	21 430
	<u>132 573</u>	<u>105 029</u>

16 INVESTMENT INCOME

Interest on short term deposits, bank accounts and debtors	<u>150 536</u>	<u>103 408</u>
--	----------------	----------------

17 DEPRECIATION AND AMORTISATION

Depreciation - Property, plant and equipment	307 994	261 445
Amortisation – Intangible assets	7 181	4 662
Impairment losses – Property, plant and equipment	28 476	-
Total depreciation and amortisation	<u>343 651</u>	<u>266 107</u>

for the year ended 31 March

2017

2016

18 GENERAL EXPENSES

Architect fees	117 236	-
Audit fees	583 214	960 031
Bad debts	13 521	-
Bank charges	58 842	52 775
Cleaning	33 085	24 255
Computer expenses	5 099	13 890
Consulting fees	92 793	-
Decrease in provision for accumulated leave	(46 467)	(18 705)
Director's remuneration	702 927	735 324
Donations	1 102	-
Educationalist	114 338	54 939
Entertainment	27 193	22 089
Exhibitions	5 793	69 550
Municipal costs – interest paid	6 229	-
Insurance	62 996	63 323
Loss on disposal assets	1 922	107
Loss on write-off of inventories	137	10
Marketing	161 562	347 346
Meetings and functions	856 188	788 653
Operating lease expenses	59 671	64 482
Pension fund contributions	604 033	630 707
Post employment benefit cost – fair value adjustment	29 461	26 966
Post employment benefit cost – interest cost	10 000	9 233
Printing and stationery	91 849	68 961
Purchases of inventory	58 728	23 530
Rent paid	394 705	324 574
Repairs and maintenance	395 841	391 231
Security costs	210 337	261 564
Services	1 465 452	2 745
Staff expenditure	3 671 180	3 253 326
Sundry expenses	84 316	65 481
Telephone cost	90 558	88 785
Training	32 439	14 964
Transformation	-	3 800
Transport claims	190 773	194 383

for the year ended 31 March

2017

2016

19 EMPLOYEE COSTS

Employee costs

Basic	3 671 891	3 370 053
Bonus	260 440	253 728
Medical aid – company contributions	192 250	192 844
UIF	26 784	23 753
Leave pay provision charge	(46 468)	(18 705)
Housing subsidy	144 191	144 912
Leave gratuity	78 552	3 358
Retirement benefit plans	39 461	36 199
Pension fund contributions	604 033	630 707
	<u>4 971 134</u>	<u>4 636 849</u>

Remuneration of management personnel

Director's remuneration (chief executive officer)

Basic salary	631 789	659 376
Bonuses (13 th cheque)	50 138	54 948
Other allowances	9 000	9 000
Medical aid contributions	12 000	12 000
Pension fund contributions	103 852	135 288

Chief financial officer's remuneration

Basic salary	462 708	437 748
Bonuses (13 th cheque)	38 559	36 479
Other allowances	9 000	9 000
Medical aid contributions	12 000	12 000
Pension fund contributions	95 832	85 248
	<u>1 424 878</u>	<u>1 451 087</u>

20 MUNICIPAL COSTS

Interest paid	<u>6 229</u>	<u>-</u>
---------------	--------------	----------

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES OF THE FINANCIAL STATEMENTS

for the year ended 31 March	2017	2016
	R	R
21 CASH GENERATED FROM OPERATIONS		
Net surplus/(deficit) for the year	275 810	624 647
Non-cash movements		
Depreciation and amortisation	315 175	266 107
Losses on disposals, scrappings and settlements of assets and liabilities	1 922	107
Audit fees	-	725 582
Income: Debt forgiveness	-	(725 582)
Municipal costs	1 465 452	-
Rent paid	394 705	324 574
Services in kind	(1 860 157)	(324 574)
Impairment losses	28 476	-
Post employment benefit cost	7 673	7 303
Increase/(decrease) in provision for accumulated leave	(46 468)	(18 705)
Increase/(decrease) in provision for audit fees	472 601	-
Profit with write-off of deferred income	-	(18 098)
Loss with write-off of inventory	137	10
Changes in working capital		
(Increase)/decrease in inventory	2 372	(16 388)
(Increase)/decrease in receivables from exchange transactions	(49 475)	15 074
Increase/(decrease) in trade and other payables	51 823	68 182
Increase/(decrease) in deferred income	322 644	(38 563)
Net cash flows from operating activities	1 382 690	889 676

for the year ended 31 March

2017

2016

R

R

22 RISK MANAGEMENT

Liquidity risk

The ATM manages its cash flow by constantly monitoring it and by assuring that adequate borrowing facilities are maintained to provide in the ATM's cash needs.

	Less than 1 year	Total
Payables from exchange transactions	581 916	581 916
Deferred income	1 265 983	1 265 983
Provision for leave	63 638	63 638
Provision for audit fees	472 601	472 601

Interest rate risk

The museum is exposed to interest rate risk to the extent of its cash investments and interest bearing borrowings, details of which is set out in the notes to these instruments. Interest rate risk is managed through diversification of investments into different assets classes, taking into account current market conditions and liquidity needs. The impact on after tax earnings of an increase or decrease of 100 basis points in interest rates at the reporting date, is as follows:

The value of interest rate for interest bearing borrowings at year end is R31 347 for the period of less than a year.

Reasonable value of financial instruments

The reasonable value of trade- and other receivables, trade- and other payables, loans, cash and bank balances agree with the values as disclosed in the Statement of Financial Performance.

In accordance with GRAP 104 the financial instruments of the Authority are classified as follows:

Financial assets

Receivables from exchange transactions	93 982	44 507
Cash and cash equivalents	1 527 869	710 940
Total financial assets	<u>1 621 851</u>	<u>755 447</u>

Financial liabilities

Payables from exchange transactions	581 916	553 723
Total financial liabilities	<u>581 916</u>	<u>553 723</u>

Credit risk management

Financial assets that potentially subject the ATM to concentrations of credit risk consist principally of cash, short-term deposits and trade receivables. The ATM's cash equivalents and short-term deposits are placed with high credit quality financial institutions. Trade receivables are presented net of the allowance for doubtful debts. The credit risk associated with trade receivables is limited due to the large number of customers comprising the ATM's customer base and their dispersion across different industries and geographical areas. Accordingly the ATM has no significant concentration of credit risk.

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

Financial instrument

Receivables from exchange transactions	93 982	44 507
Cash and cash equivalents	1 527 869	710 940

Foreign exchange currency risk

The ATM does not engage in foreign currency transactions.

Price risk

The ATM is not exposed to price risk.

for the year ended 31 March	2017	2016
	<u>R</u>	<u>R</u>
23 FRUITLESS & WASTEFUL EXPENDITURE AND IRREGULAR EXPENDITURE		
Fruitless and Wasteful Expenditure		
Deposits paid for non-delivery of goods and services		
Opening balance	17 954	5 535
Fruitless and wasteful expenditure current year	-	12 419
Condoned or written off by relevant authority	-	-
Fruitless and wasteful expenditure closing balance	<u>17 954</u>	<u>17 954</u>

Incident

The fruitless and wasteful expenditure relates to SARS penalty, traveling costs for two meetings cancelled by the DAC and a penalty on a motor renewal licence.

Irregular expenditure

Irregular expenditure relates to procurements for the 2014/2015 and previous financial years that was done not in accordance with the methods prescribed in Treasury Regulations Act Section 16A 6.1, Practice Note 8 of 2007/2008 and Practice Note 7 of 2009/2010. It further relates to supply chain management procedures and policies that were not properly followed in the acquisition of services and goods.

Irregular expenditure relates to procurments done during the 2015/2016 financial year in accordance with the following:

- An incident lead to procurement that had to be done on short notice due to an emergency. The supplier did, however, not furnish the ATM with a tax clearance certificate
- The ATM deemed a certain purchase as the most value for money due to the expertise that was bought to the task at hand. Due to this, however, not being the lowest quotation received, it was deemed irregular.
- The contract was awarded to a supplier. When the contractor was due to start the supplier handed the contract over to another company. The expense was deemed irregular due to the ATM not repeating the quotation process.
- Procurement of security services was done according to the quotation process and not the tender process. The company is on a probation for the year and the total term of the contract is three years. The quotations received was all for one year.
- The excess amount over the approved budget resulted as follows. In terms of the GRAP Framework for the Preparation and Presentation of Financial Statements and the Updated Guideline on Irregular Expenditure issued by the Office of the Accountant-General the ATM did not spend according to the approved budget. Although the ATM welcomed more visitors and due to this maintenance expenses increased, as well as accounting for rent paid on our behalf and expenses due to funding of projects, the ATM did not adjust it's budget and submitted the adjusted budget for approval

Irregular expenditure relates to procurments done during the 2016/2017 financial year in accordance with the following:

- Two contractors were artists which classifies as a single source selection as no two artists are alike. The two artists were unable to furnish the ATM with valid tax clearance certificates
- Quotations were not obtained when an attorney was appointed as the services rendered would have been for the compilation of a rental agreement only. After negotiations failed, the council requested that the attorney assist as he was responsible for the compilation of the agreement and knew the situation the ATM faced.
- The excess amount over the approved budget resulted as follows. In terms of the GRAP Framework for the Preparation and Presentation of Financial Statements and the Updated Guideline on Irregular Expenditure issued by the Office of the Accountant-General the ATM did not spend according to the approved budget. Although the ATM welcomed a total of 81 017 visitors to the museum and monument, 6 512 at the Amphitheatre and reached 2 383 trough visits to institutions and public/educational programmes. In total, the ATM welcomed 89 912 visitors for 2016/2017 which is 13 678 visitors more than for 2015/2016. This not only has an impact on the income received from higher visitor numbers but also Increases the maintenance to the buildings. As Council decided to cease negotiations with the former interested party who was interested in leasing the Amphitheatre on a long-term contract, the expenditure incurred for extra maintenance, Which is normally the responsibility of lessee, fell to the ATM. Part of the irregular expenditure resulted in the ATM having to disclose services in kind which is municipal costs and rent paid by the DAC on behalf of the ATM of R1 860 157

for the year ended 31 March	2017	2016
	R	R

23 FRUITLESS & WASTEFUL EXPENDITURE AND IRREGULAR EXPENDITURE (continued)

which forms a significant part of the irregular expenditure disclosed for 2016/2017. Although Management of the ATM continued to report to council regarding certain expenses the budget was not adjusted and submitted for approval.

Value of irregular procurements	350 621	121 150
Irregular acquisitions as per expenditure register	-	-
	<u>350 621</u>	<u>121 150</u>
Reconciliation of irregular expenditure		
Opening balances	2 587 832	510 974
Add: Irregular expenditure current year: expenditure related	350 621	121 150
Add: Irregular expenditure current year: budget related	3 221 307	-
Add: Irregular expenditure identified in the current year relating to prior year	-	1 976 508
Less: Amount condoned or written off by relevant authority	-	(20 800)
	<u>6 159 760</u>	<u>2 587 832</u>

24 OPERATING LEASE ARRANGEMENTS

Minimum lease payments under operating lease agreements

Leases recognised as an expense in the year	<u>59 671</u>	<u>64 482</u>
---	---------------	---------------

At the reporting date, the ATM has outstanding commitments under non-cancellable operating leases, which fall due as follows:

- within one year	42 324	54 039
- in second to fifth year inclusive	-	42 324
	<u>42 324</u>	<u>96 363</u>

Operating lease payments represent rentals payable for office equipment. The leases are negotiated for a term of five years and are fixed for the duration of the lease agreement.

25 RELATED PARTIES

Director and director-related entities

The director and chief financial officer named in the attached director's report each held office during the years ended 31 March 2016 and 31 March 2017. It is also of note that the director is an unpaid trustee of the Historium Trust, while the chief financial officer only attends the meetings of the trustees in an advisory capacity, does not receive payment and have no voting rights. Remuneration received or receivable by the director and chief financial officer are disclosed in note 17.

Transactions with associate undertakings

The Historium Building was bought by the Council of the Museum (Afrikaans Language Committee) as a private transaction in 1990. The building was registered in the name of the ATM since the Afrikaans Language Committee was not a registered entity. It is the intention of the Council to consolidate the Historium Building, The Afrikaans Language Committee and Afrikaans Trust into a new private trust known as the Historium Trust in order to discontinue any party relationship between the ATM and the Historium Building.

The Afrikaans Language Committee was controlled by the same Council as the ATM. The Historium (erven 1747, Paarl) was bought by the Afrikaans Language Committee but since the Afrikaans Language committee is not a legal entity, the property was registered to the ATM.

The Auditor-General raised the issue of the relationship between the ATM and the private account of the Afrikaans Language Committee is considered as a matter of emphasis in the audit report. The property is registered in the name of the ATM although it is the property of the Afrikaans Language Committee, as it was originally purchased by the Afrikaans Language Committee and therefore private. The intention of the Council is to consolidate the Historium Building, the Afrikaans Language Committee, a privately functioning trust, known as Afrikaans Trust, into a new private trust as the Historium Trust in order to discontinue any party relationship between the ATM and the Historium.

for the year ended 31 March

2017

2016

R

R

25 RELATED PARTIES (continued)

The ATM submitted a request with a draft deed of donation to the Minister of Arts and Culture after obtaining an opinion from the state Attorney in order to transfer the building to the Historium Trust in terms of Section 4(3)(a) of the Cultural Institutions Act, 119 of 1998, and the Public Finance Management act, 1 of 1999, more specifically Sections 76(1)(k) and (i) and Treasury Regulations 21.3.

The ATM is still waiting on the outcome of this request.

The following rent, relating to the Historium, was paid by the DAC to the Historium Trust:

Rent Paid – Department of Arts and Culture	<u>394 705</u>	<u>324 574</u>
--	----------------	----------------

26 TAXATION

No provision for taxation has been made during the current financial year as the tax exemption in terms of Section 10(1) of the Income Tax Act has been granted.

27 REVENUE FROM NON-EXCHANGE TRANSACTIONS: SERVICES IN KIND

The entity received the following services in-kind from the DAC. These services in-kind had not been recognised in the statement of financial performance due to limitations in verifying the accuracy of the amounts.

Municipal charges	1 465 452	923 728
Rental	<u>394 705</u>	<u>5 473 819</u>
	<u>1 860 157</u>	<u>6 397 547</u>

Municipal charges

The DAC paid the entity's municipal bills to the Department of Public Works (DPW) on behalf of the entity. Municipal charges are made up of water, electricity and sewerage costs. Due to the fact that the entity has a different reporting framework to that of DAC (accrual vs. modified cash); DAC would have paid municipal charges in the current financial year but a part of the expenditure would have been incurred in previous periods. The amount for municipal charges stated above thus relates to payments made on the 2016/17 financial year but a portion thereof relates to prior years. Similarly, the amount recorded in the comparative column was paid in the 2015/16 financial year with a portion thereof could relates to prior years.

There are also uncertainties regarding expenditure incurred for municipal charges for months not paid as yet by DAC. DAC had as yet not paid municipal bills for June 2016, February to March 2017 as per records received from DAC. The entity cannot account for these municipal bills as no records thereof are provided by DPW or DAC to the entity.

Further uncertainty was noted regarding the reasonability of the municipal charges for the Taal Monument in the above figures. No confirmation could be received from DPW regarding the unusually high amounts.

The basis of GRAP 23 is that an underlying asset should be recognised or a liability extinguished. The asset definition would not thus be fully met due to measurability limitations stated above. The amount for municipal charges paid by DAC to DPW on behalf of the entity in 2016 will thus not be recognised as services in-kind (revenue from non-exchange) in the statement of financial performance but rather disclosed as above.

The amounts disclosed above is thus the best estimate of services in-kind provided by DAC for municipal charges.

Rental Paid

The entity occupies buildings owned by DPW and the Historium Trust. Rental thereof is paid by DAC on the entity's behalf. The R394 705 (prior year R5 473 819) disclosed above relates to amounts paid by DAC to DPW on behalf of the entity.

for the year ended 31 March

2017

2016

R

R

28 PRIOR PERIOD ERRORS

Correction of errors relates to property, plant and equipment incorrectly written-off in the previous periods, intangible assets incorrectly classified as property, plant and equipment and reallocation of furniture to buildings.

The opening balance of capital works grant in deferred income did not include interest earned. The interest in relation to the capital works was included in the investment income and recognised as income in the current year and prior years.

The effect of the adjustments of these errors on the results of 2016 and 2015 are as follows:

	2016	2015
Statement of Financial Position		
Buildings:		
Asset transferred from Furniture and Fittings to Buildings		
- Cost	-	26 220
- Accumulated depreciation	(524)	(3 146)
Furniture & Fittings:		
Asset transferred from Furniture and Fittings to Buildings		
- Cost	-	(26 220)
- Accumulated depreciation	2 913	17 480
Furniture & Fittings previously written off still used		
- Cost	-	279 906
- Accumulated depreciation	(18 915)	(172 238)
Furniture & Fittings allocated to intangible assets		
- Cost	-	(3 899)
- Accumulated depreciation	-	3 101
Increase in Intangible assets:		
Furniture & Fittings allocated to intangible assets		
- Cost	-	3 899
- Accumulated depreciation	-	(3 101)
Increase in deferred income	(51 424)	-
Decrease in receivables from exchange transactions	-	(33 367)
Derecognise the transformation grant		
Decrease in Deferred income	18 098	88 077
Increase in Accumulated surplus 2015 financial year	176 712	-
Increase/(Decrease) in Accumulated surplus	126 860	176 712
Surplus or Deficit		
Increase in surplus regarding 2015 financial year	(176 712)	-
Increase in depreciation	16 526	-
Decrease in investment income	51 424	-
Decrease in other income	-	33 367
Increase in Deferred income written-off	(18 098)	(88 077)
Increase in surplus regarding change in assets	-	(122 002)
(Increase)/Decrease in surplus	(126 860)	(176 712)

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES OF THE FINANCIAL STATEMENTS

for the year ended 31 March

2017

2016

R

R

28 PRIOR PERIOD ERRORS (continued)

Addisional:

2016

2015

Note 23

Irregular expenditure

1 976 508

-

29 BUDGET INFORMATION

Revenue

Actual

Budget

% Movement

Income other than investment income

10 655 981

7 240 900

47%

Investment income

150 536

68 500

120%

Weighted average share price at exercise date of options was R- (2016: R-).

Expenses

Actual

Budget

% Movement

Administrative costs

(5 130 504)

(2 402 119)

144%

Employment benefit costs

(4 971 134)

(4 783 141)

4%

Depreciation and amortisation expense

(343 651)

-

-%

Other expenses

(85 418)

(124 140)

(31%)

30 FUNDING AND MARKETING

Public program

6 000

5 038

Donations

380 943

379 579

Other

4 601

11 718

Education program

5 975

-

Courses

75 034

25 438

472 553

421 773

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
DETAILED INCOME STATEMENT

for the year ended 31 March

2017

2016

	<u>Notes</u>	<u>R</u>	<u>R</u>
Revenue from non-exchange transactions			
Services in kind		1 860 157	324 574
Government grants		6 046 738	5 705 085
Debt forgiveness – Auditor-General fee		-	725 582
		7 906 895	6 755 241
 <i>Revenue from exchange transactions</i>			
Entrance fees		1 682 843	1 795 147
Funding and marketing		472 552	421 773
Business venture		461 118	248 474
Other income		132 573	105 029
		2 749 086	2 570 423
 Expenses (Refer to page 40)		(10 530 707)	(8 804 425)
Net surplus/(deficit) before interest		125 274	521 239
Investment income	16	150 536	103 408
Net surplus/(deficit) for the year		275 810	624 647

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
DETAILED INCOME STATEMENT

for the year ended 31 March

	2017	2016
	R	R
Expenditure		
Amortisation	7 181	4 662
Architect fees	117 236	-
Audit fees	583 214	960 031
Bad debts	13 521	-
Bank charges	58 842	52 775
Cleaning	33 085	24 255
Computer expenses	5 099	13 890
Consulting fees	92 793	-
Decrease in provision for accumulated leave	(46 467)	(18 705)
Depreciation	307 994	261 445
Directors' remuneration	702 927	735 324
Donations	1 102	-
Educationalist	114 338	54 939
Entertainment	27 193	22 089
Exhibitions	5 793	69 550
Municipal costs – interest paid	6 229	-
Impairment	28 476	-
Insurance	62 996	63 323
Loss on disposal of assets	1 922	107
Loss on write-off of inventories	137	10
Marketing	161 562	347 346
Meetings and functions	856 188	788 653
Municipal costs	1 465 452	2 745
Operating lease expenses	59 671	64 482
Pension fund contributions	604 033	630 707
Post employment benefit cost – fair value adjustment	29 461	26 966
Post employment benefit cost – interest cost	10 000	9 233
Printing and stationery	91 849	68 961
Purchases of inventory	58 728	23 530
Rent paid	394 705	324 574
Repairs and maintenance	395 841	391 231
Security costs	210 337	261 564
Staff expenditure	3 671 180	3 253 326
Sundry expenses	84 316	65 481
Telephone and fax	90 558	88 785
Training	32 439	14 964
Transformations	-	3 800
Transport claims	190 773	194 383
Total expenditure	10 530 707	8 804 425

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March

2017

Statement of comparison of budget and actual amounts for year 1 April 2016 till 31 March 2017

	Approved Budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual
Receipts					-
Own income	1 415 400	-	1 415 400	2 518 679	1 103 279
Donations/Sponsorships	-	-	-	380 943	380 943
Reserves to be employed	-	-	-	-	-
Grant revenue	5 894 000	-	5 894 000	7 906 895	2 012 895
Total Receipts	7 309 400	-	7 309 400	10 806 517	3 497 117
Payments					-
Administration costs	2 402 119	-	2 402 119	5 130 504	2 728 385
Employee benefit costs	4 783 141	-	4 783 141	4 971 134	187 993
Depreciation and amortisation expense	-	-	-	343 651	343 651
Other expenses	124 140	-	124 140	85 418	(38 722)
Total Payments	7 309 400	-	7 309 400	10 530 707	3 221 307
Net Receipts/ (payments)	-	-	-	275 810	275 810

Basis for preparation

The ATM is registered as a Schedule 3A public entity according to the Public Finance Management Act (PFMA). According to the PFMA, No. 1 of 1999, Section 53(3) the ATM may not budget for a loss. The ATM uses the cash based method to prepare its budget with no profit or deficit. The annual financial statement of the ATM is prepared on an accrual basis. The approved budget covers the period from 1 April 2016 till 31 March 2017.

Receipts

The ATM hosted 89 912 visitors for the 2016/2017-financial year. Some of the significant reasons for this increase which contributed to our own income, was the summer picnic series, our fullmoon and stargazing evenings, successful educational and public programmes and three shows that were held at the Amphitheatre.

Approximately four years ago the Audit Committee suggested that no provision be made in the budget for donations / sponsorships as their vision was that with no sponsorships, the ATM must still function and be able to fulfil its mandate, even if it meant that it will be with less funds. Although the ATM does not budget for donations/sponsorships, we still apply on a yearly basis too various organisations for specific projects and programmes that is part of our mandate and mission.

The ATM received a conditional grant from the DAC at the end of the 2014/2015-financial year and is to be used for capital works. The funds were placed under deferred income in 2014/2015. In 2016/2017 the DAC paid an extra R400 000 towards the enlargement/upgrade of the kitchen area of the restaurant as the Monument which is a shortfall on construction costs as per estimates. At 31 March 2017 the ATM awaited a letter of ownership which will be sent with the updated plans to the Drakenstein Municipality for final approval. The DAC also paid rent on behalf of the ATM to the DPW (also see note 27).

Payments

for the 2016/2017-financial year the ATM not only hosted 18 events which included concerts with local and well-known artists, fullmoonpicnics and stargazing evenings, but also rented the Amphitheatre on an ad hoc-basis which gave the ATM the opportunity to co-host the ATKV Riedans Competition. With the increase in the income received from these events the expenses also increased (this includes the artists' fees, increased security, extra staff members to assist the visitors, emergency services, marketing, maintenance, etc). These events are used to expose visitors that would normally not visit the Monument to the grounds, the language Afrikaans and the monument.

The ATM also needed to include the Auditor-General's audit fees in its financial statements as part of the administrative expenses. After negotiations with them, they agreed to lower their fees to R399 201 for the 2016-audit which is still more than 5% of the ATM's total expenses. Although the Auditor-General wrote off the previous financial years' audits, there is still an amount owed to them for the 2016-audit. The ATM made a 1%-payment towards the audit fees as per Public Audit Act, No 25 of 2004.

The ATM also experienced some staff changes during the financial year. Three staff members retired during the year of which one was the director, Mr JP Louw. A new director, Mr MJ Jonas, was appointed on the 1st of June 2016.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March

2017

The ATM also experienced some staff changes during the financial year. One staff member left the service of the ATM after 10 years of service and the post was vacant for approximately 3-4 months before it was filled. The ATM also changed the contract of one staff member from a full day-post to a part time-post after consultation with the staff member. This resulted in the ATM underspending on employee costs.

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2017 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement	275 810	-	-	275 810
Basis difference	1 106 880	-	-	1 106 880
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Actual amount in the cash flow statement	1 382 690	-	-	1 382 690

1. MATERIALITY AND SIGNIFICANCE FRAMEWORK FOR THE PERIOD ENDING 31 MARCH 2017

1.1 Definitions and standards

- ❖ Annual financial statements: 2015/2016 (AFS)
- ❖ Approved annual budget: 2016/2017 (AAB)
- ❖ Approved strategic plan: 2015/2020 (ASP)
- ❖ Event: An activity that has the elements of income and expenditure

1.2 Applicable sections of the PFMA

- ❖ Section 54(2)
- ❖ Section 55(2)

1.3 Treasury regulation

- ❖ 28.3: For purposes of material [section 55 (2)] and significant [section 54 (2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

1.4 Framework

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
54 (2)	<p>Before a public entity concludes any of the following transactions, the accounting authority for the entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:</p> <p>(a) establishment of participation in the establishment of a company;</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>(c) acquisition or disposal of a significant shareholding in a company;</p> <p>(d) acquisition or disposal of a significant asset;</p> <p>(e) commencement or cessation of a significant business activity;</p> <p>(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement</p>	<p>(a) Each and every instance.</p> <p>(b) Each and every instance.</p> <p>(c) Each and every instance.</p> <p>(d) Above R500 000.</p> <p>(e) Each and every instance.</p> <p>(f) Each and every instance.</p>

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
55 (2)	<p>The annual report and financial statements must include particulars of:</p> <p>(a) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(b) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(c) any losses recovered or written off; and</p> <p>(d) any financial assistance received from the state and commitments made by the state on the accounting authority's behalf.</p>	<p>(a) All instances will be included in the accounting authority's annual report – amount greater than 1% of the total value of the expenditure per AFS.</p> <p>(b) All instances will be included in the accounting authority's annual report</p> <p>(c) All instances will be included in the accounting authority's annual report – amount greater than 1% of the total value of the expenditure per AFS.</p> <p>(d) All instances will be included in the accounting authority's annual report.</p>