

INTRODUCTION

The sacrifice of South Africans aboard the SS Mendi

In 2017, South Africa commemorates the 100-year anniversary of the sinking of the 4 230 ton troopship, Mendi, in the English Channel during the First World War, when 616 South Africans lost their lives.

The steamship, Mendi left Cape Town on 16 January 1917 on a 34-day voyage to La Havre, France. The ship carried 805 black enlisted labourers, part of the SA Native Labour Corps (SANLC) contingent promised to Britain by the then Prime Minister of the Union of South Africa, General Louis Botha, to work as labourers behind the front lines in France in support of the war effort. They were required to move supplies from locations to the front lines. On board were also five white officers and 17 non-commissioned officers as well as 33 crew members.

In the early hours of 21 February 1917, another ship, the Darro, weighing 11 484 tons and travelling at full speed whilst emitting no warning signals, rammed into the Mendi. The Mendi sank in 20 minutes. In addition to the recklessness of the former boat's actions, the crew of the Darro took no steps to rescue the survivors. Instead, the Darro floated nearby while lifeboats from the Mendi's escorting destroyer, HMS Brisk, tried to rescue the survivors.

Like so many military disasters, the story of the Mendi is a story of supreme courage shown in the

face of death between brothers in dire circumstances. This loss was seldom recognised during apartheid. Those that perished on the day included 607 black troops and nine white compatriots. Among the troops were some prominent men, such as the Pondoland chiefs, Henry Bokleni, Dokoda Richard Ndamase, Mxonywa Bangani, Mongameli and the Reverend Isaac Wauchope Dyobha.

It is an example of how black South Africans supported and fought alongside other freedom loving nations dating back to the First World War but whose contribution and sacrifice was not heralded nor recognised. It was only recently that their historic sacrifice of became part of official historical memorials both nationally and internationally.

Those that died on that fateful day are memorialised at the Hollybrook Memorial in Southampton in the UK and at a number of memorials across South Africa, including New Brighton, Port Elizabeth; the Ga-Mothakga Recreation Resort in Atteridgeville; and Heroes Acre at the Avalon Cemetery in Soweto, unveiled by President Nelson Mandela and Her Majesty Queen Elizabeth II, in 1995. A Mendi memorial on the campus of the University of Cape Town in Rosebank is situated on site of the South African Native Labour Contingent camp from which all the members of the contingent, including those who sailed on the Mendi, left South Africa for France. This memorial was declared a national heritage site by SAHRA in December 2016 as part of the centenary commemoration of the loss of the Mendi.

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PART A:

SAHRA General Information



Plate showing shipping line
crest recovered from the wreck of the
Mendi (Photo: Dave Wendes)

GENERAL INFORMATION

REGISTERED NAME:	South African Heritage Resources Agency (SAHRA)
REGISTRATION NUMBER:	N/A
PHYSICAL ADDRESS:	111 Harrington Street Cape Town 8001
POSTAL ADDRESS:	P.O Box 4637 Cape Town 8000
TELEPHONE NUMBER/S:	027 21 462 4502
FAX NUMBER:	027 21 462 4509
EMAIL ADDRESS:	info@sahra.org.za
WEBSITE ADDRESS:	www.sahra.org.za
EXTERNAL AUDITORS:	Auditor-General
BANKERS:	Absa and Nedbank
COMPANY SECRETARY:	Ms. Lungisa Malgas

ACRONYMS AND DEFINITIONS

ACH	Arts, Culture and Heritage
B-BBEE	Broad-based Black Economic Empowerment
CEO	Chief Executive Officer
CGICT	Corporate Governance Information and Communication Technology
DAC	Department of Arts and Culture
DEA	Department of Environmental Affairs
EIA	Environmental Impact Assessment
GRAP	Generally Recognised Accounting Practice
HIA	Heritage Impact Assessment
IT	Information Technology
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NEMA	National Environmental Management Act (Act No. 107 of 1998)
NDP	National Development Plan
NGO	Non-Governmental Organisation
NHRA	National Heritage Resources Act (Act No. 25 of 1999)
PAIA	Public Access to Information Act (Act No. 2 of 2000)
PHRA	Provincial Heritage Resources Authority
PFMA	Public Finance Management Act (Act No. 1 of 1999 as amended by Act No. 29 of 1999)
SAHRA	South African Heritage Resources Agency
SADC	Southern African Development Community
SAHRIS	South African Heritage Resources Information System
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBA	To be agreed

FOREWORD BY CHAIRPERSON OF THE COUNCIL



Prof Susan Bouillon
Chairperson

It gives me great pleasure to introduce the first Annual Report of this Council's term for the period of 2016/17. Heritage tells the stories of our past; it reflects our present and will be our legacy for future generations. It is our cultural and natural imprint which characterizes our lives, our cities and our nations. Heritage resources and services are central to the development of post-apartheid South Africa, and play an important political, social and economic role in reconstituting and transforming society.

The role of SAHRA continues to be significant at both local and international levels. A new SAHRA Council was appointed during the 2016/17 financial

year and we committed ourselves to building on progress and initiatives made by the previous Council. Our responsibility is to strengthen oversight and accountability and uphold to the principles of good corporate governance at SAHRA, while at the same time supporting the Entity's core function, the management of South Africa's cultural heritage resources.

It is against this background that we commit ourselves to ensuring that we carry out the mandate of SAHRA enshrined in the National Heritage Resources Act, No. 25 of 1999, and that we pursue the vision and mission and uphold the values of this organization.

Whilst Council's focus is to drive the strategy of SAHRA, we are mindful of the challenges and areas for improvement that were highlighted in the handover report of the previous Council. We have also reflected on the irregular expenditure that was raised by the Auditor-General in the 2015/16 Audit Report and have conducted an investigation into this irregular expenditure, and non-compliance with Supply Chain Management policies, the Public Finance Management Act No.1 of 1999 and Treasury Regulations. This has been the biggest challenge for this Council since assuming office. The preliminary report on the verification of compliance with Treasury Norms and Standards in the execution of the Anix Consulting contract was issued with recommendations and remedial actions. This report led Council to yet take another difficult decision to place the Chief Executive Officer of SAHRA

on precautionary suspension until the forensic investigation is finalised.

Council has assured staff, executives and our clients and stakeholders that we are committed to the success of the Entity as we strengthen governance in the organization.

We can proudly report that in the 2016/17 year, SAHRA continued to focus on the nomination, grading and declaration of previously neglected heritage sites, including those that relate to the previously marginalised and ignored sections of our society. This includes Chris Hani, Sharpeville Massacre and Constitutional Hill amongst others.

Recognition was given this year to stalwarts of the struggle whose graves rehabilitated. Amongst these was Mr Steve Biko, a memorial to whom was unveiled during Human Rights celebrations by the President, the Honourable Mr Jacob Zuma.

Financially, we have yet again received an unqualified audit outcome and it is our goal that SAHRA achieves a clean audit throughout our term of office. That said, it is a serious concern for this Council to have to report that the entity is experiencing a shortfall in funding and cannot pay its staff market related salaries and performance bonuses. Despite this, the Entity has managed the achievements mentioned above, and

many others which are covered in this report, and remains committed to fulfilling its mandate.

We would like to express a deep appreciation to the Minister of Arts and Culture, Mr Nathi Mthethwa for giving the Council his support and the opportunity to serve and strategically guide the Entity over the next three years; to the Department of Arts and Culture for its guidance and support; and to the Portfolio Committee for their guidance that continues to shape the performance of this Entity.

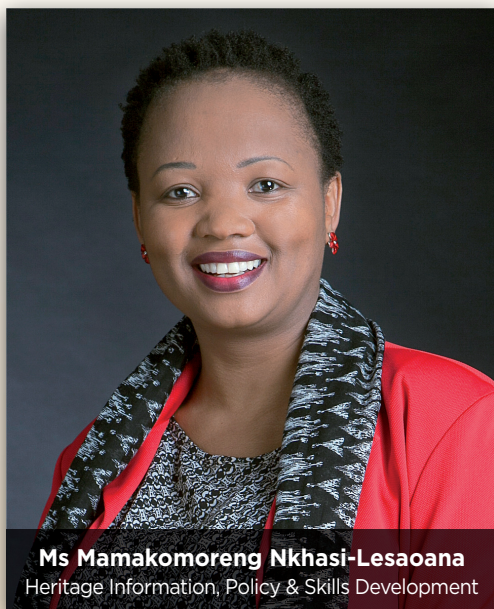
I must thank colleagues in the SAHRA Council for their constructive role and participation in the deliberations of the Council and their commitment to the Entity since we have assumed office. Last, but not least, our deepest and most sincere thanks and appreciation goes to the executive management and staff of SAHRA for their sterling work to turn around and stabilize this organization during the most challenging times, which is reflected in the Auditor-General's Report.



Prof Susan Bouillon

SAHRA Council Chairperson

ACTING CHIEF EXECUTIVE OFFICER'S OVERVIEW



Ms Mamakomoreng Nkhasi-Lesaoana
Heritage Information, Policy & Skills Development

It is my pleasure to present the 2016/17 Annual Report of the South African Heritage Resources Agency (SAHRA). It is with great excitement to report that SAHRA continues to transform the cultural heritage landscape to reflect a democratic and non-racial society guided by the core values of the National Development Plan. SAHRA has once more achieved an unqualified audit opinion for the 2016/17 financial year.

We started the financial year with a renewed purpose after a vigorous process of aligning our annual performance plan to the Sector Strategic Objectives and Outcome 14 of National Government. This process

enabled us to reflect on the intrinsic role that SAHRA plays with regards to social cohesion and socio-economic development by redressing conservation practices that marginalised heritage resources belonging to the majority of people in this country. Completing the “Founding Fathers of Democracy” project continues to be central in fulfilling this role. With this heightened realisation, we have actively participated in the revision of the White Paper on Arts, Culture and Heritage. SAHRA also initiated a process of developing regulations on section 7 and 39 of the National Heritage Resources Act (NRHA) to enable better execution of our mandate.

Encouraging stakeholder engagement has been prioritised by SAHRA in order to ensure identification, conservation, protection and promotion of heritage resources. Three Memoranda of Understanding (MoUs) and a Memorandum of Agreement (MoA) were developed to strengthen strategic partnerships with other institutions. SAHRA also contributed to six community and stakeholder workshops/meetings to promote the significance of heritage resources. Lastly, a Corporate Social Responsibility (CSR) policy and an implementation strategy were successfully developed to ensure that the Entity plays a meaningful role in contributing to community social development initiatives through the management of heritage resources.

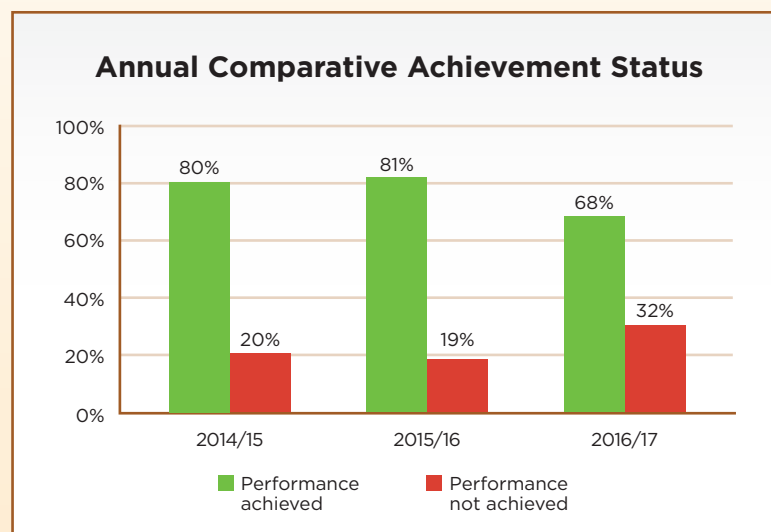
The maximisation of immovable heritage assets was another objective that was successfully achieved as we managed to refurbish the Welcome Cottage

and Boland Cottage on the Dal Josaphat property. This refurbishment was not only done to preserve the properties' heritage value but also to maximise them for income generation and socio-economic upliftment of the nearby community. SAHRA also successfully completed the inventory of the UCT Archaeometallurgy collection. We succeeded in building SAHRA's brand locally and internationally through public awareness by executing double the number of marketing programmes initially planned.

SAHRA excelled at regulating national heritage resources by carrying out a total of 31 site inspections, including seven additional unplanned site inspections in response to ad hoc requests made by the Department of Arts and Culture (DAC) and other authorities. We also ensured that heritage sites were protected through grading and declarations. Five nominated heritage sites were graded as national heritage sites and 21 sites were declared within the financial year. These included Sharpeville Massacre, University of Fort Hare, Constitution Hill and Chris Hani amongst others. We also managed to rehabilitate 11 memorials and complete phase 1 of the transformation of the Delville Wood Memorial and Museum in France.

The majority of indicators for the 2016/17 financial year focused on business development, as opposed to the previous financial years where there was a more administrative focus. A total of 68 % was achieved for the year under review. A substantial

part of the business development that the Entity does is on behalf of the Provincial Heritage Resource Agencies (PHRAs). Thus the effectiveness of SAHRA's performance will be compromised until the PHRAs have been duly capacitated and SAHRA is able to entrust them with this work.



SAHRA strengthened its internal controls in all areas of business and also developed operational plans that will proactively alert us to where performance is declining. A Finance and Risk Management Committee was established during the year, this Committee is chaired by an independent party nominated by the Audit & Risk Committee. In addition to this, we have invested time in educating all managers on risk management and have ensured that risk management is entrenched in our day-to-day operations.

GENERAL FINANCIAL REVIEW OF THE ENTITY

The dire financial constraints of SAHRA remain a serious concern for the successful conservation and protection of our heritage. The NHRA, which informs SAHRA's mandate, had never been informed by a proper business or funding model. Hence the operations of the organisation are constrained by budget restrictions. Without the concomitant funding, the strategy will never enjoy a successful and complete implementation.

On a more positive note, we have achieved a rigorous turnaround after the disclaimer reports in the 2011/12 financial year as a result of a new strategic direction and a better aligned organisational structure.

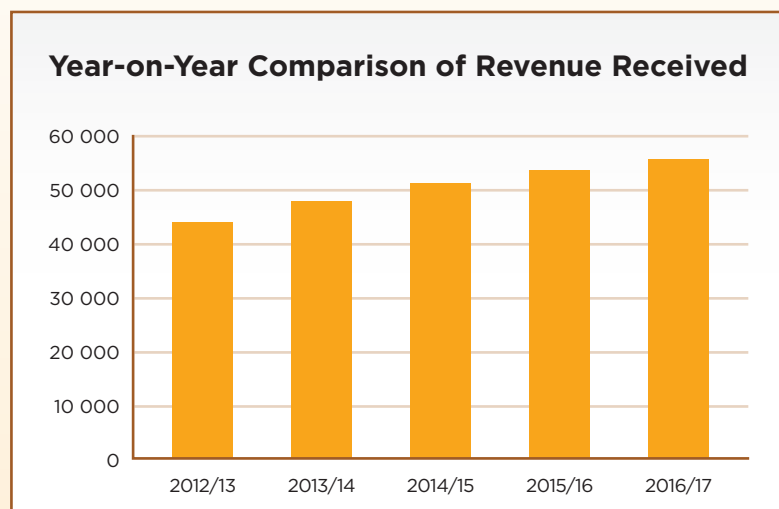
Revenue Collection

Sources of Revenue	Budget R'000	Revenue Received R'000	Variance R'000
Permit Applications Fees	45	34	-11
Rental Income	1 705	1 908	203
Other Income	0	139	139
Total Revenue from Exchange Transactions	5,017	4,410	-606
Government Grant & Subsidy	51,125	51,125	0
Donations	-	16	16
Additional Funds from DAC	32,000	0	-32,000
Total Revenue from Non-Exchange Transactions	83,125	51,141	-31,984
Total Revenue	88,142	55,551	-32,590

91% of revenue is derived from government grants. Rental income is generated from properties owned by SAHRA. Our heritage properties have the potential to increase their own revenue significantly. To this end, we are continuing to explore different options of accessing funding for the rehabilitation and restoration of the prioritised heritage properties.

Discussions with the National Treasury on possible public-private-partnership (PPP) collaborations have commenced. Our heritage properties have a strong potential of relieving our funding constraints, and therefore in the new financial year, we will be increasing our efforts to engage key stakeholders on strategic long-term funding for the rehabilitation of the identified properties.

Below is a table showing the year-on-year growth of our revenue base:



The graph above clearly illustrates how revenue has been increasing marginally over a five-year period.

Expenditure Analysis

Description	Adjusted Budget R'000	Actual Spent R'000	Variance R'000	% Spent
Personnel Costs	35,776	34,006	1,770	95%
General Expenditure	52,366	48,886	3,479	93%
Total Expenditure	88,142	82,892	5,249	94%

Spending trends

Spending decreased slightly during the year under review as compared to the previous year (R82 892 million compared to 2015/16's R93 832 million – including all non-cash items). The comparative decrease in expenditure is attributable to the movement of project funds. We are showing a deficit of R27 341 million under the Statement of Performance. This is a result of the project funds received in the 2011/12 financial year which was spent in the reported financial year.

Expenditure Per Programme

Description	Adjusted Budget R'000	Actual Spent R'000	Variance R'000	% Spent
Programme 1: Administration	42,511	40,720	1,791	96%
Programme 2: Business Development	43,911	40,462	3,449	92%
Programme 1: Public Participation	1,720	1,710	10	99%
Total Expenditure	88,142	82,892	3,666	94%

Capacity constraints

SAHRA remains challenged with regards to implementing its mandate fully. This is largely attributable to the limited budget which has not allowed us to employ more heritage specialists.

Supply Chain Management (SCM)

During the year under review, we improved the SCM processes and are also in the process of filling vacant posts. We have noted with concern the increase in the number of noncompliances, and to this end, the procurement compliance checklist has been improved to enable better procurement.

Previous year audit queries and how they were resolved

A comprehensive action plan was put in place during the year to monitor the implementation of the audit findings. Internal controls were enhanced through the development of policies and by improving the review of financial transactions. The Audit and Risk Committee and the Executive Committee played pivotal roles in monitoring progress on the clearing of audit findings. We noted with serious concern the lack of a business model and funding strategy for our mandate. The dire funding situation is, to a large extent, a result of a piecemeal approach to the funding of the organisation.

Therefore we will, with the help of experts, be developing a cogent business model to table a bankable proposition for the execution of our mandate. We will continue to advocate the importance of heritage resources management through collaborative efforts with various stakeholders via colloquiums and conferences.

Indeed, 2016/17 marked more milestones in the improvements and achievements of SAHRA. All these achievements would not have been possible without the relentless efforts of all staff members who have shown unreserved dedication to the successes of the entity.

I would like to thank the Council and all its Committees for the sterling support and leadership provided and for steering this organisation in the right direction. My sincere gratitude goes to the DAC, and all of our strategic partners, for their contribution to our success.



Ms M Nkhosi-Lesaoana

Acting Chief Executive Officer

Date: 31 July 2017

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

SAHRA is a statutory organisation established by the National Heritage Resources Act, No. 25 of 1999, as the national administrative body responsible for the protection of South Africa's cultural heritage.

It is an implementing agency of the Department of Arts and Culture. It is a legislative requirement that all government institutions and entities periodically review their strategic plans in order for them to remain relevant and to be responsive to their legislative mandates.

It is against this background that SAHRA conducted its strategic review in 2014 with emphasis on reshaping its future to ensure improved performance, a 2015-2020 strategic plan was approved by Council. The 2017/18 Annual Performance Plan is the second annual performance plan in implementing the strategic plan.

The sections below provide the strategic direction committed to by the leadership of SAHRA during the strategic planning workshop in October 2014.

STRATEGIC OVERVIEW

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

It is a legislative requirement that all government institutions and entities periodically review their strategic plans in order for them to remain relevant and to be responsive to their legislative mandates.

SAHRA conducted its last strategic review in 2014 with an emphasis on reshaping its future to improve performance. A 2015 – 2020 strategic plan was approved by Council on 31 March 2014 and SAHRA is currently working under the terms of that plan. SAHRA's 2016/17 Annual Performance Plan is the second annual performance plan based on the current strategic plan.

VISION

A nation united through heritage

MISSION

Our mission in fulfilling our mandate is to promote social cohesion in our country by:

- Identifying, conserving, and managing heritage resources in South Africa so that they can

contribute to socio-economic development and nation building;

- Developing norms, standards and charters for the management of heritage resources in South Africa; and
- Contributing to skills development and knowledge production and transformation in heritage resources management in South Africa and beyond.

VALUES

Underpinned by the Batho Pele principles and belief set ("We belong, we care and we serve"), SAHRA subscribes, in all that it does, to the following institutional values:

- Accountability
- Teamwork and co-operation
- Respect
- Transparency
- Service excellence
- Integrity and ethics
- Honesty
- Accessibility
- Professionalism
- Communication

LEGISLATIVE AND OTHER MANDATES

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

As outlined in the **NHRA preamble it is important to** preserve and protect our heritage because this:

- encourages communities to nurture and conserve their legacy;
- defines cultural identity;
- lies at the heart of our spiritual well-being;
- has the power to build our nation and the potential to affirm our diverse cultures;
- shapes our national character;
- celebrates our achievements; and
- contributes to redressing past inequities.

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

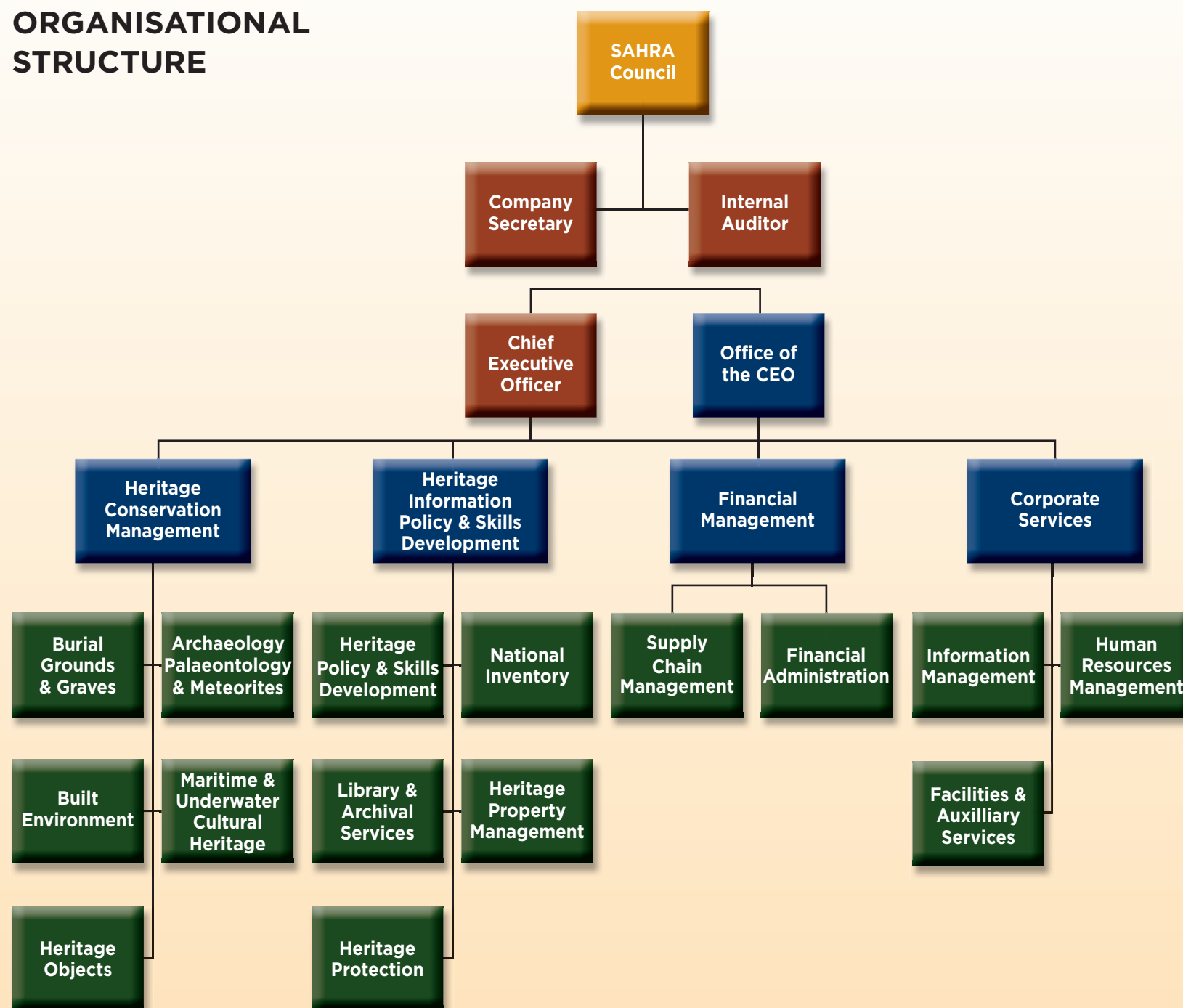
- National Heritage Council Act (Act No. 11 of 1999)
- Cultural Institutions Act (Act No. 119 of 1998)
- South African Geographical Names Council Act (Act No. 118 of 1998)
- National Library of South Africa Act (Act No. 92 of 1998)

- South African Library for the Blind Act (Act No. 91 of 1998)
- National Film and Video Foundation Act (Act No. 73 of 1997)
- National Arts Council Act (Act No. 56 of 1997)
- Legal Deposit Act (Act No. 54 of 1997)
- National Archives and Record Service of South Africa Act (Act No. 43 of 1996)
- Pan South African Language Board Act (Act No. 59 of 1995)
- Culture Promotion Act (Act No. 35 of 1983)
- Heraldry Act (Act No. 18 of 1962)
- South African World Heritage Convention Act (No. 49 of 1999)
- National Environmental Management Act (Act No. 107 of 1998)

Other relevant legislations and guiding documents include:

- Public Finance Management Act (Act No. 1 of 1999)
- The Annual Division of Revenue Acts
- Basic Conditions of Employment Act (Act No. 75 of 1997 as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)
- Skills Development Act (Act No. 37 of 2008)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- The Constitution of the Republic of South Africa, 1996
- Revised White Paper on Arts, Culture, and Heritage: Version 2 (4 June 2013)

ORGANISATIONAL STRUCTURE



PART B:

Performance Information



Rituals performance
during Magrieta Jantjies unveiling

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme 1: Administration

The aim of the Administration Programme is to ensure SAHRA's operational and financial performance through strategic leadership. This programme focuses on three strategic objectives:

- Assert SAHRA's role as a regulatory body in heritage resource management
- Implement effective and efficient corporate governance systems within SAHRA
- Maximise immovable assets for income generation and conservation

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

PROGRAMME 1:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Strategic Objective 1: Assert SAHARA's role as a regulatory body in Heritage Resources Management	1.1 Number of policies, regulations, norms and standards approved by Council	3	9	13	4 Additional Policies were achieved	Additional operational policies were approved to conclude the Turnaround Programme initiated in 2014
	1.2 Report performance against compliance register	New Indicator	3	3	N/A	N/A

PROGRAMME 1:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
	1.3 A SAHRA Business model is approved by Council	New Indicator	1	0	1	No suitable service providers could be secured in time to achieve this deliverable. A new call for proposals was sent out and it is expected that the development of the Business Model will be finalised in the 2017/18 financial year.
Strategic Objective 2: Implement effective and efficient corporate governance system within SAHRA	1.4 A funding model for the Entity is approved by Council	New Indicator	1	0	1	No suitable service providers could be secured in time to achieve this deliverable. A new call for proposals was sent out and it is expected that the development of the Funding Model will be finalised in the 2017/18 financial year.
	1.5 An Unqualified audit opinion outcome	An unqualified audit outcome was achieved	Unqualified Audit	An unqualified audit outcome was achieved	N/A	N/A

PROGRAMME 1:

Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
	1.6 Percentage of compliant invoices of suppliers paid within 30 days	New Indicator	Suppliers paid within 30 working days or within agreed time frame	100% of all compliant invoices received were paid within 30 days	N/A	N/A
	1.7 Review of the ICT Strategy	New Indicator	Approved ICT Strategy	Approved ICT Strategy	N/A	N/A
Strategic Objective 3: Maximise immovable heritage assets for income generation and conservation	1.8 Number of projects implemented in the Maximisation Plan	2	2	2	N/A	N/A

Key performance indicators, planned targets and actual achievements

PROGRAMME 1:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
1.1 Number of policies, regulations, norms and standards approved by Council	3	N/A	3	9	13	4 Additional Policies were achieved.	Additional operational policies were approved to conclude the Turnaround Programme initiated in 2014
1.2 Report performance against compliance register	New Indicator	New Indicator	New Indicator	3	3	N/A	N/A
1.3 A SAHRA Business model is approved by Council	New Indicator	New Indicator	New Indicator	1	0	1	No suitable service providers could be secured in time to achieve this deliverable. A new call for proposals was sent out and it is expected that the development of the Business Model will be finalised in the 2017/18 financial year.
1.4 A funding model for the Entity is approved by Council	New Indicator	7	New Indicator	1	0	1	No suitable service providers could be secured in time to achieve this deliverable. A new call for proposals was sent out and it is expected that the development of the Funding Model will be finalised in the 2017/18 financial year.

PROGRAMME 1:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
1.5 An Unqualified audit opinion outcome	Incomplete	An unqualified audit outcome was achieved	An unqualified audit outcome was achieved	Unqualified Audit	An unqualified audit outcome was achieved	N/A	N/A
1.6 Percentage of compliant invoices of suppliers paid within 30 days	New Indicator	New Indicator	New Indicator	Suppliers paid within 30 working days or within agreed time frame	100% of all compliant invoices received were paid within 30 days	N/A	N/A
1.7 Review of the ICT Strategy	New Indicator	Approved ICT Strategy	Compliance with the ICT Annual Performance Plan	Approved ICT Strategy	Approved ICT Strategy	N/A	N/A
1.8 Number of projects implemented in the Maximisation Plan	Property Strategy Developed	Property Strategy finalised	2	2	2	N/A	N/A

Programme 1:

Programme 1 focuses on the administration component of the organisation and contributes to regulating heritage resource management practices, implementing corporate governance systems, and maximising immovable heritage assets. The programme achieved an overall performance of 75% and contributed to asserting SAHRA's role as a regulatory body in heritage resources management by producing 13 policies and reporting performance against compliance effectively. The Entity successfully produced 4 additional operational policies in order to conclude the Turnaround Programme initiated in 2014. Another highlighted success was the

development and approval of the Section 9 regulations. These regulations stipulate the standards for maintenance and conservation of heritage resources that state departments and entities need to conform to.

In terms of implementing effective and efficient corporate governance systems, the Entity achieved an unqualified Audit for the 2015/16 financial year. It also managed to develop an approved ICT Strategy, as well as pay all of its service providers/suppliers within 30 days of receiving their compliant invoices.

The maximisation of immovable heritage assets was another objective that was successfully achieved as the Entity managed to refurbish the Welcome cottage and Boland cottage on the Dal Josaphat property. The Welcome cottage currently has tenants and is being leased out successfully.

Linking performance with budgets

Programme/activity/objective	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Prog 1. Administration	39 098	37 260	1 838	42 511	40 718	1 793
Prog 2. Business Development	56 388	55 019	1 369	43 911	40 301	3 610
Prog 3. Public Participation	1 954	1 830	124	1 720	1 710	10
Total	97 440	94 109	3 331	88 142	82 729	5 413

Programme 2: Business Development

Programme description/purpose

The aim of the Business Development Programme is to implement SAHRA's mandate through identification, conservation, promotion and management of heritage resources. This programme focuses on one strategic objective: to strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resource management.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

PROGRAMME 2:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Strategic Objective 4: Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management	2.1 Number of heritage sites inspected	New Indicator	24	31	7 additional sites were inspected	Additional site visits were due to ad hoc requests made by the Department of Arts and Culture (DAC) or other Authorities
	2.2 Percentage of compliant heritage impact assessments received and processed within 21 working days	39%	100%	52%	48% of compliant Heritage Impact Assessments received were not processed within 21 working days.	The Entity is currently assisting the Provincial Heritage Resource Authorities (PHRAs) with processing their Heritage Impact Assessments (HIAs) due to the PHRAs not being effectively capacitated to

PROGRAMME 2:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
						fulfill this mandate. 90 % of the HIAs received by the Entity in 2016/17 were provincially mandated. This target has been set more realistically for the 2017/18 financial year such that the processing time has been revised to 60 days
	2.3 Percentage of compliant permit applications received and processed and issued within 21 working days	64%	100%	58%	42% of compliant permit applications were received were not processed within 21 working days	Due to the additional assistance the Entity provides to the PHRAs, the capacity for other functions is compromised. This target has been set more realistically for the 2017/18 financial year such that the processing time has been revised to 60 days
	2.4 Percentage of compliant heritage objects export applications received and processed within 21 working days	New Indicator	100%	67%	33% of compliant heritage export permit applications received were not processed within 21 working days	Internal capacity challenges affected the processing of export permits. The internal capacity issues were subsequently addressed

PROGRAMME 2:

Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
	2.5 Percentage of nominated heritage resources received and graded	New Indicator	100%	100%	N/A	N/A
	2.6 Percentage of heritage resources re-assessed and graded	New Indicator	100%	0%	100% of heritage resources were not re-assessed and graded	These sites are in the process of being declared as opposed to being re-assessed for grading. A new Grading and Declaration Plan has been developed in the 2017/18 financial year in order address the backlog of undeclared sites
	2.7 Number of heritage resources declared	5	5	6	1 additional site was declared	Internal capacity challenges affected the processing of export permits. The internal capacity issues were subsequently addressed
	2.8 Number of sites on the Liberation Heritage Route declared	2	6	15	9 additional sites on the Liberation Heritage Route were declared	Sharpeville, University of Fort Hare and Constitution Hill consisted of serial sites for declaration

PROGRAMME 2:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
	2.9 Number of monuments and memorial sites rehabilitated or erected locally and in foreign countries	11 (This indicator was slightly changed in 2016/17 so that it included both local and foreign projects)	12	12	N/A	N/A
	2.10 Submission of the summary and analysis of the inventory of the national estate submitted to Council [Section 39 (7) of the NHRA to Council]	New Indicator	1	1	N/A	N/A
	2.11 Number of state-owned collections inventorised	New Indicator	2	1	1 state-owned collection was not inventorised	The second inventory was not completed due to external project capacity issues. The external project capacity issues have since been addressed

Key performance indicators, planned targets and actual achievements

PROGRAMME 2:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.1 Number of heritage sites inspected	New Indicator	New Indicator	New Indicator	24	31	7 additional sites were inspected	Additional site visits were due to ad hoc requests made by the Department of Arts and Culture (DAC) or other Authorities
2.2 Percentage of compliant heritage impact assessments received and processed within 21 working days	New Indicator	New Indicator	39%	100%	52%	48% of compliant Heritage Impact Assessments received were not processed within 21 working days.	The Entity is currently assisting the Provincial Heritage Resource Authorities (PHRAs) with processing their Heritage Impact Assessments (HIAs) due to the PHRAs not being effectively capacitated to fulfill this mandate. 90 % of the HIAs received by the Entity in 2016/17 were provincially mandated. This target has been set more realistically for the 2017/18 financial year such that the processing time has been revised to 60 days

PROGRAMME 2:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.3 Percentage of compliant permit applications received and processed and issued within 21 working days	New Indicator	New Indicator	64%	100%	58%	42% of compliant permit applications were received were not processed within 21 working days	Due to the additional assistance the Entity provides to the PHRAs, the capacity for other functions is compromised. This target has been set more realistically for the 2017/18 financial year such that the processing time has been revised to 60 days
2.4 Percentage of compliant heritage objects export applications received and processed within 21 working days	New Indicator	New Indicator	New Indicator	100%	67%	33% of compliant heritage export permit applications received were not processed within 21 working days	Internal capacity challenges affected the processing of export permits. The internal capacity issues were subsequently addressed
2.5 Percentage of nominated heritage resources received and graded	New Indicator	New Indicator	New Indicator	100%	100%	N/A	N/A
2.6 Percentage of heritage resources re-assessed and graded	New Indicator	New Indicator	New Indicator	100%	0%	100% of heritage resources were not re-assessed and graded	These sites are in the process of being declared as opposed to being re-assessed for grading. A new Grading and

PROGRAMME 2:

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
							Declaration Plan has been developed in the 2017/18 financial year in order address the backlog of undeclared sites
2.7 Number of heritage resources declared	9	N/A	5	5	6	1 additional site was declared	Chris Hani consisted of serial sites for declaration
2.8 Number of sites on the Liberation Heritage Route declared	New Indicator	New Indicator	2	6	15	9 additional sites on the Liberation Heritage Route were declared	Sharpeville, University of Fort Hare and Constitution Hill consisted of serial sites for declaration
2.9 Number of monuments and memorial sites rehabilitated or erected locally and in foreign countries	New Indicator	New Indicator	11 (This indicator was slightly different to 2016/17 in that it separated local and foreign projects	12	12	N/A	N/A
2.10 Submission of the summary and analysis of the inventory of the national estate	New Indicator	New Indicator	New Indicator	1	1	N/A	N/A

PROGRAMME 2:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
submitted to Council [Section 39 (7) of the NHRA to Council]							
2.11 Number of state-owned collections inventorised	New Indicator	New Indicator	New Indicator	2 completed inventories in-line with project plan	1	1 state-owned collection was not inventorised	The second inventory was not completed due to external project capacity issues. The external project capacity issues have since been addressed

Programme 2:

Programme 2 focuses on business development and the management of national heritage resources thereof. Through the management of these heritage resources the Entity aims to strengthen itself as an agent to promote social cohesion and social upliftment.

This programme achieved an overall performance of 55%. However, the Entity managed to excel at regulating National heritage resources by means of carrying out site inspections. A total of 31 site inspections were done, this included 7 additional unplanned site inspections due to ad hoc requests made by the DAC or other Authorities. The Entity also overachieved when ensuring heritage sites were protected through the grading and declaration of these sites. 8 nominated heritage sites were graded as National heritage sites and 21 sites were declared within the financial year. 71% of these declared sites were part of a flagship project on the Heritage Liberation route. This over achievement of declaring almost double the amount of planned sites was due to the Sharpeville Massacre, University of Fort Hare, Constitution Hill and Chris Hani consisting of serial sites that needed to be declared collectively. The erection/rehabilitation of memorials and monuments also included flagship projects. 12 memorials were rehabilitated and refurbished successfully, 3 of which were completed in foreign countries. A specific highlight for the Entity was the completion of the Phase 1 transformation of the Delville Wood Memorial

and Museum in France. Lastly, a submission of the summary of the national estate was published which contributed to identifying national estate which needs to be managed.

Heritage Resources Conservation is a high priority within the Entity; currently the Entity is assisting the Provincial Heritage Resources Authorities (PHRAs) with a large component of their conservation work. The processing of PHRA's Heritage Impact Assessments (HIAs) and permits has been taken on by the Entity due to PHRAs not being effectively capacitated to fulfil these functions. Around 90 % of the HIAs received by the Entity in 2016/17 were provincially mandated which has had an implication on the performance of the Entity. Just over half of compliant HIAs and permits received were processed within 21 days. In order to address this issue the Entity has amended this indicator for the 2017/18 financial year such that the processing time has been extended from 21 days to 60 days. In addition to this, a trend analysis will be done to ensure this indicator's percentage target will be realistically set based on previous processing performance. Another component that was revised for the 2017/18 financial year was around protecting heritage sites through the reassessment of grading resources. This indicator was not achieved due to the strategic review process which reprioritized the declaration as opposed to reassessment of these resources. In addition to this a new grading and declaration plan has been developed in the 2017/18 financial year in order address the backlog of undeclared sites. Lastly, the Entity managed to complete an inventory of the UCT Archaeometallurgy collection successfully. However, the second inventory which was planned for completion was not completed due to external project capacity issues. The external project capacity issues have since been addressed by the relevant stakeholder and it is anticipated that this project will be completed within the 2017/18 financial year.

Linking performance with budgets

Programme/activity/ objective	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Prog 1. Administration	39 098	37 260	1 838	42 511	40 718	1 793
Prog 2. Business Development	56 388	55 019	1 369	43 911	40 301	3 610
Prog 3. Public Participation	1 954	1 830	124	1 720	1 710	10
Total	97 440	94 109	3 331	88 142	82 729	5 413

Programme 3: Public Engagement

Programme description/purpose

The aim of the Public Engagement Programme is to enable SAHRA's service delivery through sound financial management as well as to build the skills and capacity of heritage practitioners to ensure growth, development and sustainability of the heritage resources management sector. This programme focuses on three strategic objectives:

- Building the skills and capacity of the heritage resources sector to ensure its ongoing development and sustainability
- Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources
- Build SAHRA's brand internationally and locally through public awareness

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

PROGRAMME 3:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Strategic Objective 5: Building the skills and capacity of the Heritage Resources Sector to ensure its ongoing development and sustainability	3.1 Number of capacity programmes facilitated for youth on the heritage resources management	New Indicator	2	1	1 youth capacity programme on heritage resources management was facilitated	Due to these programmes being aimed at schools, the timeframes in which the Entity had planned to complete these deliverables was not aligned with the school calendar. This indicator has

PROGRAMME 3:

Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
						been revised in the 2017/18 APP as “knowledge dissemination engagements with communities” in order to encompass all community members
Strategic Objective 6: Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources	3.2 Approved Corporate Social Responsibility (CSR) Policy and Implementation Strategy	New Indicator	Development and Approval of CSR Policy and Implementation Strategy	Development and Approval of CSR Policy and Implementation Strategy	N/A	N/A
	3.3 Number of meetings/ MoUs and or partnerships with identified strategic institutions	4	4	4	N/A	N/A
	3.4 Number of community and stakeholder workshops/ meetings to promote significance of heritage resources	4 (indicator was slightly changed to incorporate general community stakeholder meetings)	5	6	1 additional meeting was held	This meeting was not planned, as it was based on a nomination that was made within the 2016/17 financial year. It was in response to a request from the DAC

PROGRAMME 3:						
Strategic objective	Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Strategic Objective 7: Build SAHRA's brand internationally and locally through public awareness	3.5 Number of publications/papers on the heritage resources management developed	7	5	6	N/A	The Annual Performance Plan and Annual Performance Report are a requirement of the Medium Term Strategic Framework (MTSF)
	3.6 Number of marketing programmes implemented	7 (This indicator was amended in 2016/17 to include different types of marketing programmes, as opposed exhibitions exclusively in 2015/16)	5	10	N/A	Invitations were received from the DAC to exhibit and attend National celebrations and commemoration events

Key performance indicators, planned targets and actual achievements

PROGRAMME 3:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
3.1 Number of capacity programmes facilitated for youth on the heritage resources management	New Indicator	New Indicator	New Indicator	2	1	1 youth capacity programme on heritage resources management was facilitated	Due to these programmes being aimed at schools, the timeframes in which the Entity had planned to complete these deliverables was not aligned with the school calendar. This indicator has been revised in the 2017/18 APP as "knowledge dissemination engagements with communities" in order to encompass all community members
3.2 Approved Corporate Social Responsibility (CSR) Policy and Implementation Strategy	New Indicator	New Indicator	New Indicator	Development and Approval of CSR Policy and Implementation Strategy	Development and Approval of CSR Policy and Implementation Strategy	N/A	N/A
3.3 Number of meetings/ MoUs and or partnerships with identified strategic institutions	New Indicator	2	4	4	4	N/A	N/A

PROGRAMME 3:							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
3.4 Number of community and stakeholder workshops/ meetings to promote significance of heritage resources	New Indicator	New Indicator	4 (indicator was slightly changed to incorporate general community stakeholder meetings)	5	6	1 additional meeting was held	This meeting was not planned, as it was based on a nomination that was made within the 2016/17 financial year. It was in response to a request from the DAC
3.5 Number of publications/ papers on the heritage resources management developed	New Indicator	13 (includes 2 merged indicators 1.1.1 and 1.1.2)	7	5	6	N/A	The Annual Performance Plan and Annual Performance Report are a requirement of the Medium Term Strategic Framework (MTSF)
3.6 Number of marketing programmes implemented	New Indicator	New Indicator	7 (This indicator was amended in 2016/17 to include different types of marketing programmes, as opposed to exhibitions exclusively in 2015/16)	5	10	N/A	Invitations were received from the DAC to exhibit and attend National celebrations and commemoration events

Programme 3:

Programme 3 focused on public engagement and achieved 83% performance for the 2016/17 financial year. The Entity managed to succeed at building SAHRA's brand internationally and locally through public awareness by achieving double the number of marketing programmes it had initially planned to achieve. These programmes included the unveiling of 4 memorials, contributing to 2 newspaper articles and participating in 4 of the DAC's

celebratory and commemorative events. The reason for this overachievement was due to the Entity responding to the DAC's request to exhibit at their events. In addition to this, the Entity also succeeded at creating public awareness by submitting 2 publications and 4 papers on heritage resources management. Due to the requirements of the Medium Term Strategic Framework (MTSF), the Entity managed to produce the Annual Performance Report as an additional deliverable.

Encouraging stakeholder engagement is prioritised by the Entity in order to ensure the achievement of identification, conservation, protection and promotion of heritage resources. As planned, 3 Memoranda of Understanding (MOUs) and a Memorandum of Agreement (MOA) were developed to strengthen strategic partnerships with other institutions. The Entity also contributed to 6 community and stakeholder workshops/meetings to promote the significance of heritage resources. Lastly, a Corporate Social Responsibility (CSR) Policy and Implementation Strategy was successfully developed to inform the Entity's CSR projects and to ensure that the Entity plays a meaningful role in contributing to community social development initiatives through the management of heritage resources.

With regard to building skills and capacity in the heritage resources sector, the Entity had planned to facilitate 2 capacity programmes for youth on heritage resources management. A Museum Educators & Schools Workshop was held effectively in Kwa-zulu Natal. Due to these youth programmes being aimed at schools, the timeframes in which the second workshop was planned and was not aligned with the school calendar and therefore could not be achieved. In order to address this challenge in future, this indicator has been revised in the 2017/18 APP as "knowledge dissemination engagements with communities" in order to encompass all community members and not just youth.

Linking performance with budgets

Programme/activity/objective	2015/2016			2016/2017		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Prog 1. Administration	39 098	37 260	1 838	42 511	40 718	1 793
Prog 2. Business Development	56 388	55 019	1 369	43 911	40 301	3 610
Prog 3. Public Participation	1 954	1 830	124	1 720	1 710	10
Total	97 440	94 109	3 331	88 142	82 729	5 413

HERITAGE RESOURCES MANAGEMENT REPORT

Executive Summary

In 2016, SAHRA finalised the transformation and rehabilitation of the Delville Wood Memorial in France, which was later unveiled by the South African President, the Honourable Jacob Zuma. Like any other project outside the borders of South Africa, the Delville Wood project had its challenges which required urgent interventions. Linked to Delville Wood was the commemoration, both in South Africa and in the United Kingdom, of the sinking of the troopship Mendi. SAHRA identified heritage sites associated with the SS Mendi, and a local site was declared as a national heritage site.

The national protests against an increase in university fees under the banner of “Fees Must Fall”, and the associated events which led to the destruction of heritage resources, caught heritage resources management authorities by surprise. No contingency or risk management plans were in place. This necessitated a quick response which led to an imbizo called by the Minister of Arts and Culture, and later to the establishment of a task team that manages the transformation of the cultural heritage landscape.

During 2016, SAHRA finalised the rehabilitation of

sites of founding fathers of democracy and those sites associated with heroes and heroines of the Struggle. It rehabilitated sites and erected new memorials which commemorate the role played by South Africans in the creation of the current socio-political landscape.

As a regulatory body, SAHRA continuously performed its legislated mandate of managing and conserving heritage resources. The regulatory functions include the review of heritage impact assessments and the issuance of permits to ensure the safeguarding of heritage resources. These administrative tasks require meticulous attention to detail which is time intensive. Moreover, in six provinces, SAHRA is performing the functions of provincial heritage resources authorities (PHRAs) which are not yet competent to carry these functions in compliance with the NHRA. This has an impact on the capacity to manage national heritage sites, and other heritage resources, which should be the focus of SAHRA.

The nomination, grading, and declaration of new and previously neglected heritage sites are core to SAHRA's performance plans. Substantial progress has been made in bringing previously marginalised sites into the heritage mainstream. With the introduction of the National Liberation Heritage Route (NLHR), SAHRA recognised the significance in the declaration of sites associated with the NLHR.

SUMMARY AND ANALYSIS OF THE INVENTORY OF THE NATIONAL ESTATE

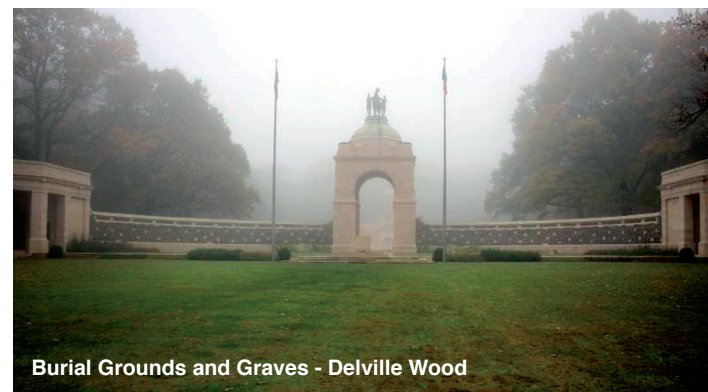
Introduction

SAHRA is mandated in terms of the NHRA to build and maintain a database of:

- places and objects protected through the publication of notices in the National Gazette or Provincial Gazette, whether in terms of this Act or provincial legislation;
- places and objects subject to general protections in terms of this Act or provincial legislation for the management of heritage resources;
- any other place and object which it considers to be of heritage significance; and
- all places and objects with which it, and its predecessors, have been involved.

It is within the context of this mandate, that SAHRA publishes, as part of its annual report this summary and analysis of the national estate report.

This report aims to provide a simplified view of South African heritage resources based on predetermined indicators that provide insight into the current state of the national estate inventory.



Burial Grounds and Graves - Delville Wood

The data used to compile this summary has been gathered from information provided to SAHRA by PHRAs, private researchers, government bodies, through the general heritage management procedures conducted by SAHRA and the PHRAs. The information presented in this report is based on data deposited and maintained within the South African Heritage Resources Information System (SAHRIS).

The variability of keeping data between previous heritage management organisations, and capacity constraints at the current provincial authorities were noted as some of the limiting factors that may have had an impact on the completeness of some datasets presented in this report. As such, this report should be treated as the representation of the national estate at the time of the report period.¹

¹ SAHRA is reliant on information on heritage resources being reported to SAHRA in order to populate the inventory of the National Estate. Should any inaccuracies or gaps in the data be apparent, please report them to sahrisadmin@sahra.org.za so that they can be rectified.

Reporting Period

This report represents the analysis for the period between 1 January to 31 December 2016. This summary will be updated on an annual basis and published in the SAHRA annual report.

Data Sources²

The database used to populate this summary was obtained from SAHRIS. The live data can be accessed directly via www.sahra.org.za/sahris. All sites loaded into the inventory are assigned a specific “site type” by the applicant/researcher/official that captures the site on SAHRIS. The site type list is a controlled taxonomy including, but not limited to, archaeological sites; meteorites; Living Heritage/Sacred Sites; Battlefield; Burial Grounds & Graves; Conservation Area; Cultural Landscape; Geological; Meteorites; Monuments & Memorials; Palaeontological sites; Built Structures; and maritime and Underwater cultural heritage resources.

Some sites represent more than just one of the above-mentioned site types. However, for purposes of this analysis, the site type has been utilised only represent the principle site type for which the site is recognised. For example where a site is principally a rock art site, this is recorded here as “Archaeological”.

Declared Heritage Resources

The National Heritage Resources Act has made provision for SAHRA, a PHRA, or any member of the public to identify heritage resources that can be declared as of significance at national, provincial or local level.

This process includes consultation and public participation and culminates in the publishing of the national or provincial heritage site status of the site in the Government Gazette. These sites are usually marked with a badge/plaque. Specific movable objects or collections may also be formally declared in order to recognise their significance and to provide for their protection. Below is the analysis of the declared heritage resources as at 31 December 2016.

Steering quadrant on the wreck of the Mendi
(Courtesy Sabido Productions)



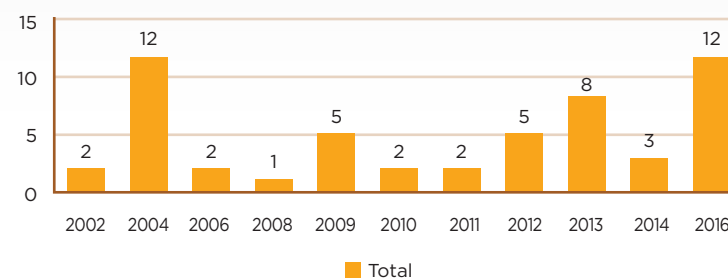
² If you are in possession of any datasets pertaining to heritage resources in South Africa and would like to donate them to SAHRA in order to enrich and expand the inventory of the National Estate, please contact sahrisadmin@sahra.org.za.

National Heritage Sites

SAHRA's mandate is to identify places and objects that have qualities, through their association with historical events, persons, organisations or with issues of scientific or social value so exceptional that their influence is felt across the country, and deserves national acknowledgement. Declaration as a national heritage site is an acknowledgement of these national, and often universal, values and aims to protect the authenticity and integrity of these resources. National heritage sites must be representative of the collective and balanced story of South Africa and its history. They are the key sites that have played, and/or are associated with events and people or organisations that have played, pivotal roles in bringing South Africa to its current state of nationhood.

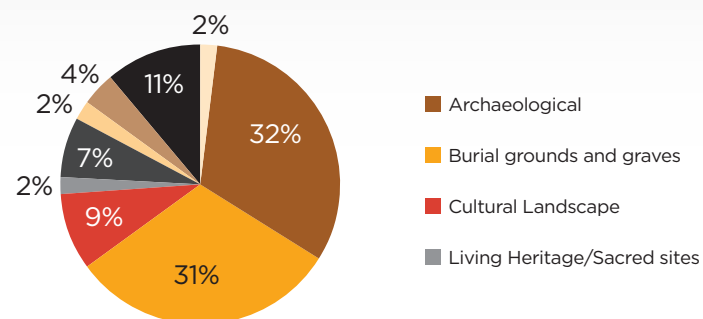
The below graph shows the number of national heritage sites declared since the promulgation of the NHRA. This graph only takes into account sites declared between 2002 and 2016 as the previously declared "National monuments" were proclaimed as provincial heritage sites. This report also takes into account the geographical and management context of the sites in cases of serial declarations where various sites are published under one gazette notice. For example, the graves of Charlotte Maxeke, Helen Joseph and Lillian Ngoyi were declared together under a single gazette notice (Gazette no. 33399, notice no. 658), but in reality the grave of Charlotte Maxeke is geographically far removed from those of Helen Joseph and Lillian Ngoyi, as such they have been counted as separate national heritage sites.

National Heritage Sites Declared Per Year



The number of national heritage sites declared per year. 2004 and 2016 indicates the period where the greatest number of sites was declared.

National Heritage Sites by Site Type



The above graph shows a breakdown of National Heritage Sites by site type. The two largest components of the inventory of National Heritage Sites are Archaeological sites at 32% and Burial Grounds and Graves at 31%. It is important to note that in line with the definition of archaeological remains provided in section 2(ii)(a) of the NHRA, all hominid sites have been assigned to this site type.

Heritage Objects

A heritage object is defined as any movable property of cultural significance which may be protected in terms of the provisions of the NHRA. This includes archaeological artefacts, palaeontological and rare geological specimens, meteorites and any other object which holds cultural significance as outlined in section 3 (3) of the NHRA.

Certain types of heritage objects or collections of heritage objects, which are considered to be special, unique or endangered, may be specifically declared. Any member of the public may nominate an object or collection for declaration. However, this declaration can only be carried out by SAHRA and cannot be performed at a provincial level.

Under the National Monuments Act (Act no. 28 of 1969) objects and collections can be declared as national monuments and cultural treasures. In terms of the NHRA, all previously declared movable national monuments and cultural treasures are heritage objects.

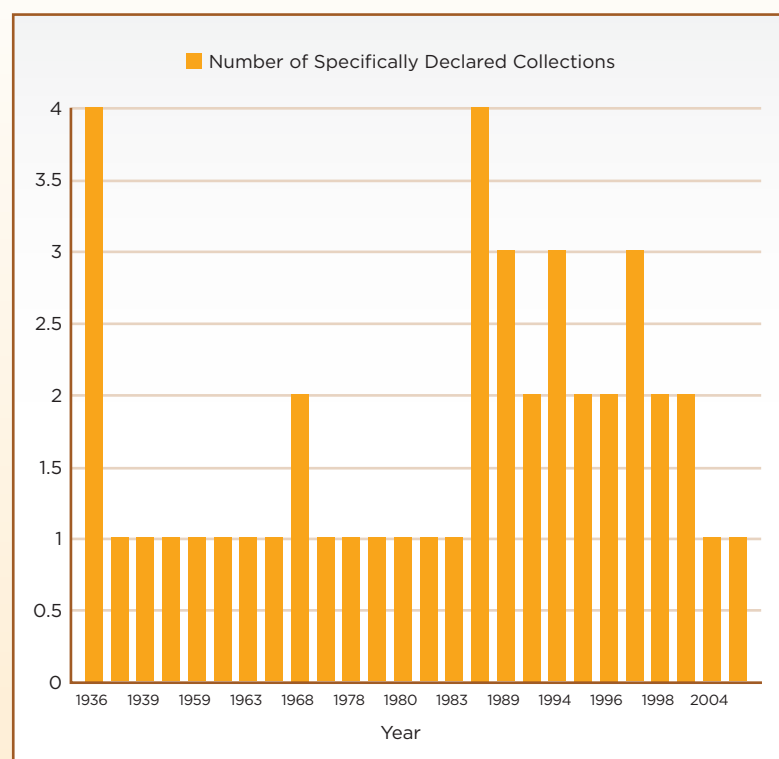
The below graph shows the number of objects/collections declared between 1936 and 2016. Currently, there are 44 specifically declared heritage objects/collections. The owner/custodian is responsible for looking after a specifically declared object/collection and is to inform SAHRA of any losses, changes or relocation thereof.



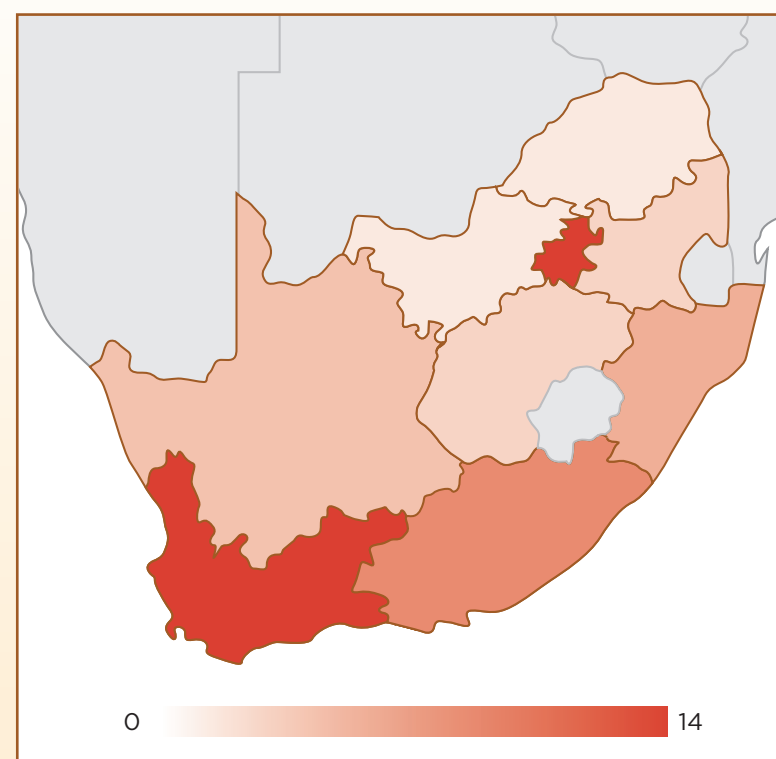
Organ -
Specifically
Declared
Genadendal
Mission
Museum
Collection



Specifically Declared
Emil Kessler locomotive



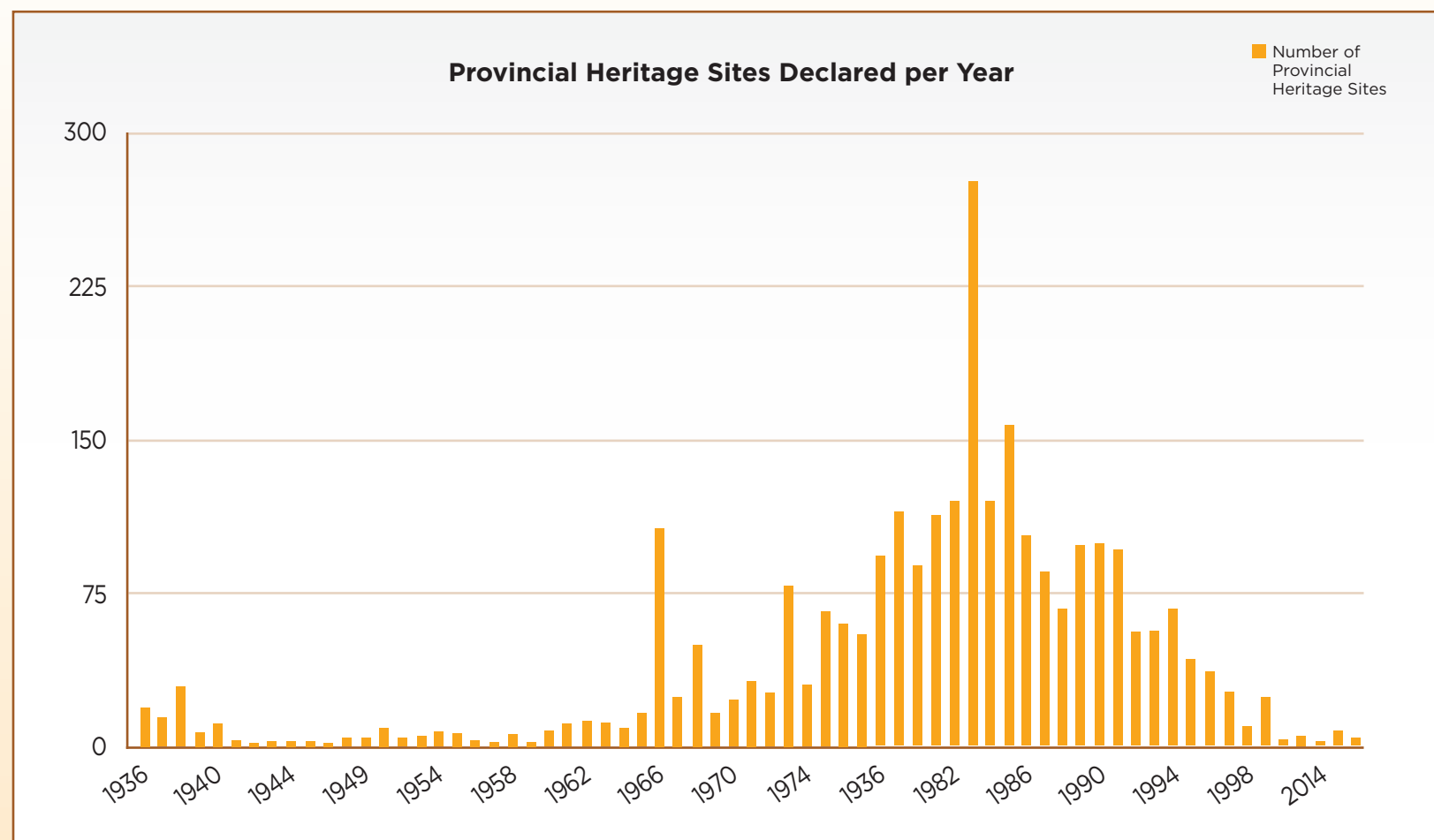
The declarations have also been represented according to the province in which they reside. The below chart shows the number of specifically declared objects/collections per province. The Western Cape hosts the majority of specifically declared objects/collections at 37% of the total number, with the Eastern Cape hosting 18%. Currently, neither Limpopo Province nor the North West Province has any specifically declared objects/collections.



Provincial Heritage Sites

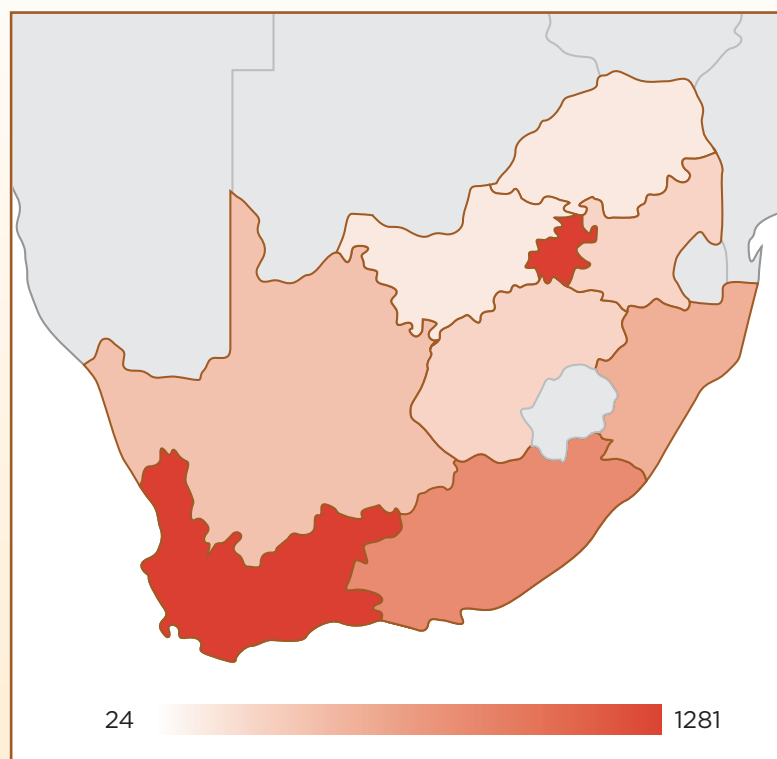
Under section 58 (11a) of the NHRA, all heritage sites declared under previous heritage legislation shall be deemed to be provincial heritage sites.

The below analysis encompasses all provincial heritage sites, whether they were declared under the NHRA or under previous legislation. It is important to note that these graphs exclude sites that were provincial heritage sites and have subsequently been declared as national heritage sites.



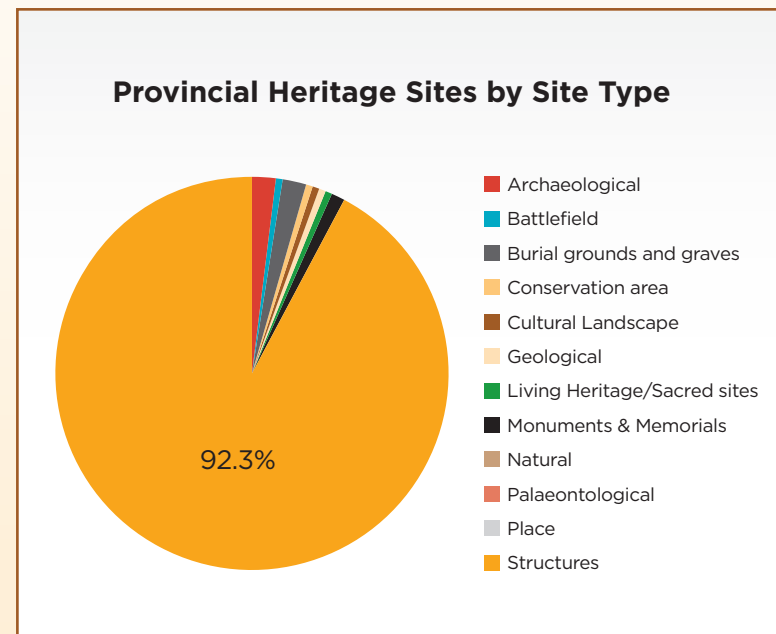
The above shows the number of provincial heritage sites declared per year. The Natural and Historical Monuments, Relics and Antiques Act (Act No. 4 of 1934) allowed, for the first time, sites of heritage value to be declared. The above data shows that the highest intensity of declarations occurred in the first few years since the promulgation of the legislation (1936-1940) and the final years of the afore-mentioned Act (1961-1968). During the 1941-

1960 period, the average rate of the declaration was only 4 declarations per year, whilst the preceding period averaged at 16 per year and the proceeding averaging 30 per year. The period proceeding the promulgation of the National Monuments Act (Act no. 28 of 1969) saw the greatest period of declaration activity. The highest period of activity was between 1978 and 1991, when the average rate of declaration was 116.5 sites per year.



The above heat map charts the amount of provincial heritage sites declared per province.

Following from this, an analysis of site types is provided below:

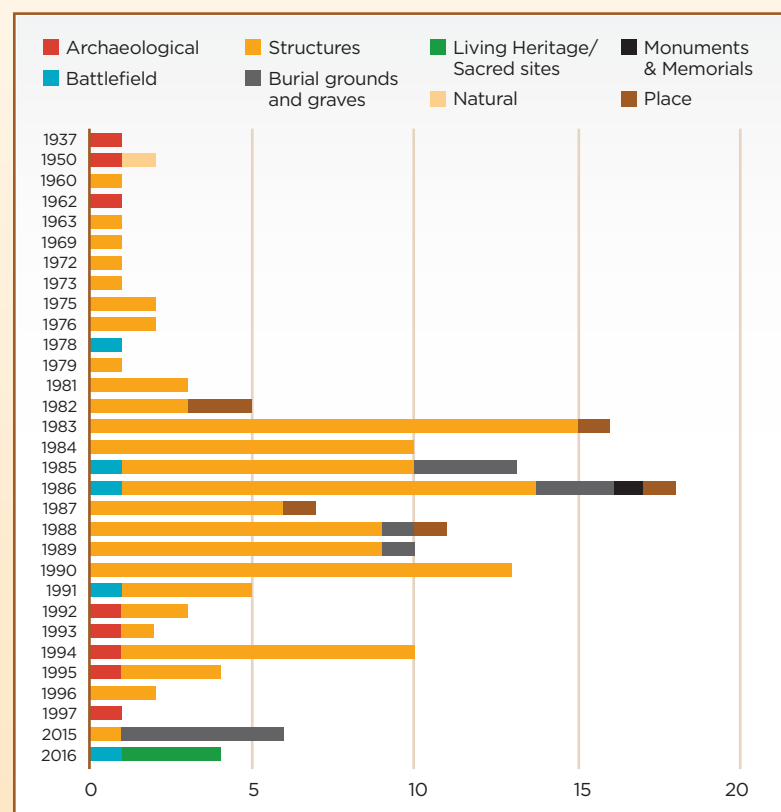


Through this simple analysis, it is apparent that the principle make-up of provincial heritage sites resides within the built environment, or as it is termed here, “structures” which makes up 92.3% of the total inventory of provincial sites. This is followed by archaeological sites at only 1.89%.

Provincial Heritage Sites by Province

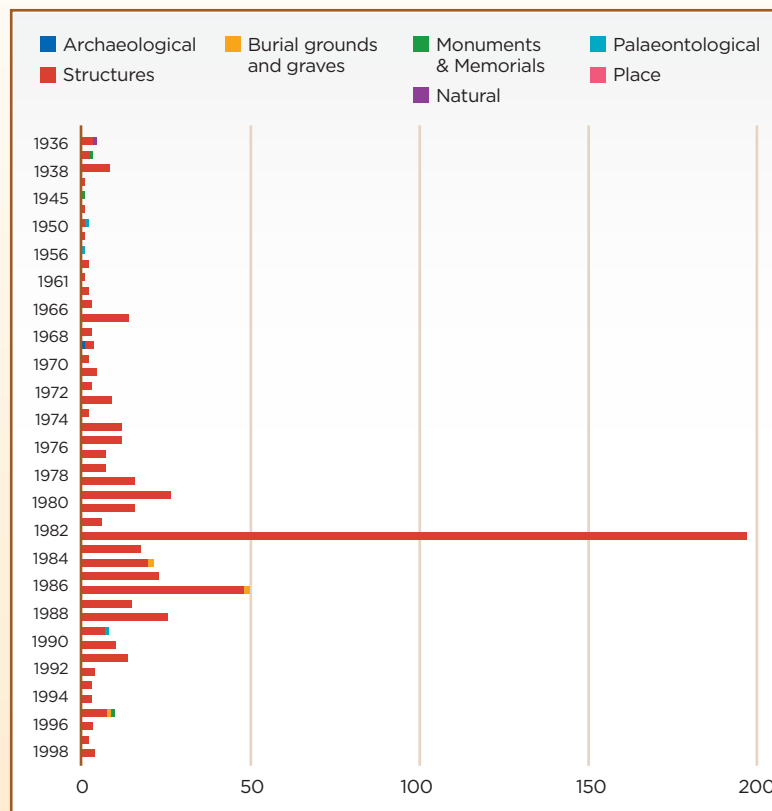
The previous metric speaks to the general declaration trends and make-up of provincial heritage sites. The following will examine individual trends in the provinces. Each graph will examine sites declared per year, by type.

Free State Provincial Heritage Sites



The above shows that the make-up of provincial heritage sites is dominated by structures at 76.58% of the total, with burial grounds & graves following at 8.23%.

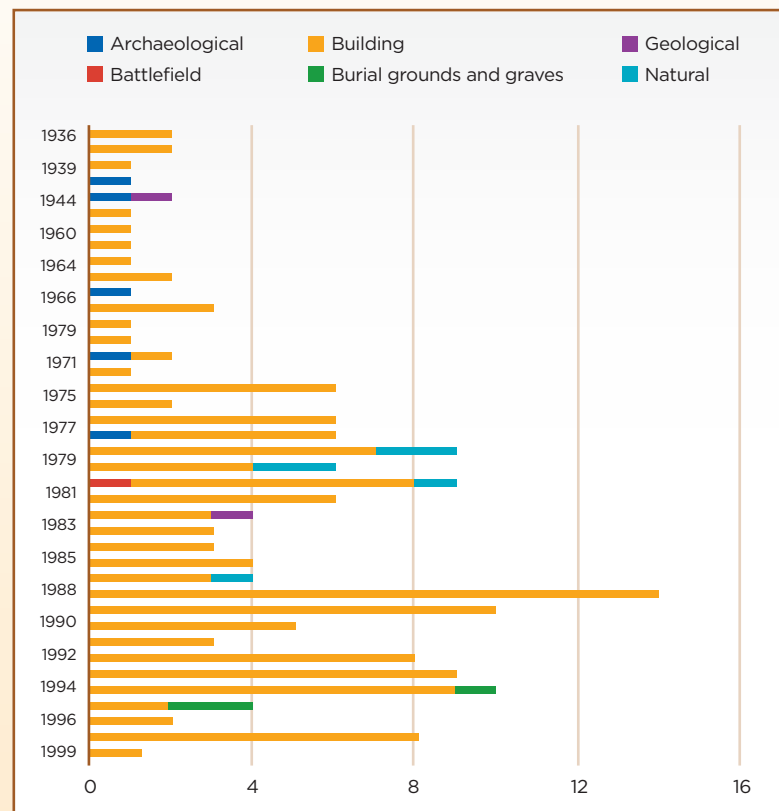
Eastern Cape Provincial Heritage Sites



In terms of types of sites declared, the Eastern Cape has the highest percentage of structures declared when compared to all other provinces, with 97.79% of its sites being structures. Burial grounds & graves, monuments & memorials and palaeontological sites each occupy 0.51% of the total sites declared.

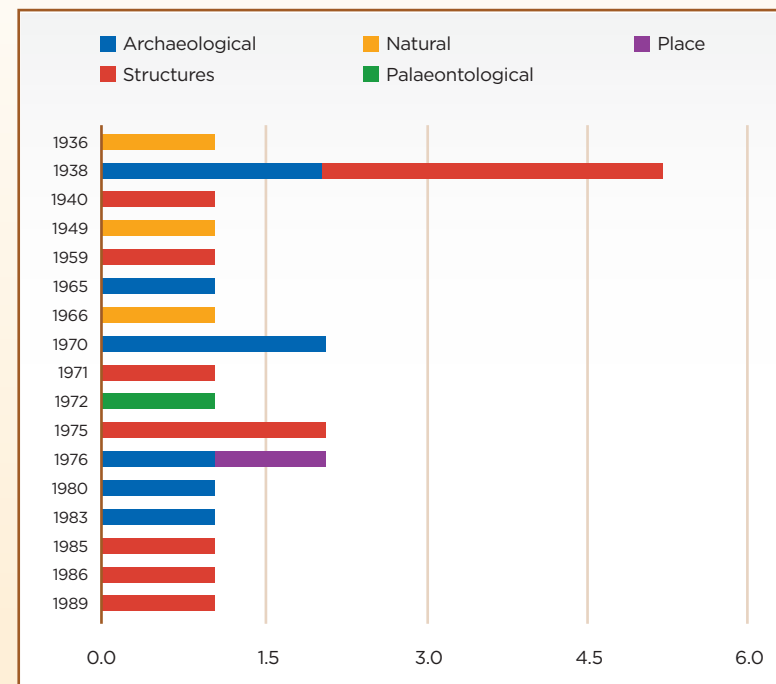
The spike in declarations occurred in 1983 when a total of 197 structures were declared. This is the single largest incident of the mass declaration to have occurred since the promulgation of any heritage resources management legislation in South Africa.

Gauteng Provincial Heritage Sites



The Gauteng inventory of declared provincial heritage resources is again dominated by structures at 89.70% of all declared resources.

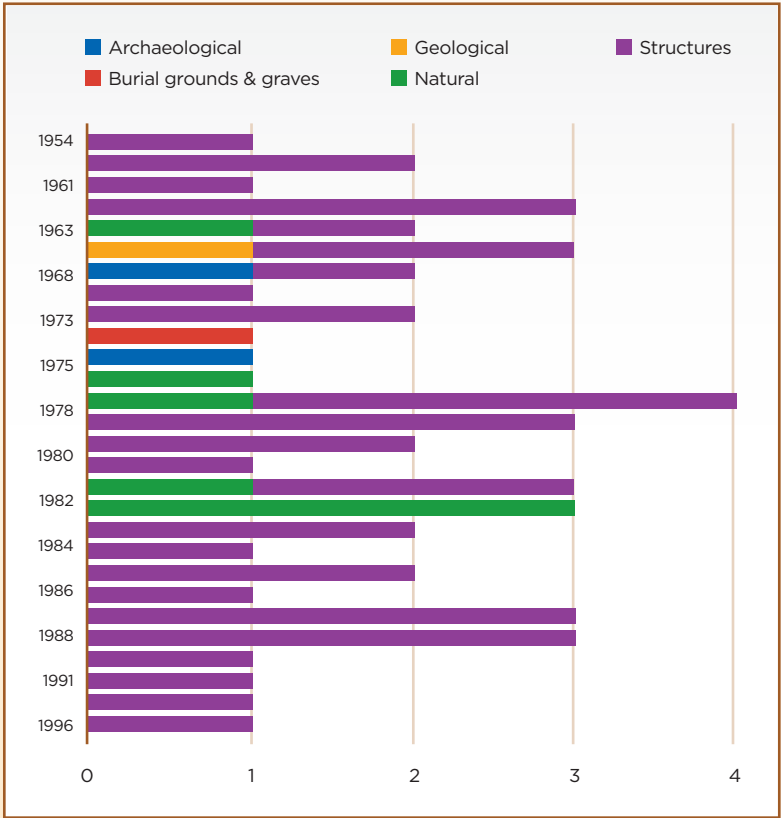
Limpopo Provincial Heritage Sites



The Limpopo Province, despite being the 5th largest province in terms of area, has the lowest number of declared provincial heritage resources, with 24 resources recorded on SAHRIS.

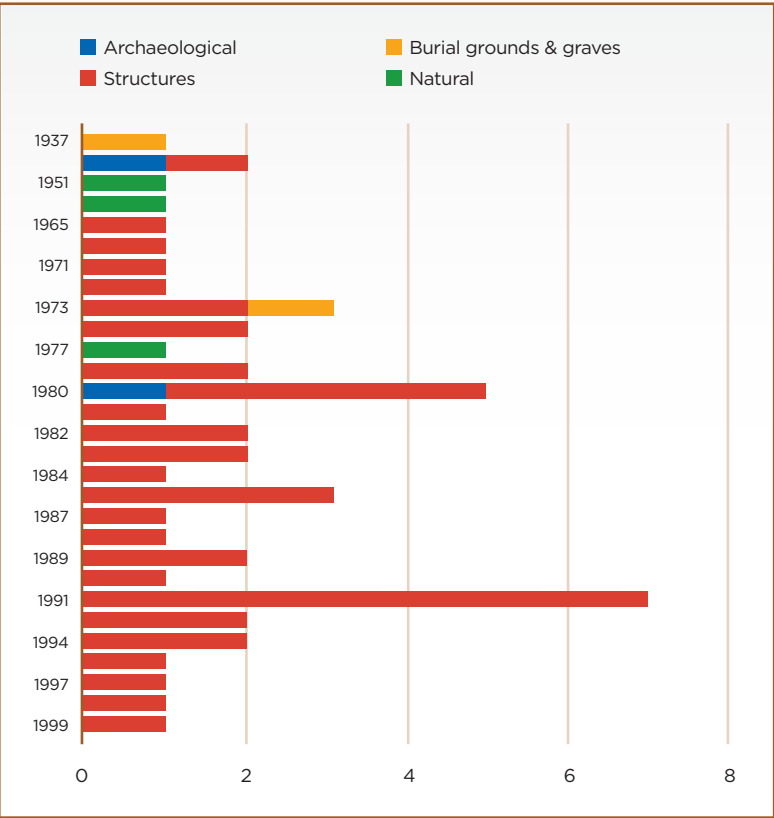
The declared provincial resources within Limpopo display an interesting departure from the trends shown in the other provinces. Whilst structures still make up the majority of declared resources in the province at 45.83%; this is a much lower percentage than the other provinces in which the average percentage is 87.39%. Archaeological resources represent the second highest category of declared resources in the Limpopo Province at 33.33%

Mpumalanga Provincial Heritage Sites



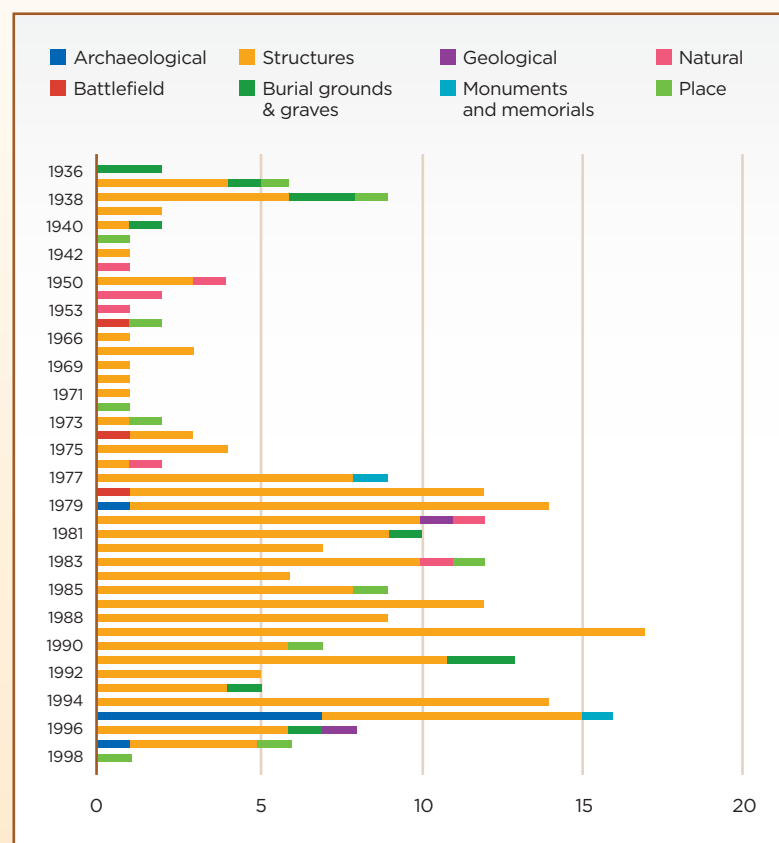
Mpumalanga Province follows the trends set by the majority of provinces with structures accounting for 78.85% of all declared resources in the province. Natural sites make up the second largest segment of declared resources at 13.46%.

North West Provincial Heritage Sites



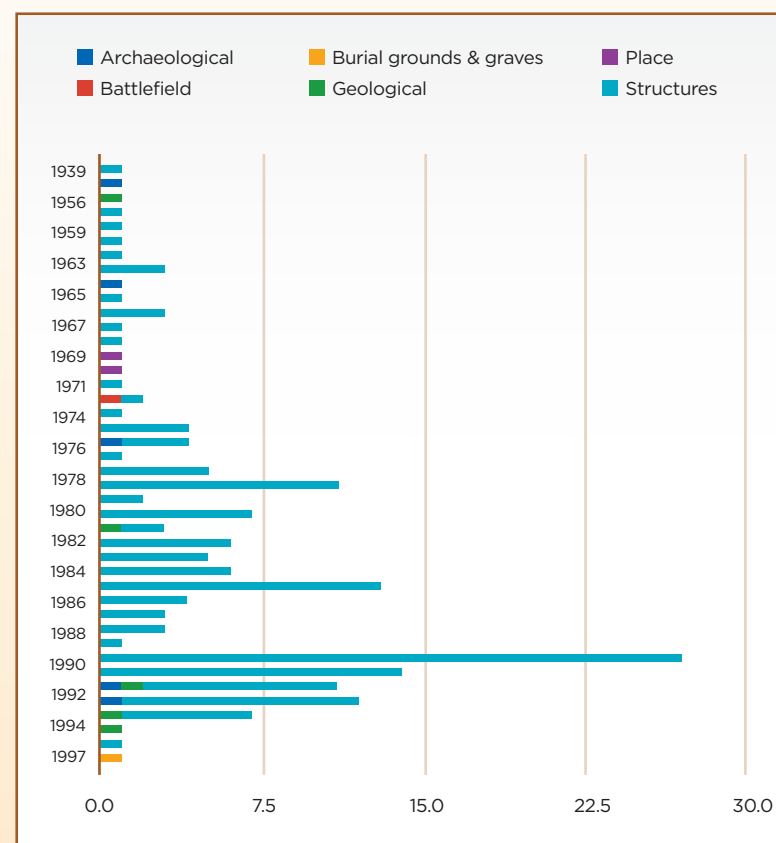
The North West Province holds the second lowest inventory of declared provincial heritage sites at 51 declared sites. Structures dominate the inventory at 86.27%, with natural sites occupying 5.88% of the total number of declared sites.

KwaZulu-Natal Provincial Heritage Sites



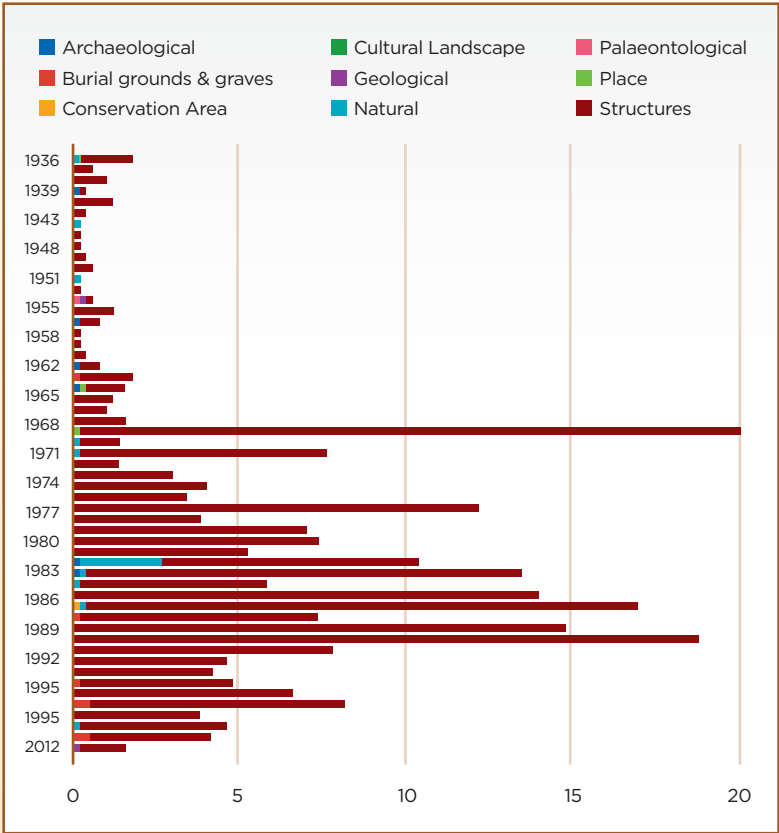
The inventory of declared provincial heritage sites within KwaZulu-Natal is the third highest in the country and, as is the same with all other provinces, structures dominate at 81.71% of all declared resources in the province. Battlefields follow at 4.67% of the total number of declared provincial heritage sites.

Northern Cape Provincial Heritage Sites



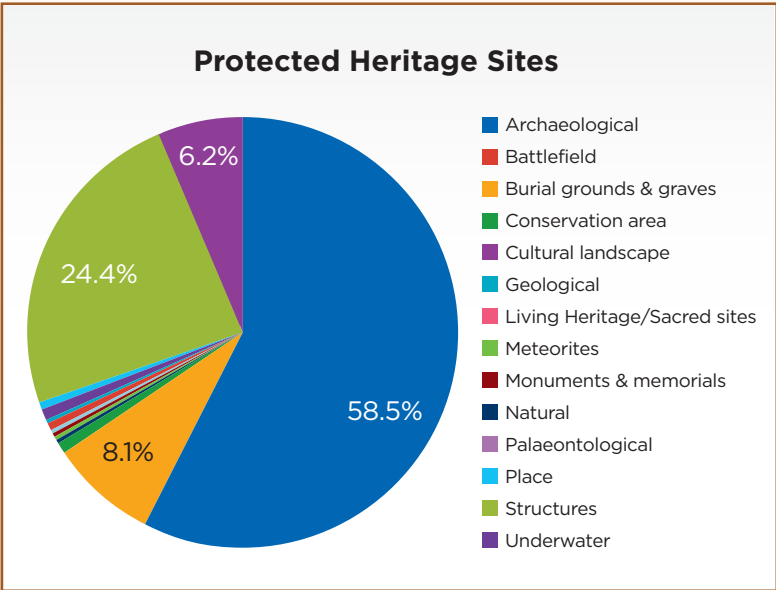
The Northern Cape currently hosts 173 provincial heritage sites within the province, 92.49% of which are categorised as structures. Archaeological sites account for 2.89% of all declared provincial heritage sites in the region.

Western Cape Provincial Heritage Sites



The largest number of provincial heritage sites in the country are located in the Western Cape province, the make-up of which is dominated by built structures at 95.71%. Most of the declaration occurring between mid-1960s and late 1980s, which is not surprising considering that the Western Cape is the historical seat of heritage management in South Africa, with both previous and current national heritage management bodies maintaining their head offices in the province.

Generally Protected Sites



This graph has broken down all 47 307 identified sites that are protected under the NHRA, regardless of grading or declaration status, into their basic site types.

As can be seen in the graph, the inventory is composed mostly of archaeological sites, which make-up 58.5% of the total inventory, with structures comprising 24.4% of the total.

Inspections and condition assessment of specific sites

During the year under review, SAHRA also conducted site inspections and assessed the condition of the specific heritage sites in the Eastern Cape, Gauteng, the Free State, Limpopo, KwaZulu-Natal, Mpumalanga, and the North West Province. The main objectives of undertaking these heritage site inspections were to assess whether the sites had significant value to be graded or declared as national heritage sites, as well as to evaluate the condition status of the declared sites.

MPUMALANGA PROVINCE

Barberton: Makhonjwa Mountains Land

Significance of the Makhonjwa Mountains

The significance of the Barberton Mountain Land first became known when alluvial gold was found at Kaapsehoop in 1875. This was followed by the Moodies' and the Barber's reef discoveries and subsequent gold rush into the hill above the Suid Kaap River. The result of this gold rush prosperity was the development of geological science to support mining. In the first half of the 20th-century technical expertise and geological exploration expanded rapidly, supported by academic research. Among others findings, the research noted the area for its 360 million years old rocks, the high quality of the state of preservation and the integrity and accessibility of Achaean time scale; the mining history; cultural features such as stone-age

artefacts; ancient ochre mines; the rich history of the local African cultures and early colonial settlements.

The area's scenic beauty and high biodiversity have made it well known to conservation authorities. This has resulted in the establishment of a number of large and small nature reserves and other protected areas within the site. This site boasts the landscapes and natural heritage resources that are of irreplaceable value.

Assessment

The Barberton Mountain Land consists of the oldest and best-preserved sequence of volcanic and sedimentary rocks on Earth, known as the Barberton Greenstone Belt. The physical and chemical characteristics of these rocks provide scientific information about early Earth. This makes the site one of the most special geological sites in South Africa. The site was assessed to be in good condition that is attributed to the collaborative efforts of the local Mjidini Municipality, the Department of Sport and the local Barberton Chamber of Business.

Middleburg: Botshabelo Mission Station

Significance

In the 1860s, Alexander Merensky and Heinrich Gruntzner from the Berlin Mission Society decided to broaden their missionary work to the Swazi and Pedi people. Ruler of the time, Chief Sekhukune, suppressed Christianity and ordered Merensky to leave the country. Merensky and his followers, including some

members of the Kopa tribe, later moved and started Botshabelo Mission Station. The mission station was called Botshabelo, meaning 'a place of refuge'. The mission station developed into a small town where the gospel was preached, people obtained education and industrial work was practised. A fort, called Fort Welhelm, was built to protect the mission station against attack from Chief Sekhukune. The fort had a number of rooms including a high round tower.

Work ceased on the mission when the Anglo-Boer War started. Conditions got worse with the outbreak of World War 1, when finances were no longer imminent from Germany. The fort was in bad shape and was restored by Hans Merensky in 1960. The fort was therefore renamed Fort Merensky and was declared a national monument in 1962. In 1969, the schools and training facilities closed in terms of the Nationalist Party's apartheid policy.

In 1972, the Middleburg City Council bought Botshabelo and it became a historical town surrounded by a nature reserve. Renovations of the mission station were done in the 1980s. The Botshabelo Game Reserve was developed to encourage tourism and included hiking trails, accommodation, and the Ndebele Village. The Pakendorf House, which was built in 1882, was changed into a trading post, where local crafts were sold. The seminary was used as a museum for display of old photographs and artefacts. The old high school was used as an information centre and as a cultural museum.

Assessment

The condition of almost all of the buildings at Botshabelo Mission Station has deteriorated. Some of the furniture is still in good condition and is kept at the local Gerard Sekota Library for safe-keeping. The Fort Merensky, and some of the houses at Botshabelo Village, are still intact. The surroundings of the village appeared to be general poorly maintained.

Roossenekal: Mapoch Cave Significance of the Site

Mapoch was the first real leader of the Ndzundza Ndebele who settled up near Dullstroom. Mapoch built the 'caves' or fortified settlements at what is now called Roossenekal. When he died and his son was too young to succeed his father, Nyabela became the ruler. During 1892-1893, King Nyabela fought the Mapoch War against the Boers and was defeated and sentenced to life imprisonment. The caves were under siege by the Boers for eight months. When Nyabela surrendered, all the young and able of the clan were divided amongst the farmers as labourers and the old, sick and very young were left to die. This is the tribe that later became the people who are known as the Ndebele, with their colourful home decorations and dress designs. The latter became a symbolic way for the people to identify themselves to each other and to show solidarity.

King Nyabela was released from prison in 1899 and died in 1902. A life-size statue of him was created in

memory and celebration of his life and to recognise the role he played in South African history and the struggle for human rights. The site represents the beginning of South Africa's struggle for freedom and human rights and the creation of the Ndebele tribe.

Assessment

The conditions of the buildings that have been built at the entrance of the site are deteriorating due to vandalism. King Nyabela's statue is still on the site, but the municipality fears that it may be damaged again if precautions are not taken to protect it.

Calcutta Traffic Training College Significance of the Site

On the 1st of August 2016 the families (Mokoena, Nonyane, and Ngobeni) living in Calcutta Village, Mpumalanga sent a complaint to the Mpumalanga Legal Resources Centre regarding graves located at the site of a new development. The families wanted to know about their rights and which procedures should be followed regarding this matter. This was after Mr Million Ngobeni visited his family's graves on the construction site that had started in January 2016. Mr Ngobeni was then given an access letter after complaining to the Traditional Council. He then alerted the other families about the construction that was taking place where their family graves are located.

The families confirmed that they knew nothing about

the construction. This means that the construction was taking place without any of the families' consent. In the last week of July 2016 the families were invited to a meeting with Councillor Nxumalo at the Hoxane Tribal Authority, who then promised to keep them informed of any developments. On 16 August, the families attended a joint meeting with the Mpumalanga Community Safety Security and Liaison Department at the offices of Hoxane Traditional Council. At the meeting, the families were asked to sign the attendance register but they refused as they stated that they wanted to know the purpose of the meeting before committing to anything. The Hoxane Traditional Council then informed the families that the development will continue without their involvement. Since then they have not been contacted and the construction is now nearing completion.

Purpose of the site inspection

The purpose of the visit was to have a meeting with the Hoxane Tribal Authority and the families who laid the complaint to the Mpumalanga Legal Resources Centre. It was also to establish whether there had been a contravention of section 36 of the NHRA and to see if there were any traces of the graves that the complainant claimed to have within the construction area.

Assessment

During the meeting, it was discovered that tribal authority did not contact the complainant regarding

the construction. No radio announcement, newspaper or mass invitation notices were produced to SAHRA to prove compliance. SAHRA was not allowed to access the premises where the construction is taking place, so it could not be established whether the graves inside the premises were damaged or still in good condition. There were other graves which were not enclosed within the premises. The graves were still in good condition but in danger of being damaged as they were not fenced.

The Hoxane Tribal Authority submitted to SAHRA (on SAHRIS) that no graves were identified during the archaeological survey. However, the headman from the Hoxane Tribal Authority mentioned the existence of one grave. This is a serious problem because, during the inspection, traces of at least three graves were discovered outside the fence. One was inside the yard, but due to limited access to the site, more graves could not be identified. The community alleges that there are more graves inside the constructed traffic training college. Initially, the families were allowed to enter the premises, as stipulated by the permit issued by SAHRA. Now they are not allowed to enter without an appointment.

LIMPOPO PROVINCE

Bochum: Makgabeng Rock Art Assessment

The focal attractions of the Makgabeng are the rock

art and the amazing geological formations around the plateau.

Sekhukhune: Manche Masemola Grave Assessment

Manche Masemola's grave site is located on a remote hillside close to Marishane Village in Sekhukhune Municipality. The site comprises of Manche's grave, her sister's grave and another unknown grave on the far right. Both Manche's and her sister's gravestones are made of black granite. There is an inscription placed close to the graves that explain the significance of the grave and the status of the site being a heritage site. The whole site is fenced with a steel fence, locked and well taken care of by the Anglican Church. The grave is still intact. However, the lower tiles surrounding the grave are broken and are coming off.



Ga-Kgapane: Mooiplaats Farm

Purpose of the site inspection

Both Greater Letaba Municipality and Eskom were issued with contravention notices. The follow-up visits were therefore done after no correspondence was received by either of the aforementioned parties.

Assessment

Meetings were held with the Greater Letaba Municipality, Eskom and with Rampedi family representatives. Both parties in contravention of SAHRA regulation still did not have the documentation. It was therefore concluded that SAHRA would give them a deadline on which the documentation should be received. Mr Rampedi from Eskom assured SAHRA that he would get to the bottom of the matter and provide the necessary documentation. As for the Municipality, judging from the observations in the meeting, it seemed as if they did not have the required documentation. The town planner continuously mentioned that the documentation was with the service provider and they had not managed to get hold of the service provider.

Queen Modjadji's Memorial Site

On the 14th of February 2017, an inspection was conducted at Queen Modjadji's Memorial Site located at Modjadjiskloof in Limpopo Province, close to Mooiplaats farm in Ga-Kgapane.

Purpose of the site visit

The site was visited for monitoring purposes. The purpose was to see the memorial, check if it is still in good condition and if there is anything that needed to be reported or to be repaired.

Assessment

The memorial installed by SAHRA is in perfect condition and is fenced off. The inscription is still visible. The site is located outside the royal house and is well maintained. The memorial village managed by the local municipality is in a compromised condition. The history displayed on the wall inside the memorial room is fading and some of the displays are coming off. There is a challenge of water supply in the premises.

Franz Leprosy Hospital

Background

Dr. Tlou Setumu submitted two nomination forms to SAHRA for the Helen Franz Leprosy Hospital and the whole Makgabeng Plateau. Makgabeng Plateau constitutes 152 farms which are thought to have qualities of a national heritage site. All these farms were nominated in one form.

Assessment

Makgabeng Landscapes

The Makgabeng area has been populated by the Sotho, San and Khoi-Khoi people. It was also a place of war between the Boers and the Bahananwa people. The main attraction of the Makgabeng Landscape is

the rock art. There are three rock painting customs on site, each related to a specific traditional group – San, Khoi-Khoi and Northern Sotho paintings. San paintings are unique because of their technique. They are defined by their fine-line technique application by brush, colouring evenness and subject matter. The other two traditions are applied by finger. Khoi-Khoi paintings consist of geometric images, dots, lines, presentation forms, and handprints. The paintings are usually done in a red colour but they also occur in white, and sometimes a combination of the two colours. Northern Sotho paintings are created by Bantu-speaking agropastoralists and are made of white finger paintings. Many of the paintings speak about the contact with the colonialists and portray men on horseback, wagons, trains and motor vehicles.

The Makgabeng Plateau is surrounded by different communities of the Bahananwa of the Maleboho royal house and those of Bokone of the Matlala royal house. These communities still practise their traditional and cultural activities. There is also prospecting mine activity that is taking place in three of the farms in the Makgabeng area. The farms are close to each other and it is said that this activity will only take place at these three farms.

Franz Family Legacy

The Franz Family Legacy's features are deteriorating. The church is falling apart and the grave is no longer visible because of the overgrown grass. The old leper church and rondavels are also invaded by grass and

thorn bushes. The only functioning features of the legacy are the new Helene Franz Hospital and the Helene Franz School for disabled children.

Kgoshi Mampuru the II Purpose of the site visit

The site visit was conducted as part of the serial site inspection in the Limpopo Province, which included the Manche Masemola's grave site and Makgabeng Rock Art. The main objective of the inspection was to inspect the state of the site and to give more ideas on how to develop the site. More sites have been identified as tourism products for the 2016/17 financial year in order to comply with section 5 of the NHRA which states that "heritage resources contribute significantly to research, education, and tourism and they must be developed and presented for these purposes in a way that ensures dignity and respect for cultural values".

Assessment

The memorial site is in good condition. The only thing that is not available is the king's statue which has not been completed yet.

Tweekenham Mine Background

The Heritage Protection Unit (HPU) received communication from the Magatlo community claiming that Tweekenham Mine was mining at their old residential area in Mokopane. The residential area was alleged to have ancestral graves of the

afore-mentioned community who were residing in the area prior to the development of the mine. However, Twickenham Mine which represents one of the largest platinum reserves in South Africa denied the community access to the gravesite. Due to the extent of the development, some of the graves were relocated to a formal cemetery with a few left in situ. In response to this complaint, a site visit was organised and executed on the 13th of February 2017.

Purpose of the site inspection

The purpose of the visit was to ascertain whether there were indeed graves in the Tweekenham mining premises, to assess if there had been a contravention of section 36 of the NHRA, and to assist both parties in resolving their dispute in order to reach an agreement.

Assessment

SAHRA was unable to do the site inspection because of a mining representative, who was supposed to take us to the site, was away at a work conference. The meeting between SAHRA, the mine, and the Magatlo community representatives was scheduled to the first week of April.

Annesly Andalusite Mine Background

In November 2016, SAHRA received a complaint by the Limpopo Province Public Protector regarding family graves which had been relocated from their original place by the Annesley Andalusite Mine (in Burgersfort, Limpopo) without a family's consent.

Mr Hendrick Moropana lodged the complaint with the Public Protector regarding the relocation of his parents' and siblings' graves without his knowledge.

Mr Maropana mentioned that he was the only surviving member of his family. According to Mr Maropana, four graves had been relocated by the mine's operations and he was not consulted to give consent. Upon visitation to the gravesite for cultural rituals, he had realised that there was a mine operating on site and he was advised that all the graves had been relocated. He was later directed to a place where they have been relocated. He was left with no option but to fulfil his cultural practices to the graves which were unknown to him as no person was present when the relocation was executed. The mine had not indicated from whom consent for the relocations had been acquired. Mr Maropana further mentioned that there were other graves which were not relocated, and could not be identified, as the mine was dumping sand in the area.

Purpose of the site inspection

The purpose of the site visit was to have a meeting with the complainant and the Annesley Andalusite mine manager. It was also to establish whether there had been a contravention of section 36 of the NHRA, to see if there were any traces of the graves that the complainant claimed to have within the mining site, and to acquire relevant documentation i.e Heritage Impact Assessment (HIA) report, public participation documentation and consent letters signed by the

families, so as to identify who consented on behalf of the Maropana family.

Assessment

During the meeting, it was discovered that the Annesley Andalusite Mine did not have any documentation relating to heritage on the site. The mine manager mentioned that he only dealt with production and not heritage. Therefore he did not know how many graves had been relocated and who had consented to the relocation. After the meeting, an inspection of the site was conducted with Mr Maropana and the mine security. No graves were found.

GAUTENG PROVINCE

Cradle of Human Kind

Purpose of the site inspection

The Cradle inspections were conducted to ascertain and make a further assessment of the structural and physical needs of the sites. This was to ensure that the sites are conserved and properly managed for the purpose of its everlasting legacy. Assessment of the sites enables SAHRA to make resources available for maintenance where necessary and possible.

Assessment

There is on-going excavation at most of the Cradle sites. These excavations take place in the dry seasons as it is the best time to carry out effective excavations. For the purpose of SAHRA's inspections based on section 38 of the NHRA, the following sites were inspected: Malapa, Rising Star, Swartkrans, Green Sleeves, Stretkfontein, Drimolin, Gladysvale,

Kroomdraai and Leopard Rock Shelter. It is important to note that the inspections were conducted based on the checklist compiled by the management of all Cradle of Humankind sites.

Malapa Gladysvale

The Malapa site was in a good condition and there were no intrusions or any major security issues. There was on-going excavation that had revealed faunal, and what looked like a hominid, tooth. The excavations will continue until researchers have exposed the area they wish to use as the pathway to the excavation site. The head researcher of the site, Prof. Lee Berger was planning to do an exhibition that will be used as a tool for public education. He has postgraduate students from the University of Witwatersrand (WITS) who are doing various research projects on the area. The excavation team curates the recovered materials as they progress and therefore there is no backlog. Excavation reports are uploaded onto SAHRIS.

Rising Star

The cave site is in a good condition but the kiln is been used by the local community as a rubbish dump for nappies and other items. Excavation takes place three times a week. The security is good. There is a gate at the cave entrance to stop the intrusion. Apart from the discovery of Homo Naledi, there was a new discovery that was made and will be announced publicly in due course. The head researcher has a good relationship with the landowner so there are no issues. There are plans to develop the site and to erect an interpretation centre. Excavation reports are uploaded onto SAHRIS.

Bolt's Farm: Green Sleeves

The site is in a pleasant condition and no security issues have been reported. There is an ongoing Ditsong Museum excavation on the site and communities nearby have been informed of the activity. The excavations run every April to May and September to November. Backfilling has not been done for geological reasons as advised by specialists. As part of public participation or education, Ditsong Museums plan to do an exhibition that will be used to educate the community more about the site and the recovered faunal/hominid remains. The site is being maintained by taking pictures, removing weeds and clearing topsoil frequently. However, the site plan needs to be updated. Excavation reports are uploaded onto SAHRIS.

Swartkrans

The site is in good condition. There had not been any major collapse. There had not been any security or land owner issues. There is an ongoing University of Johannesburg (UJ) excavation that happens every June to July. The excavation materials are curated and stored at WITS and there is no backlog. Excavation reports are uploaded onto SAHRIS and more will be uploaded as excavation materials are interpreted.

Drimolen

There are ongoing excavations on site by UJ and international students. The owner is aware of the

excavations and supports such activity. There had been no security issues. Storage facilities are locked-up and larger equipment goes to UJ. There had not been any major collapse of the walls of the cave and they are being reinforced as excavations continue. A full survey of the site had been done including the production of a 3D model and a laser scan of the cave. Hominid remains had been excellently curated but faunal remains needed to be curated. Excavation reports are uploaded onto SAHRIS and more will be published soon.

Kromdraai

The site is in a good condition and there is no conflict with the land owner. There had not been any major collapse of the walls of the cave. There is an ongoing excavation of the site and four hominid discoveries were made within one week. Although the site is approximately two million years old, the recovered hominids are believed to be much older. Newly recovered materials are net-sieved and are micro-scanned at WITS. More than 3000 specimens were recovered from both excavation and sieving. There is no backlog in terms of curation. Materials are curated immediately after excavation. John Baptist, curator of site material, has done a typhonology on some bone discoveries too. No reports of animals disturbing the site and no topping had been done. Excavation reports have been uploaded onto SAHRIS. The site sometimes gets tourism visits. There are plans to put two containers on site.

Gondolin

There is a team excavating on the site. Researchers believe that Kromdraai and Cooper connect with Gondolin, but Gondolin is dry while the other sites are wet. So far only bovid remains have been recovered from the excavations. However, there is a supposed hominid tooth stuck on the cave wall near the entrance and it will be removed for analysis. There is a plan to start a test trench on one of the upper cave sites. Typhonomy studies are underway by a WITS student. Excavation reports have been uploaded onto SAHRIS.

Leopard Rock Shelter

There is no excavation at the site at present. There had been a test trench excavation which revealed beads and pottery. The trench is now closed and there are still questions on whether to continue the excavations. The site is considered to be a mixed site of the Later Stone Age and Early Iron Age based on the recovered materials.

Serengeti Golf Estate Curro School

Background

SAHRA received a complaint that was brought forward by a concerned citizen, Mr Tom Lessing, regarding sites on the Serengeti Golf Estate, a gated residential area, situated on Portion 1 and 2 of the farm, Witfontein 16 IR, near Kempton Park in Gauteng.

Mr Lessing alleged that Curro Holdings built a private school within Serengeti Golf Estate which encroached

on historical gravesites. According to the complainant, Curro and the home owners' association had at least on two separate occasions encroached on a "worker's grave site" located next to the school. Mr Lessing had been liaising with Mr Laiti Mahlubogwane, from the Green Scorpions at the Gauteng Department of Agricultural and Rural Development, who had been involved in several ongoing investigations into alleged violations of environmental laws by the developer of the Serengeti Golf Estate.

It was alleged that Curro Holdings took 400 to 500 square metres of a burial site during the first phase of the school's construction. The only protected site at the Serengeti Golf Estate was the previous farm owners' burial grounds as well as a historical building that had been kept in situ. On the 4th of August 2015, a site visit was undertaken by SAHRA's Burial Grounds and Graves Unit to investigate the allegations.

Assessment

It was clear that Curro Holdings had exceeded the original boundary set in planning. There was therefore encroachment onto the workers' burial grounds as the distance between the school fence and the burial ground was less than 20 metres. Twenty graves could be seen. Some were damaged by vegetation. It was noted that should a proper HIA have been conducted on this site, the resulting impacts could have been avoided. Other observations of the site were as follows: There was no demarcation/ fencing for the cluster of graves that were viewed and no signage. Additionally, there was visible damage on the graves especially

on the graves that did does not have tombstones/ informal graves.

SAHRA gave the following recommendations to Serengeti Golf Estate Developers:

- a) Clearance of the vegetation around the graves or burial grounds should be done.
- b) Restoration and rehabilitation of the graves must be done
- c) Erection of proper signage indicating the location of the graves
- d) Erection of fencing around the burial grounds
- e) If the burial grounds were to remain in situ a conservation management plan must be done for the burial grounds.
- f) If the boundary of the Curro school is going to be extended at a later stage this will imply further encroachment on the burial grounds. If this cannot be avoided, Section 36 of the NHRA should be followed e.g. application for a permit for relocation.

Zesfontein

Purpose of the site inspection

The purpose of the visit was to establish whether there had been a contravention of section 36 of the NHRA, and to see if there were traces of the graves that the complainant claimed had been destroyed.

Assessment

During the site inspections, some headstones of the relocated graves were discovered. Eastland's Properties gave us documentation showing the location of the previous graves and how many they were. According to Eastland's Properties, none of the graves was older than 60 years when exhumed. However, the complainant claimed that some of the graves were older than 60 years when relocated. The environmental impact assessment (EIA) conducted at the site did not include the HIA report and did not acknowledge that the site had graves prior to the development.

NORTH WEST PROVINCE

JB Marks Grave Assessment

The J.B. Marks gravesite is located in Tshing Township which falls under the Ventersorp Municipality. It comprises of a grave and a memorial site. Both the memorial and gravesite are made from black granite. The memorial tombstone bears an inscription that honours Marks and his contribution to the liberation struggle and the history of South Africa. The whole site is fenced with a steel fence, locked and well taken care of by the local municipality. The grave is still intact. However, on inspection, the lower tiles surrounding the memorial tombstone were coming out and there were cracks in some top areas of the monument.

Moses Kotane Grave Assessment

Moses Kotane's gravesite is managed by the Moses Kotane Municipality through the Department of Sports, Arts, and Culture. However, it seems that the Municipality is failing to maintain the site. Mr Joel Molefe, who is the cousin of Moses Kotane, is staying the closest to the site and thus manages its maintenance. The grave is still intact but the lower tiles surrounding the memorial tombstone are coming out and has cracks in some top areas of the monument. The brick pavement surrounding the memorial is also in good condition. The overall condition of the site is perfect. At present there is someone who has

volunteered to plant flowers on the site as part of the maintenance plan.

EASTERN CAPE PROVINCE

Egazini Memorial Site Assessment

The site is in poor condition as it is not maintained. It had been vandalised by the local community. Most of the granite tiles are damaged or have been removed. The inscriptions, which were on some of the tiles, are no longer visible. The pavement, where the tiles had been removed, were covered in weeds. The site is still in good condition but the environment, in which it is situated, is not in good condition. The fence which surrounded the area had been stolen and so the heritage site is not enclosed.

Lobengula Gravesite Assessment

The Luvuyo Hall, where the graves are located, is still in use. However the maintenance of the site, as a whole, seems to be a low priority. Nevertheless the graves are in good condition.

The Mummy at Albany Museum Assessment

The Mummy was exposed to fire in the 1940s at Albany Museum and was therefore removed from the displays. Given the circumstances, its current condition is excellent. There is limited research that has been conducted on this collection but it is open to students for new research.

KWAZULU-NATAL PROVINCE

Sibudu Caves Assessment

The cave seems to be susceptible to vegetation overgrowth and it was noted that the site had been cleaned in preparation for SAHRA's visit. The actual excavation site is covered with sandbags and tarpaulins to protect the site from the weather.

A noted concern was that the planned low-cost housing development on a neighbouring farm may present a threat to the site. The presence of a 300m buffer zone between the cave and the proposed development was deemed, through the undertaken HIAs, to be sufficient to protect the site.



John Dube's Grave and Ohlange Institute Assessment

John Dube's grave was declared in 2012 and is in fair condition. Dube's daughter, Lulu Dube, passed away in May and was recently buried alongside John Dube on 4 June 2016. There is still evidence of a recent burial. Burial Grounds and Graves (BGG) issued a permit for the burial to take place at the site which had already been earmarked for this. The grave is not easily located within the cemetery as there are no markers to indicate that a nationally declared gravesite is located in the cemetery. The grave is in a fair condition in that it is still intact and not cracked or broken. However, it is slightly overgrown with weeds indicating that it is not visited often. There is also no declaration badge marking the heritage status of the site.

The Dube House/Museum, near to the graves, is in a fair condition. However, there are cracks in the walls, floors, and doors. The Ohlange Institute is still operational as a school, and the buildings are in a fair condition. However, they show some signs of maintenance requirements such as plant growth in the walls and deteriorating gutters. The sign boards around the school are in a bad condition and have faded, in some cases, to the point that they aren't legible.

Howick (Mandela Capture Site) Assessment

Generally, the site of the main sculpture is in good condition. The gardens, the exhibitions, and the sculpture have been well maintained. There is currently

construction underway of the permanent museum/exhibition centre.

The structures of the memorial across the road are in good condition. However, the inscription on the plaque is fading.

Conclusion

The summary and analysis of the inventory of the National Estate is a representation of the heritage resources declared under both current and previous legislation on the basis of the SAHRA system records as at 31 December 2016. This also provides an indication of areas that need attention for a balanced representation of the heritage national estate that showcases the spectrum of the South African heritage resources. And this depends largely on the effective collaborative efforts of the State and the communities at large.

In assessing the condition of these specific sites it was clear that in order to preserve the significance of the national estates for the benefit of the current and future generation it is critical that communities assist the State in the conservation of these resources. Due to the current gap in monitoring activities, some of the sites are destroyed without SAHRA's knowledge. Training and partnering with the provincial and local authorities would go a long way towards effective management and conservation of the national estates. For example, on the basis of these inspections alone, the critical sites that needed urgent attention are Egazini, Mapoch Cave, and Botshabelo Mission Station. While distribution and effective use of resources are some of the constraints in heritage

resources management, a lot still needs to be done to safeguard, at the minimum, the identified and known heritage resources.

The use of the SAHRIS by all partners and stakeholders in heritage resources management will add to the enhancement of the national estate report, not only from SAHRA perspective but from views and recorded condition assessments by those communities that are actively involved in the preservation of our heritage.

Mapoch Cave



Botshabelo Mission Station



ARCHAEOLOGY, PALAEOLOGY AND METEORITES (APM)

Introduction

The objective of SAHRA's APM unit during 2016/17 was to meet the strategic objectives of the organisation as they relate to the management of archaeological, palaeontological and meteorite resources. The focus of SAHRA was to improve the management and conservation of APM heritage resources, through the review, development, and implementation of policies, procedures, and standards for heritage management, and to ensure that APM resources are conserved and managed by improving permitting procedures and undertaking effective site monitoring.

REGULATED AND PROTECTED HERITAGE RESOURCES

Policy Development

During the year under review, SAHRA developed minimum standards for HIAs. This guidance was developed to take into account the impact of development on APM resources. It aims to ensure the findings of heritage assessments are combined and presented in an integrated format which will aid decision-making bodies in assessing development applications. A further consideration is that the document will form a national standard that can be adopted and amended by PHRAs when these authorities take on APM functions under the NHRA.

SOCIAL COHESION AND UPLIFTMENT

Site Inspections

SAHRA undertook a number of site inspections of national heritage sites during 2016/17. The aims of these inspections were to strengthen SAHRA's relationship with management authorities and to monitor research and development activity at nationally significant sites. This year SAHRA officials visited the West Coast Fossil Park (WCFP) for the first time since the site was declared a national heritage site. As a result of the visit, a formal heritage agreement between SAHRA and the WCFP management authority was drafted and will be signed during the coming year.

SAHRA also undertook an inspection of the Mapungubwe world and national heritage site. Mapungubwe is one of South Africa's premier national and world heritage sites and it is vital that SAHRA engages with South African National Parks (SANParks) on issues of heritage management and conservation at the site. There are currently no research activities at Mapungubwe, but SAHRA plans to finalise an MOU with SANParks in the 2017/18 financial year.

The Cradle of Humankind fossil sites remain the most actively researched and effectively managed national heritage sites in South Africa. In accordance with the heritage agreement in place with the management authority, SAHRA conducts two site inspections

every year. The Cradle of Humankind site is a sought-after destination for international research. The nine sites, including Taung, are currently being excavated by multidisciplinary teams from around the world and offer field schools which provide local and international students with valuable field experience.

Heritage Impact Assessments and Permitting

The bulk of the APM work that SAHRA performs relates to commenting on Section 38 applications, particularly the HIA elements of development applications. This function remains a challenge as the unit performs this function on behalf of six PHRAs that are not yet fully competent to implement Section 38. During the year under review, the SAHRA received and processed more than 161 APM-related HIA reports.

In addition to these applications, SAHRA also provided input as a key stakeholder into projects such as the Square Kilometre Array (SKA) Strategic Environmental Impact Assessment and Integrated Environmental Management Plan and facilitated discussion and input into the Department of Environmental Affairs' draft 'Heritage Survey Guidelines for Protected Areas'.

SAHRA continues to process Section 35 permit applications for APM research and development applications for national sites, applications for the export of APM material, and applications on behalf of six PHRAs. There has been an increase this year

in applications for the export of archaeological and palaeontological material, in particular, for exhibition purposes. Both the British Museum in London and the Rijksmuseum in Amsterdam borrowed South African archaeological material for exhibition this year, including significant objects such as the Mapungubwe gold rhino and the Kathu Pan handaxe. These major exhibitions in Europe, and elsewhere, can play a key role in promoting South Africa's heritage. It is, therefore, important for SAHRA to support loans for such exhibitions, under strict regulation.

Grading and Declarations

Of the Grade 1 archaeological and palaeontological sites that still have to be declared as national heritage sites, SAHRA is focussing on sites that require urgent attention. Canteen Kopje, a significant Early Stone Age site in Barkley West, Northern Cape, was therefore the only site identified for grading this year. The site was approved by the SAHRA council as a Grade 1 site in February 2017. The declaration will follow in the coming year. SAHRA did not declare any archaeological or palaeontological sites this year but focussed its attention on developing conservation management plans for Sibudu Cave in KwaZulu-Natal and the Kathu Archaeological Complex in the Northern Cape with a view to their future declaration.

DYNAMIC FUNCTIONAL NETWORKS

Publications

SAHRA published a paper on the Heritage Portal, an online platform, which has a large user base. The paper focused on the key issues around the development of heritage management plans (HMPs) for sites impacted in areas earmarked for development. It is hoped that the publication will further stimulate discussion around this important topic.

INTEGRATED DEVELOPMENTAL PROGRAMMES

Stakeholder Engagements and Conferences Attended

It remains important for the SAHRA staff to participate in conferences and workshops, both abroad and locally, to aid the strategic objectives of the organisation. SAHRA contributed to the proceedings of a number of conferences during 2016/17, including the Paleontological Society of Southern Africa's conference held in Stellenbosch in June 2016 and in Archaeological 2.0, which took place during August 2016 in Spain. SAHRA sent a representative to an eleven-day workshop on HIAs on world heritage sites, held in Stone Town, Zanzibar.

SAHRA continued to focus on strengthening its relationship with key partners such as the Association of Southern African Professional Archaeologists and the Palaeontological Society of South Africa. It meets annually with these bodies to discuss matters of mutual interest. In addition, SAHRA is represented on various committees at Heritage Western Cape dealing with matters related to the development and permitting of archaeology and palaeontology.



BUILT ENVIRONMENT

Assert SAHRA's role as a regulatory body in heritage resources management

As part of its aim to be a leading regulatory body in heritage resources management, SAHRA developed regulations relating to Section 9 of the NHRA during 2016/17. The regulations relate to standards for the conservation and maintenance of heritage resources that are in control of state departments and supported bodies. These regulations are intended to clarify how best state departments and supported bodies can support SAHRA, and other heritage authorities, in ensuring that the maintenance and conservation of heritage resources take place effectively.

All state departments and supported bodies must, at the request of a heritage resources authority, make available for its use, and incorporation into its database, any information which they have on

record on heritage resources under their control. A provision for this access to information is that the department or body, supplying such information, may set conditions regarding the disclosure and distribution of the information by the heritage resources authority. The regulations were published in the Government Gazette in the fourth quarter of the year under review.

Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management

The key focus of SAHRA, with regards to the promotion of social cohesion and upliftment through heritage resources management in the built environment, is the protection and conservation of heritage resources for future generations. This is done primarily by the declaration of built heritage resources with exceptional significance, management of sites through permitting processes, and site inspections to assess and determine the condition of a site. SAHRA aimed to permit 100% of all compliant built environment development applications within 21 working days in order to ensure effective and efficient management of declared heritage resources. During 2016/17 SAHRA managed to achieve this target. Furthermore, SAHRA declared two built environment sites during 2016/17: the Castle of Good Hope and the University of Fort Hare.

The Old Fort - Constitution Hill (Courtesy of Constitution Hill Development Company)



The Castle of Good Hope is arguably the oldest fortress and building in South Africa. The first stone was laid in its construction on 2 January 1666. In 1682, a gated entry replaced the old entrance which had faced the sea. A bell tower was built in 1684 with the original bell cast in Amsterdam in 1697 by East-Frisian bell-maker, Claude Fremy. The castle is currently the oldest functioning Dutch colonial building of its period in the world, considering its current condition and the status of its restoration. It has retained its function as a military site and a centre of ceremonial military activity of the Cape Regiments. It currently houses the William Fehr Collection, the Military Museum and is home to the Cape Town Highlanders Regiment. The Castle of Good Hope represents an aesthetic particular to fortifications built by the Dutch. The site received formal protection in the third quarter of 2016.

Established in 1916, and originally called the South African Native College (SANC), the University of Fort Hare has, over the years, attracted a range of students of various political, religious and cultural backgrounds who were drawn to its pro-African academic tradition and culture of non-racism, critical debate and aspiration towards educational excellence. This historically black university in the small town of Alice in the Eastern Cape, with its long tradition of academic excellence, was recognised as one of the most prestigious institutes of higher learning on the African continent, and produced graduates that went on to play formative roles in the

history of their countries, both in South Africa and far beyond its borders.

Fort Hare alumni include leaders of fraternal liberation movements and governments across the continent who went on to become great statesmen. They include: President Julius Nyerere, President Seretse Khama, President Yusuf Lule, President Robert Mugabe and President Kenneth Kaunda. Legendary black academics, Z.K. Matthews and D.D.T. Jabavu, played a leading role in campus life, igniting the passion for social justice and political activism in the students. At a time when black South Africans were only deemed worthy of inferior standards of education, the faculty of Fort Hare were uncompromising in their adherence to standards of academic excellence, but most importantly, in instilling an altruistic worldview that was not self-centered but dedicated to the betterment of fellow man. The site was declared a national heritage site in the first quarter of 2016.

SAHRA visited four built environment sites during the year under review in order to assess and determine their condition and report as per Section 22 (2) of the NHRA. These visits were to Robben Island, Fort Hare University, Taung Skull site (which forms part of the Cradle of Humankind) and the Mandela House national heritage site.

The visit to Robben Island was to monitor the general state of the site and to evaluate the progress of

works which SAHRA permitted in the 2015/2016 and 2016/2017 financial years. The following sites for which permits were issued were inspected: the Garrison Church, the solar panels, the photo frame, and the cabling for sewer pump 2. Robben Island Museum was found to have met the conditions of the permits issued for the restoration and maintenance of buildings and infrastructure on the site.

A site visit was conducted at the University of Fort Hare in preparation of the declaration of the University. The sites at Fort Hare University were found to be in generally good condition. However, Z.K. Mathews House was found to be in a critical state. While the structure remained intact, there had been a tremendous amount of decay to the house and a lack of adequate security. SAHRA formally protected the site in order to establish a consistent and suitable management framework of the site. It was indicated to SAHRA in the meeting, preceding the site visit, that the Department of Public Works had undertaken to make urgent repairs to the site, as well as to provide fencing and other necessary security features. A follow-up site visit was planned for the 2017/2018 financial year to monitor the state of the site.

SAHRA conducted site visits to Mandela House at Drakenstein Correctional Centre and to the Taung Skull site which forms part of the Cradle of Humankind world heritage site. The Department of Public Works is pursuing a major project for the



development of interpretive centres, mobility ramps, and parking amongst other developments. SAHRA issued permits for these developments. However, a resultant conflict between the project managers and service providers left the site vulnerable as construction began but was not completed. The site visit was reactive to these issues, and SAHRA was able to assess the condition of the site and issued a 'cease works' order until all issues are resolved.

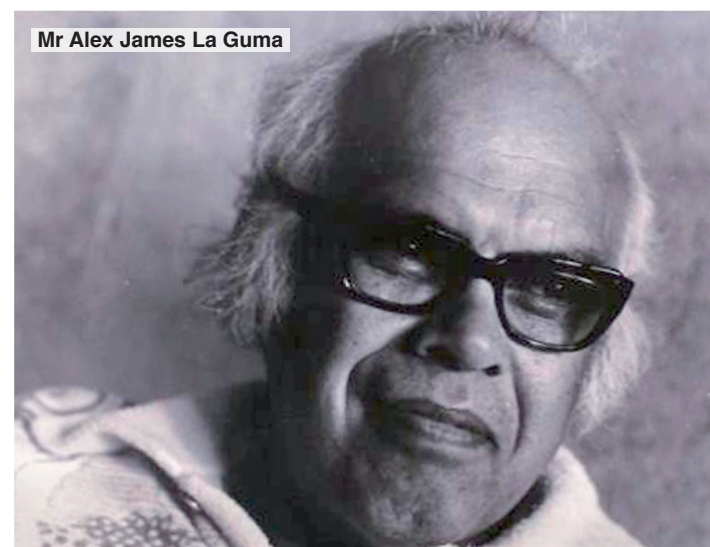
Mandela House was a declared a national heritage site. The purpose of the built environment visit was to monitor the general state of the site and to introduce representatives from the Department of Tourism to the site. The Department of Tourism and SAHRA have formed a partnership with regards to the installation of interpretative tourism signage at Mandela House.

The site was found to be in a generally good condition. The interior walls and furniture have been maintained consistently since declaration. The site appears to be cleaned regularly and no issue was found with litter and refuse. Minor issues were found regarding the swimming pool and tiling in one of the bathrooms. However these will be addressed by the Department of Public Works and SAHRA will follow up on this. The garden was found to be arid, but this relates to the current water shortage in the South Western Cape, and cannot be addressed through human intervention.

Build SAHRA's brand internationally and locally through public awareness

SAHRA hosted a very successful exhibition in celebration of the fairly unknown struggle stalwart, Alex La Guma. The exhibition was titled 'A Dialogue with Alex La Guma' and was held at the Youngblood Art Gallery in Bree Street, Cape Town. The event was inspired by a site visit conducted by SAHRA to Cuba (where Alex La Guma is buried) and a subsequent interview with his widow, Ms Blanche La Guma. Alex La Guma was an astonishing creative artist, as well as an ardent freedom fighter. He was the author of five masterful novels: *A Walk in the Night* (1962); *And a Threefold Cord* (1964); *The Stone Country* (1967); *In the Fog of the Seasons' End* (1972); and *Time of the Butcherbird* (1979). With his genius for creating vivid characters amid the brutality of Apartheid,

his compassion for the poor and the oppressed, his masterful storytelling technique and his unforgettably sensuous, beautifully ornate prose style; La Guma has seldom been bettered in any age or on any continent. SAHRA engaged a collective of local artists to exhibit the existing works of Alex La Guma while creating new material to celebrate and highlight his successes as a writer and political satirist. The event drew a large crowd and served as a marketing campaign for SAHRA, while also educating the local community on the life and times of one of South Africa's forgotten political icons. The exhibition was attended by Ms Blanche La Guma, who fully endorsed it, and was appreciative of the recognition and celebration of her late husband.



Mr Alex James La Guma

BURIAL GROUNDS AND GRAVES REGULATED AND PROTECTED HERITAGE RESOURCES

Assert SAHRA's role as a regulatory body in heritage resources management

The permitting system and heritage impact assessments enable SAHRA to monitor and protect burial grounds and graves of cultural significance. There is a demand for the protection of graves from communities because of developments like mining's impact on ancestral graves. The issuing of permits protects graves from damage and destruction. Furthermore, SAHRA acknowledges that South Africa is a developing country and there are consequently regulations in place to protect burial grounds. The system allows the next of kin to request SAHRA to relocate their ancestral graves older than 60 years to municipal cemeteries or family plots.

SOCIAL COHESION AND UPLIFTMENT

Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management

The graves of liberation struggle icons are tangible representations of the selfless sacrifices and contribution made by different generations of South

Africans. These icons draw from a variety of cultural, religious, political, philosophical, educational and socio-economic backgrounds culminating into a formidable political force that brought the plight of the oppressed South African masses to the attention of the world. The NHRA aims to include many categories of graves for social cohesion and upliftment by constructing memorials. SAHRA has therefore constructed memorials which can serve as memory plaques to those who have contributed immensely to the liberation struggle but which also support educational, research, and tourism development. The memorials below were constructed as part of memorialisation projects in SAHRA during 2016/17:

Josiah Madzunya

Ratshilumela Josius Muneri Madzunya was a political activist, chair of the ANC in Alexandra, and a member of the Pan Africanist Congress (PAC). He later established himself politically. The press seized on the flamboyant Madzunya and portrayed him as a leading Africanist. He was a selfless leader who was known for wearing winter jackets as a sign that South Africa would be free at some point. SAHRA constructed a memorial in honour of him in Tshidzini Village in Venda, Limpopo Province.

Crown Mines Reburial

In 2010, water erosion at an old Crown Mines dump on Crown Wood Road exposed a number of human burials. The reclamation of the dump by Crown Gold recoveries resulted in very little topsoil remaining,

hence the burials were exposed. The site is located on a portion of the farm, Langlaagte 224 IQ. The 146 remains were stored by AVBOB in Johannesburg. SAHRA, Johannesburg City Parks, the Chamber of Mines, and the National Union of Mineworkers (NUM) buried the remains on 13 August 2016 at the Brixton Cemetery.

Magriet Jantjies

Ouma Magrieta Jantjies' grave was identified as being of cultural significance in terms of the NHRA. The late Magrieta "lHabi" Jantjies was one of the five remaining "Bushman" people who could speak a Khoi-San language, known as the Nluu, fluently. She lived in the area of Rosedale, Upington in the Northern Cape before passing away on 31 December 2015.

The Nluu language is listed as a critically endangered language by UNESCO. This language was spoken largely around the areas of Upington and Olifantshoek. The Nluu language has 112 distinct sounds, which were passed down the generations orally, but it was never written down. It has one of the biggest speech sound inventories in the world, with more than 45 click sounds, 30 non-click consonants, and 37 vowels.

When the Apartheid government took over in 1948, those who spoke the Nluu language around the farms, were compelled to speak Afrikaans. Gradually the Nluu language began to recede and decline with some of the words becoming completely extinct. Katrina Esau is now preserving the language

and imparting the skills to younger generations in Upington. A memorial has since been erected for the late Ouma Magriet Jantjies. It was unveiled by the former Deputy Minister of Arts and Culture, Ms Rejoice Mabudafhasi, on 29 July 2016.

Steve Biko

The burial ground of Steve Bantu Biko was part of the declaration of graves of cultural significance. The grave was identified for the significant role that Mr Biko played in the liberation struggle. The grave site is in the Eastern Cape, in King Williams's Town. Furthermore, the burial ground is a declared national site. The rehabilitated grave site was handed over to the Biko family by the South African President on 21 March 2017.

Lillian Ngoyi and Helen Joseph

In recognition of the role played by women in the liberation struggle, the graves of Lillian Ngoyi and Helen Joseph in the Avalon Cemetery were declared national heritage sites in July 2010. 2016 marked 60 years since the Women's March to the Union Buildings. It was important for SAHRA to assess the condition of the graves as they would be of great public interest considering the role played by both women in the 1956 march. A site condition assessment was done by SAHRA in 2016. It was observed that the condition of the grave had deteriorated. It was therefore refurbished in honour of the women.

Concentration Camps

South African War concentration camps are part of South Africa's heritage tapestry and SAHRA has a duty to conserve them. As part of this process, SAHRA undertook a countrywide condition assessment of existing concentration camps and memorials during 2016/17. A total of 29 camps in the Free State (10), Eastern Cape (4), Northern Cape (2), Mpumalanga (8) and North West Provinces (5) were assessed. Assessments for Gauteng and Limpopo are ongoing. It was noted that some camps were better preserved than others. There are various factors for this, such as location and accessibility. Remotely located camps were generally in better states. It was noted that should there be a need to quickly intervene in the remotely located camps, their location would make this challenging.

DYNAMIC FUNCTIONAL NETWORKS

Build SAHRA's brand internationally and locally through public awareness

SAHRA constructed a memorial wall and a garden of remembrance for the South African soldiers at Delville Wood in France. This project was part of the protection of heritage resources that are on foreign soil. The wall and garden commemorated all South Africans fallen in World War One. The impetus of the project was to mark the 100 year anniversary of the Battle of Delville Wood. The unveiling was well

attended by international guests and organisations. The memorial wall was unveiled by the South African President on 30 July 2016.

INTEGRATED DEVELOPMENTAL PROGRAMMES

Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources

SAHRA and Freedom Park signed an MOU for the collection of names of liberation struggle icons. The names will be inscribed on the Freedom Park Wall of Remembrance. The partnership also has a names verification committee drawn from civil society and government entities who critically discuss the list in conjunction with SAHRA. The names will be published in the Government Gazette after engagement with the office of the Minister of Arts and Culture, Mr Nathi Mthethwa.

Iziko Museums of South Africa held a symposium on human remains management and repatriation. SAHRA presented a paper on its organisational mandate and how it regulates the protection of human remains in South Africa. The symposium was attended by academics from Botswana, Namibia, and Canada. It was a platform to showcase the SAHRA brand and the implementation of the NHRA.

HERITAGE PROTECTION

Regulated and Protected Heritage Resources

SAHRA is mandated by the NHRA to protect, manage, grade and declare and conserve the national estate. SAHRA was tasked to provide administrative and overarching co-ordination and planning support of heritage conservation management. In terms of grading and declaring national heritage resources, the following were declared in 2016/17:

Heritage Resources Declared	Heritage Sites Graded Grade 1
University of Fort Hare: Z.K. Matthews House; The Old Fort; Christian Union Hall; HMS Building (the Old Dining Hall); Stuart Hall and Freedom Square – 25 May 2016	The grave of Mr Chris Hani and the Chris Hani Memorial and Walk of Remembrance – 29 April 2016
South African National Monument, Delville Wood – 28 June 2016	Sharpeville Massacre sites: The Sharpeville Police Station and Memorial Garden; 69 graves of the people killed – 29 April 2016
Liliesleaf Farm – 2 September 2016	Barberton Makhonjwa Mountain Lands – 29 July 2016
Castle of Good Hope – 14 October 2016	The Mendi Memorial – 29 July 2016
Samora Machel Memorial and Crash Site – 31 October 2016	Canteen Kopje – 4 February 2017
Mendi Memorial – 30 December 2016	
Sharpeville Massacre sites: The Sharpeville Police Station and Memorial Garden; 69 graves of the people killed – 30 December 2016	
Freedom Park – 10 March 2017	
Constitution Hill: The Old Fort; Women's Gaol; Number 4 & 5 Prison Block; Constitutional Court – 10 March 2017	
The Grave of Mr Chris Hani and the Chris Hani Memorial and Walk of Remembrance – 24 March 2017	

Social Cohesion and Upliftment

The African Union (AU) declared 2013/14 the year of Pan-Africanism and of the African Renaissance. In celebrating this, it came up with a suite of events to commemorate the year. It called on member states, civil society, organisations and institutions to initiate relevant events related to this commemoration. Since then, the Kara Heritage Institute and the African Institute of South Africa have identified African History Month as one of the events to be celebrated in South Africa. On 27 February 2017, SAHRA attended the African History Seminar which was hosted by these two organisations at the Kara premises in Pretoria. The seminar offered an opportunity to investigate and acknowledge African roots and their significance in human history.

Dynamic Functional Networks

SAHRA attended a training course with other English-speaking African heritage experts focusing on promoting intangible cultural heritage production and protection capabilities in Chengdu, China in the Province of Sichuan.

Integrated Developmental Programmes

SAHRA undertook a joint inspection with the Department of Tourism in Limpopo Province on the 18th and 19th of April 2016 and on the 23rd and 24th of August 2016 to identify heritage sites that can be included in a tourism route, and those that can be developed for tourism purposes.

SAHRA was also involved in the development of implementation plans of the approved Resistance and Liberation Heritage Route Project. The project is derived from the UNESCO/AU 'Roads to Independence – African Liberation Heritage Route Programme' which is spearheaded by the United Republic of Tanzania. All AU member states are required to establish their respective national chapters.

SAHRA was involved in three work streams of the Resistance and Liberation Heritage Route work, and assisted in developing annual plans at the Resistance and Liberation Heritage Route Work Streams Workshop from 15 – 16 November 2016. These work streams are Tourism and Marketing; Alternative Forms of Memorialisation; and Community Engagement, Beneficiation, Heritage Conservation and Protection (which SAHRA leads).

Stakeholders involved in the project include the many national and provincial departments from tourism to education, the National Heritage Council, and Freedom Park.



SAHRA has also been working closely with the National Heritage Council and their service provider, Eco-Africa, in the national declaration of the initial ten sites identified for the serial world heritage nominations:

Site	SAHRA Status
The Union Buildings	Declared 2 December 2013
University of Fort Hare	Declared 25 May 2016
Liliesleaf Farm	Declared 2 September 2016
Sharpeville Human Rights Precinct	Declared 30 December 2016
Constitution Hill	Declared 10 March 2017
Walter Sisulu Square of Dedication and the Freedom Charter	Grade 1 12 July 2015
Soweto Uprising & Hector Pieterse Memorial Museum	Hector Pieterse Memorial Museum Grade 1 2006
Mqhekezweni	Grade 1 27 November 2014
Ohlange Institute	Identified
Wesleyan Church in Waaihoek, Bloemfontein	Grade 1 2011

SAHRA presented at a bilateral meeting, between the Department of Environmental Affairs and Department of Mineral Resources, information pertaining to the number of mining applications received in the proposed world heritage site boundaries for the Barberton Makhonjwa Mountains. The presentation also focused on the national declaration processes for 52 geo-sites that are located outside protected areas, and on the legal implications of the protection of these sites.

Well-Governed Performing Organisation

The grading and declaration operational guidelines have been finalised and submitted for approval with all finalised templates having been made available.

The terms of reference for the Grading and Declarations Review Committee were drafted and approved.

Professional and Capacitated Heritage Resources Management Sector

During this year SAHRA trained two interns and transferred skills in the area of heritage protection. The interns were taught how to write notification letters, to conduct research for the grading and declarations of sites, to conduct research about the site before site inspections, and to respond to complaints from the public.

HERITAGE OBJECTS

Introduction

SAHRA is tasked by the NHRA to identify, assess, manage and protect diverse heritage objects that form part of the National Estate. This includes regulating their movement outside of South Africa. The highlight of this financial year was the record number of loans of publicly and privately owned South African objects to international museums where some iconic South African heritage objects were showcased.

REGULATED AND PROTECTED HERITAGE RESOURCES

Assert SAHRA's role as a regulatory body in heritage resources management.

List of Types of Objects

The reviewed list of types of objects that details the objects that may not be exported from South Africa without a permit from SAHRA was circulated to museums, and other stakeholders, throughout the country for feedback this year. The feedback received contributed to a more inclusive and representative list of objects that will, in future, inform both the public and customs officials at the South African Revenue Services (SARS) as to the types of objects that are protected. This will aid in preventing the illegal export of heritage objects. The reviewed list of types will be gazetted in the new financial year.

Draft Minimum Standards for Heritage Objects

Most of the identified and specifically declared heritage objects that SAHRA manages are located at universities, police stations and spaces that, at times, are not conducive to their management. Often the staff responsible for these objects and collections are not trained to conserve these. Both of these factors put heritage objects at risks. SAHRA intervenes, where possible, to provide guidance which has led to the drafting of minimum standards to conserve such objects and collections. It is crucial for SAHRA to set the minimum standards according to which these objects and collections should be managed in order to minimise risks, and to ensure that such objects and collections are accessible to future generations.

Regulation for Dealers

The Gazetted Regulations for Dealers (18 December 2015) were circulated to about seventy auction houses and dealers around South Africa, following an initiative by auction house, Stephen Welz and Co., to inform the public that they must apply for permits from SAHRA if they buy heritage objects that they intend exporting.

Only two auction houses responded to SAHRA following the circulation of the regulations, but it is hoped that other auction houses will follow suit and inform the public that they must apply for permits if they intend exporting heritage objects, and that this information is published on their respective websites.

Dealers may register on SAHRIS, which was enabled for this purpose.

The registration of dealers will provide SAHRA with a list of dealers that comply with the provisions of the NHRA and will assist in ensuring that more buyers are informed that heritage objects are protected and may not be exported without a permit. This should also complement the process of SARS, who incorporated types of objects in their prohibited and restricted list of goods that cannot be exported, to ensure that registered dealers get preferential treatment from SAHRA.

Comment on state-owned objects intended for alienation

The Robben Island Museum (RIM) approached SAHRA for comment on the alienation of Proteus and Penguin, two island ferries which are no longer in use, as per the provisions of section 9 of the NHRA. SAHRA requested the RIM to upload the request on SAHRIS so that the process and information are accessible to the public. It was the first time that SAHRIS was used for this purpose, and all other state entities are encouraged to use SAHRIS towards this end.

Monitoring of Specifically Declared Objects/Collections (SDHO)

There are forty-four specifically declared objects and collections in South Africa. The majority of them were declared as either national monuments or cultural treasures by the then National Monuments Council.

All of them are heritage objects in terms of the NHRA. During 2016/17, contact was made with the owners or custodians of these objects and collections as part of a desktop monitoring exercise. The purpose was to:

- update the database of specifically declared heritage objects and obtain images;
- locate whether the objects are still in the same location as reflected on SAHRIS and on SAHRA files, and whether ownership had changed;
- establish what the current condition is compared to when the object/collection was declared; and to
- conduct site visits where possible in East London and Cape Town.

There was engagement between SAHRA and Transnet regarding the specifically declared locomotives in Transnet's custody. Transnet indicated that they were intending to complete an inventory of all the locomotives and coaches in their custody that they will forward to SAHRA by the end of 2017/18.

Firearm Assessments

SAHRA received requests from the SAPS during 2016/17 to assess firearms in the Eastern Cape and Gauteng Province respectively. However, the Eastern Cape Province assessment was postponed. In Gauteng, 2 000 firearms were assessed, with 37 being identified as being of heritage value. Although the assessment of firearms has become a function of SAHRA, there have not been regular requests. Therefore, for the first time in a number of years, the usual reporting on assessments is not available.

SOCIAL COHESION AND UPLIFTMENT

Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management

Permit applications

During the period under review, SAHRA issued 103 heritage object permits. This is an increase of more than 100% (see graph below) in the past three years. The reason for this is due to the fact that public and private owners, as well as six countries from seven international museums, loaned South African objects for exhibition and research purposes. All these objects are protected and described on the gazetted list of types of objects that cannot be exported without a permit from SAHRA. The loans were as follows:

- British Museum (borrowed 32 objects) from:
- Museum Africa
- Wits School of Art
- University of the Witwatersrand
- University of Pretoria
- Ditsong Museums of SA
- Iziko Museum
- McGregor Museum
- South 32 SA Coal Holdings

- Rijks Museum (borrowed 89 objects)
- Kwazulu-Natal Cultural Museum
- Mzunduzi Museum, Kwazulu-Natal
- University of Pretoria
- National Museum of Bloemfontein
- War Museum of the Boer Republic
- Ditsong Museum
- McGregor Museum
- National Library of South Africa
- Rhodes University
- Paradigm (PTY) Ltd
- Brenthurst Library
- J. McCormick
- Mr. Willile Bester
- Mr. Oloff Berg
- Mr. Andrew Ovenstone
- Mr. JK Bosch
- PCF Blauwhoff

STEDELIJKE MUSEUM (borrowed 1 object) from Iziko SA National Museum

HAUS DER KUNST, MUNICH GERMANY (borrowed 2 objects) from African Sky Trust

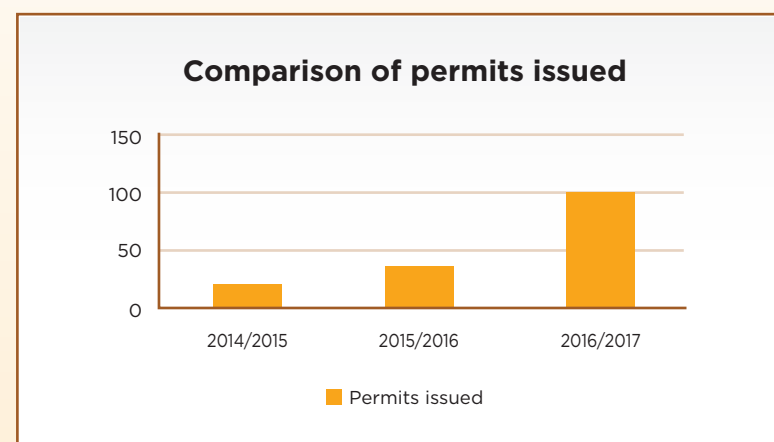
RÖHSSKA MUSEUM, SWEDEN (borrowed 1 object) from KZN Cultural Museum

SMITHSONIAN, WASHINGTON DC, UNITED STATES OF AMERICA (borrowed 3 objects) Iziko SA National Museum

MUSÉE DÉPARTEMENTAL DE FLANDRE, CASSEL, FRANCE (borrowed 1 object) from Iziko SA National Gallery

Exhibition of, and research into, South African objects creates an opportunity to inform the world about South African history and to influence global thinking. According to the British Museum, “South African archaeology preserves provide some of the earliest evidence for artistic thought and production anywhere in the world over three million years ago....”. Therefore, in a loan agreement entered into with a borrower, museums must dictate the conditions under which objects are loaned to ensure that loaned objects are returned on a mutually agreed upon date, and in the same condition as when they were loaned. In addition, museums must ensure that in the event of a dispute, that such a dispute is conducted in South Africa, and that our legislation takes precedence. SAHRA does not approve permits to loan heritage objects unless they are accompanied by loan agreements aligned to the SAHRA generic loan agreement that guarantees returns on loans for future generations. As a result of these international loans, the existing generic loan agreement was reviewed and gaps were identified. The loan agreements were amended to stipulate that in the event of a dispute, the dispute would take place in South Africa, and

South African legislation would take precedence. The graphs below represent the number of permits issued by SAHRA for the loan of heritage objects in the last few years.



	2014/2015	2015/2016	2016/2017
Permits issued	23	35	103

Monitoring whether permit conditions comply

The objects loaned to the various international institutions were loaned under certain conditions, among which included: different periods of time and returns on different dates, publications arising from research, and that exhibitions must be submitted to SAHRA. SAHRIS is not yet enabled to give alerts to the case officer in order for him/her to monitor compliance regarding the permit conditions. Therefore, SAHRA drafted letters to all South African

museums requesting them to comply with the conditions. All of them responded. Only one complaint was received with regards to the stipulation of packaging and transport of the loaned objects. None of the lenders submitted publications that emanated from these loans. This has led to SAHRA identifying the need to produce a standard for monitoring heritage objects that are loaned, identified and specifically declared.

Freedom Charter

The processes required to declare the two identified copies of the Freedom Charter were fulfilled, and the statement of significance was drafted and circulated to stakeholders. The gazette notice to declare the two signed copies was drafted and submitted to the Government Printers.

Genadendal Mission Museum

On 7 December 2016, SAHRA visited the Genadendal Mission Museum to establish whether the recommendations outlined in the conservation assessment had been implemented, and to ascertain progress regarding the inventory of the collection. Some progress had been made and the museum undertook to complete the inventory by 31 March 2017.

Blackie

A service provider was appointed to draft a conservation management plan for Blackie, the specifically declared steam locomotive. The plan can only be completed when the Passenger Rail Agency of South Africa (PRASA) finalises the activities to return the locomotive to Cape Town Station.

DYNAMIC FUNCTIONAL NETWORKS

Build SAHRA's brand internationally and locally through public awareness

SAHRA presents annually at the South African Museums Association Conference. The topic for the year under review was "Returns on Loans: Temporary Loans of South African heritage objects to foreign institutions". A presentation was made to the Historical Association of South Africa's (HASA) conference held in Vanderbijlpark, Gauteng and the topic was "The role of SAHRA in the management of heritage objects". An article, "The identification of two signed copies of the Freedom Charter that forms part of the national estate" was published in the South African Museum Association Bulletin, volume 38, October 2016.

MARITIME AND UNDERWATER CULTURAL HERITAGE

SAHRA is tasked with the identification, protection, and management of maritime and underwater cultural heritage resources along South Africa's coastline and in its maritime waters, inland lakes, rivers and dams.

SAHRA is committed to the belief that for South Africans to understand and value their cultural heritage they first need to be aware that it exists, and thereafter why it is important and relevant to their own lives. This belief, that the promotion of South Africa's maritime and underwater cultural heritage resources is as important as their statutory protection, underpinned SAHRA's activities for 2016/17 as described below.

REGULATED AND PROTECTED HERITAGE RESOURCES

As required in terms of the NHRA, SAHRA dealt with Section 35 and 38 applications related to maritime and underwater cultural heritage. Relatively few Section 35 permit applications were received – which reflects tighter control by SAHRA of activities targeting underwater heritage sites – but the past year saw an increase in the number of Section 38 applications received and processed.

This may be indicative of more seabed development activities around the South African coast, but it is also likely an indication of greater understanding and uptake among developers and environmental

consultants of the legal requirement to approach SAHRA for comment, through SAHRIS, as part of the EIA process. In terms of the review and development of heritage policy, SAHRA reviewed its policy related to fees charged for its services. The process saw the existing policy amended to deal with a number of deficiencies identified through its practical application since it was approved and regulated in 2005.

SOCIAL COHESION AND UPLIFTMENT

Mendi Centenary

2017 is the centenary of the loss of the World War One troopship, Mendi, off the coast of the United Kingdom. The SS Mendi was carrying more than 800, mainly black South Africans, to France when it was sunk in February 1917. 616 South Africans died. As part of the centenary commemoration of the loss of the SS Mendi, SAHRA proposed and championed the declaration of the SS Mendi Memorial in Rosebank, Cape Town as a national heritage site. The memorial stands on the site of the South African Native Labour Corps camp from which the men aboard SS Mendi left on their fateful trip to France. The memorial was declared on 30 December 2016.

Related to the Mendi centenary, SAHRA was also involved in the planning, by the South African High Commission in the UK and the Department of Military Veterans, of commemorative events both here and in the UK.

Image from collection of J Gribble



R. M. S. "Mendi" British & African Steam Navigation Co.

Geographical Information System

Until this year, SAHRA's principal source of data in respect of South Africa's maritime and underwater cultural heritage resources was a digital database – originally developed by the NMC from a paper-based list of historical shipwrecks – containing records of more than 2 400 shipwrecks and other underwater heritage resources in South African waters.

It is essential for heritage resource management to have effective knowledge of the location, history and

ideally, an understanding of the current condition of and potential threats to heritage sites. Section 39 of the NHRA also requires SAHRA to “compile and maintain an inventory of the National Estate” which in respect of maritime and underwater cultural heritage (MUCH), the required a level of accurate detail about sites which was, for the most part, not available.

During 2016/17, SAHRA took on as its major project to the development of a MUCH Geographical Information System (GIS). SAHRA was able to source funding for the project from the Embassy of the Kingdom of

the Netherlands in Pretoria. This allowed, not only training for the employees from GIS experts from the Rijksdienst voorhet Cultureel Erfgoed and the Rijkswaterstaat but also facilitated the purchase by SAHRA of state of the art 3D modelling software, which will allow the rapid and highly accurate recording of maritime and underwater cultural heritage sites for inclusion in the GIS. During the last quarter of 2016/17, SAHRA was able to export the first tranche of sites plotted in the GIS for inclusion in SAHRA's report on the state of the inventory of the National Estate.

DYNAMIC FUNCTIONAL NETWORKS

As it is clear from the introduction of this report, the promotion of heritage resources, and their management through public awareness raising, is seen by SAHRA as a key component of its activities.

SAHRA presented a museum educators' and schools' workshop in April 2016 at the Kwazulu-Natal Museum in Pietermaritzburg and gave talks and lectures on maritime and underwater cultural heritage to a wide and diverse range of groups throughout the year.

Featuring prominently in SAHRA's work during the 2016/17 was another promotional initiative – the MUCH signage project. This project has seen the development and in-house design by SAHRA employees of interpretive signs related to four

shipwrecks' sites. The targeted sites are HMS Birkenhead at Danger Point, the Maori near Llandudno in Cape Town, HMS Sybille at Lamberts Bay and SAS Pietermaritzburg near Simonstown, South Africa's first shipwreck national heritage site. Once these signs have been deployed, SAHRA plans to expand this initiative to other areas of the South African coast.

Given the limited MUCH capacity in South Africa, inter-institutional co-operation has been a necessity in the management of this heritage resource. SAHRA and Iziko Museums of South Africa were very pleased during the year, therefore, to formalise their already well-established relationship in respect of the management of MUCH through the signing of a memorandum of understanding.

PROFESSIONAL AND CAPACITATED HERITAGE RESOURCES MANAGEMENT SECTOR

SAHRA has been fortunate to be able to continue building its skills and capacity base through the training received from Dutch colleagues in the creation and development of the MUCH GIS. Also this year, one of SAHRA's heritage officers, successfully obtained a Department of Labour Class IV professional diving licence, an essential requirement for SAHRA's ability to ensure its ongoing development and sustainability in respect of the management of maritime and underwater cultural heritage sites.

NATIONAL INVENTORY

Introduction

SAHRA is tasked with compiling and maintaining the inventory of the National Estate, in terms of Section 39 of the NHRA. This inventory must be in the form of a database of information on heritage resources. SAHRIS fulfils that function. It also serves to manage the processing of development and mining applications, in terms of Section 38 of the NHRA, permit applications in terms of Sections 27, 32, 34, 35 and 36 and functions as a tool for collections management.

SOCIAL COHESION AND UPLIFTMENT

SAHRIS fulfill many of the strategic goals of SAHRA. However, in terms of its core operations, the unit operates within the sphere of social cohesion and upliftment. One of the key strategic projects that the unit manages is the National Audit Project. This project aims to generate inventories for collections that reside within state custodianship. Towards the end of 2016/17, an inventory of the archaeometallurgy collection housed within the Archaeology Department at the University of Cape Town was produced. This inventory is currently available to the public via SAHRIS. Presenting this information in a public manner doesn't just simply provide an accessible inventory, but also showcases the ability of SAHRIS to be a storehouse of viable

research data that can be utilised to facilitate further research into collections that might otherwise be only available to a limited audience.

The audit of the Pre-Colonial Archaeology Collection housed within Iziko Museums began towards the end of the financial year. This project will run throughout the 2017/18 fiscal year, and will see the digitisation of the extensive inventory of archaeological material. This information will be made available to the public. Through this project, SAHRA has been able to provide employment for two staff members for the project period. For the first time since the promulgation of the NHRA, SAHRA will be publishing the summary and analysis of the National Estate which is mandated in terms of section 39 (7). This will take a dual medium approach, firstly as a section in this annual report, and secondly as an online platform connected with SAHRIS.

DYNAMIC FUNCTIONAL NETWORKS

As part of SAHRA's ongoing drive to build the entity's brand and assert SAHRA's position as a local and global leader in heritage management, SAHRA presented at local and international conferences.

Internationally, SAHRA presented a paper entitled, "The South African Heritage Resources Information System (SAHRIS): Development and challenges through the management of cultural heritage resources through an integrated web-based platform"

at the Arqueológica 2.0 8th International Congress on Archaeology, Computer Graphics, Cultural Heritage and Innovation that was hosted in Valencia, Spain. This paper served to provide a platform through which SAHRA could provide guidance to an international audience on lessons learned through its experience in managing heritage in a digital space.

This paper was published in the proceedings of the conference and is freely available online at <http://ocs.editorial.upv.es/index.php/arqueologica20/arqueologica8/>

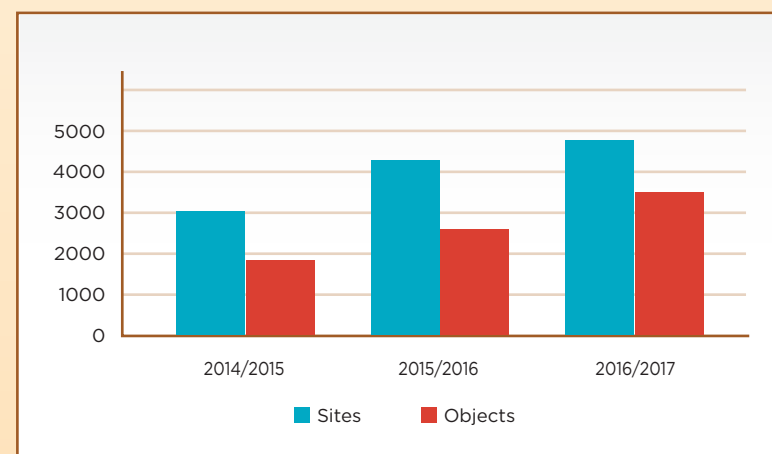
Citation:

Jackson, C. & Redelstorff, R. 2016. The South African Heritage Resources Information System (SAHRIS): Development and challenges through the management of cultural heritage resources through an integrated web-based platform. Proceedings of the 8th International Congress on Archaeology, Computer Graphics, Cultural Heritage and Innovation ARQUEOLÓGICA 2.0: 480-483

SAHRA conducted a presentation titled “Returns on loans: Temporary loan of South African heritage objects to foreign institutions” at the South African Museums Association (SAMA) conference held in Pretoria, where SAHRA provided practical guidance on the process for applying for export permits.

INTEGRATED DEVELOPMENTAL PROGRAMMES

SAHRIS serves as the digital repository for heritage resources information in the country. As such the management of that system falls within the mandate of the National Inventory Unit (NIU). The information held within the inventory has shown a trend of steady growth. The graph below shows the rate of growth of the inventory over the past three years; This growth is not unexpected as the NIU actively seeks opportunities for the growth of the datasets available on the system. However this growth has highlighted the need for a robust policy environment surrounding the inventory in order to ensure accuracy and completeness of data. This provides a pathway for the unit to develop a sound structure that will further assert SAHRA’s role as the leading heritage management body.



In order to reach its full potential as a national system for heritage management, all nine of the PHRAs will need to actively engage with SAHRIS through the reporting of management processes in the provinces. To date only Amafa aKwaZulu-Natali has fully adopted SAHRIS. In order to address this, engagements between SAHRA, the Eastern Cape PHRA and Heritage Western Cape (HWC) have been held, during which the usage of SAHRIS was discussed. Further engagements with the remaining PHRAs are planned for the coming financial year.

PROFESSIONAL AND CAPACITATED HERITAGE RESOURCES MANAGEMENT SECTOR

The National Audit Project, mentioned earlier in this section, doesn't only provide an intervention to generate vital data on heritage collections, but also facilitates employment within the sector. Both programmes, under the National Audit Project, have enabled SAHRA to provide temporary employment opportunities through which the incumbents will

learn collection management skills, as well as actively engage with SAHRIS.

The NIU was also invited by the UCT Archaeology Department to present SAHRIS to their honours students so that they are better equipped to engage with the system as heritage management professionals.

The Gauteng Institute for Architecture invited the NIU to conduct a SAHRIS training session with their members in 2016. This session formed part of the South African Institute of Architects (SAIA) continuing professional development programme, and each attendee received points towards the fulfilment of their annual requirements.

Sessions, such as the ones held with the UCT archaeology students and architectural professionals, work towards developing the skill set of heritage management professionals, and further open up an active discourse that can be used to improve the functionality of SAHRIS, and the manner in which heritage information is presented to the sector and the public at large.

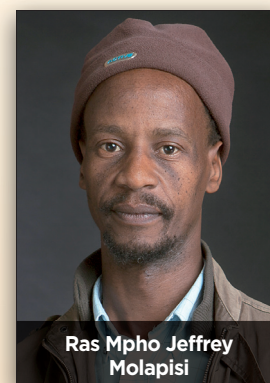
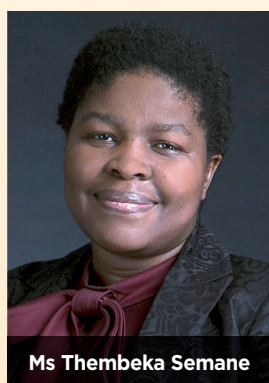
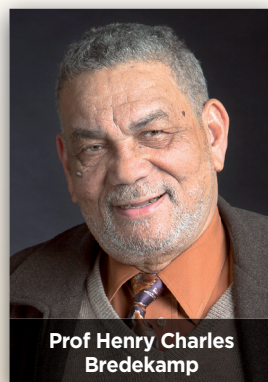
PART C:

Governance



The Castle of Good Hope
aerial view

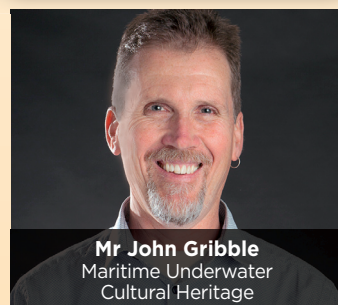
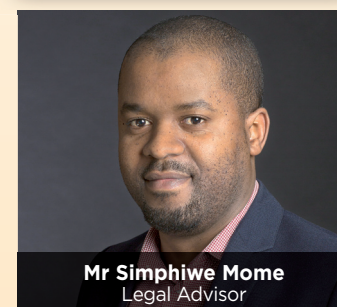
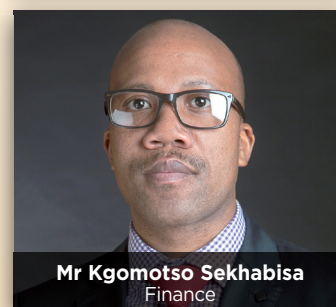
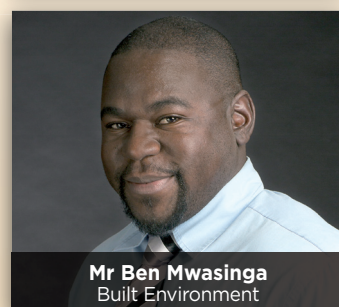
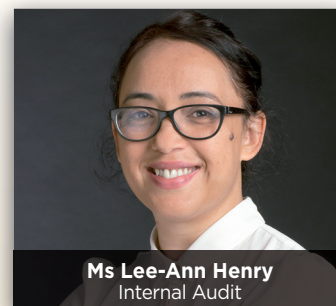
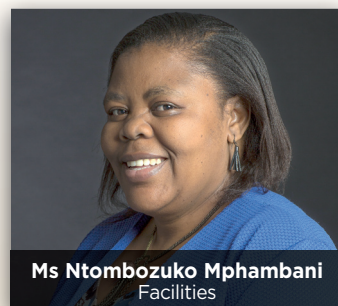
COUNCIL



EXECUTIVES



MANAGERS



EXECUTIVE AUTHORITY

The Accounting Authority/the Council

Risk Management

Internal Control Unit

Internal Audit and Audit Committees

Fraud and Corruption

Minimising Conflict of Interest

Code of Conduct

Health, Safety and Environmental Issues

Company Secretary

Social Responsibility

Audit Committee Report

PART D:

Corporate Services



The Fort Hare University

Introduction

With the implementation of phase one of SAHRA’s organisational restructuring of Corporate Services on 1 October 2016, Corporate Services is now responsible for the following units:

- Facilities & Auxiliary Unit;
- Registry Unit;
- Heritage Library;
- Information Technology Unit; and
- Human Resources Unit.

REGULATED AND PROTECTED HERITAGE RESOURCES

SAHRA has reviewed/ developed the following policies during 2016/17:

Name of Policy	Purpose of Policy
Health and Safety Policy	To meet requirements of the Occupational Health and Safety Act, to prevent workplace injuries and to create employee awareness
Telecommunications Policy	To regulate usage of telecommunications within SAHRA
IT Backup and Retention Policy	To align with best practices in data backup, data retention, and recovery controls and procedures
IT Change Management Policy	To align with best practices regarding ICT change management and to allow SAHRA to manage, record and track all changes in the SAHRA ICT environment
Patch Management Policy	To ensure the confidentiality, integrity, and availability of SAHRA’s data
ICT Physical Access Policy	To establish standards for securing data centre, network closet, and IT facilities
User Access Management Policy	To define the user access control measures for SAHRA’s ICT systems information and infrastructure

Through the implementation of the ICT policies, SAHRA has made headway in terms of benchmarked compliance. The implementation of the Health and Safety Policy, as well as the establishment of the Health and Safety Committee, are milestone in the history of SAHRA in terms of compliance with the Occupational Health and Safety Act.

WELL-GOVERNED PERFORMING ORGANISATION

Implement effective and efficient corporate governance systems within SAHRA

INFORMATION TECHNOLOGY

The Information Technology Unit has made huge headway in terms of ICT corporate governance. Not only had numerous ICT policies been developed and implemented, but SAHRA has approved an ICT strategy that assists SAHRA in achieving its strategic objectives.

SAHRA has implemented an ICT steering committee whose purpose is to co-ordinate and oversee the planning, implementation, and execution of the corporate governance of ICT, as well as strategic alignment and related monitoring activities.

FACILITIES & AUXILIARY SERVICES

SAHRA has a vibrant health and safety committee. Furthermore, all the health and safety representatives have received training in first aid and fire management strategies. The organisation is also conducting quarterly fire drills. Auxiliary Services looks after the needs of the staff of SAHRA as far as cleaning, hygiene, meeting support, facilities, and vehicle-maintenance and management are concerned.

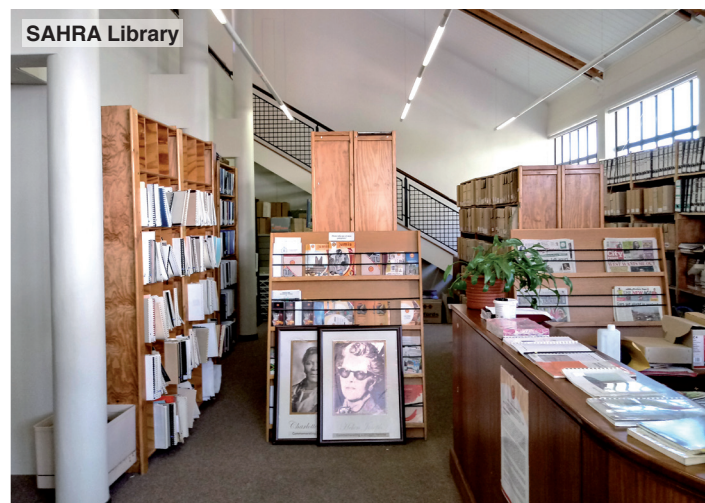
REGISTRY SERVICES

SAHRA's registry is continuing its valuable role in knowledge management through the safekeeping and recording of SAHRA's heritage related records. In addition, the registry assists SAHRA staff with all their courier, binding, and postal service needs.

HERITAGE LIBRARY

In terms of Section 13 (2)(b) of NHRA, SAHRA is required to have a National Heritage Library.

SAHRA's library holds valuable heritage-related information which is utilised by internal and external researchers throughout the world. SAHRA has a passionate Book Review Committee who decide, on an annual basis, which additional books to acquire within SAHRA's limited budget.



HUMAN RESOURCES MANAGEMENT

Introduction

Phase 1 of the organisational development process was implemented during this financial year. SAHRA implemented 91% of its training plan. Various human resources policies were reviewed or developed. Budgetary constraints hampered the further implementation of the organisational development process, as well as the implementation of inflationary increases in terms of the Medium Term Expenditure Framework (MTEF) guidelines.

Overview of Human Resources Matters at SAHRA

The Human Resources Unit (HRU) amalgamated with Corporate Services during 2016/17. The new organisational structure has been implemented on 1 October 2016 after extensive placement consultations. A benchmarked salary structure was implemented for the entity for salary levels A to C. The full implementation of the organisational structure will take some time due to budgetary constraints.

The following were the HRU's priorities for the year under review:

Strategic concern	Impact
Organisational development strategic partner	The HRU continued to play its role in facilitating the conclusion of the organisational development process
Human resource administrative excellence	A human resources information system (HR Premier) is in the process of implementation.
Training and development	SAHRA has granted 12 bursaries during this financial year and has implemented 91% of its training plan. The entity has also hosted 12 interns in the organisation, mainly in the critical skills shortage area of heritage management.
Finance	The HRU has focused on fine-tuning the compensation budget.

Strategic concern	Impact
Recruitment and selection	SAHRA continued to appoint high-calibre employees with commensurate qualifications and experience.
Employee relations and management services	SAHRA conducted regular employee wellness interventions and has an agreement with an employee wellness service provider.
Organisational and staff development services	The organisation's training plan is still focused on addressing the needs as identified in the 2015 Skills Audit.
Employment equity and diversity services	The Employment Equity and Training Committee has quarterly meetings. Furthermore, the Committee has divided into sub-committees in order to give more focused attention on working environment, policies, procedures and communication.
Policy and planning	The HRU has developed or reviewed five human resources policies that have been communicated to staff. In addition, SAHRA has for the first time, developed and implemented human resources delegations for the entity.

A Human Resources planning policy, and key strategies, to attract and recruit a skilled and capable workforce was implemented. SAHRA is working directly with higher education institutions to attract professionally qualified heritage professionals through the Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority (CATHSSETA) internship programmes. Strict shortlisting criteria, in line with the advertised job requirements, are applied when processing applications and before candidates are invited for interviews.

Individual Performance Management Policy

SAHRA has implemented its individual performance management policy. Performance agreements have been concluded with all staff, and regular performance reviews are being held.

POLICY DEVELOPMENT

Highlighted Achievements

During 2016/17 SAHRA reviewed its Employee Self-Service Policy, its Relocation Policy and Recruitment Policy to bring the policies in line with new developments. The following new policy documents were developed and implemented: Work and Attendance Policy, Human Resources Delegations, and a Job Evaluation Policy.

The HRU has received approval for the following organisational development processes: an organisational structure design, a benchmarked salary structure and the outcome of an organisational job evaluation process based on the Paterson Job Evaluation System.

SAHRA has submitted their first workplace skills plan, as a new levy paying member of CATHSSETA.

Challenges Faced by SAHRA

The budget constraints of the organisation continue to be a barrier to meaningful professional development and capacity building of employees. The full implementation of the Turnaround Strategy was also delayed due to budgetary constraints. The heritage sector is small, which leaves SAHRA vulnerable to the potential 'poaching' of staff.

SAHRA is unable to implement any merit and reward system due to budget constraints. The entity is unable to implement inflationary salary increases in terms of the MTEF guidelines which destabilises employee relations.

Future HR Plans and Goals

The HRU's operational plan includes the following goals:

Key Performance Indicator	Output Indicator	Targets
A number of policies, regulations, norms and standards approved by Council	Review/development and approval of the Contract Worker Policy, the Reward and Recognition Policy, the Internship Policy and the Training and Development Policy	Quarter Four

Key Performance Indicator	Output Indicator	Targets
Develop and implement a workplace skills plan and annual training report	Development as per CATHSSETA template	By 28 April 2017
	Implementation of training plan	100% implemented by end of 2017/18
Retention of employees	Finalisation of an induction and probation programme	Within 3 months of recruitment
	Develop retention strategy	Quarter Two
	Improve recruitment process flow	Quarter Four
Effective performance management system	Development of performance agreement for each employee.	Quarter One
	Conduction of all performance reviews	Quarter Four

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme:

Programme	Total Expenditure for the Entity	Personnel Expenditure	Personnel Expenditure as at a % of total exp.	No of Employees	Average Personnel Cost per Employee
Office of the CEO	7 779 314	6 022 444	77%	10	623 011
Finance	9 340 155	5 777 047	62%	14	400 720
Corporate Affairs	18 881 050	6 216 228	33%	21	303 231
Human Resources	4 486 400	1 266 404	28%	10	123 146
Heritage Resource Management	40 456 402	13 667 480	34%	39	351 952
Communications & Marketing	1 949 011	1 088 940	56%	2	544 470
Grand Total	82 892 332	34 038 543	41%	96	358 300

Personnel cost by salary band:

Salary Band	Personnel Expenditure	No of Employees	% of personnel exp to Total Personnel Cost	Average Personnel Cost per Employee
Top Management	1 497 504	1	4%	1 497 504
Senior Management	5 088 288	5	15%	1 017 658
Professionally Qualified	8 857 689	22	26%	407 250
Skilled & Academically Qualified	16 055 643	54	47%	297 972
Semi-Skilled	1 829 865	7	5%	274 480
Unskilled	699 553	7	2%	104 933
Grand Total	34 038 543	95	100%	358 300

Training costs:

Salary Band	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Costs	Average Personnel Cost per Employee
Top Management	1 497 504	21 000	1%	21 000
Senior Management	5 088 288	118 500	2%	23 700
Professionally Qualified	8 857 689	86 688	1%	3 986
Skilled & Academically Qualified	16 055 643	152 777	1%	2 834
Semi-Skilled	1 829 865	11 200	1%	1 680
Unskilled	699 553	4 060	1%	609
Grand Total	34 038 543	394 225	1%	4 150

* Figures will only be finalized after the close of the Financial Year

Employment Changes

Salary Band	Appointments	Terminations	Employees at end of the Period
Top Management	0	0	1
Senior Management	0	1	5
Professionally Qualified	5	5	24
Skilled & Academically Qualified	34	24	47
Semi-Skilled	2	0	7
Unskilled	2	0	7
Grand Total	43	30	91

Reasons for Staff Leaving

Reasons for Leaving	No of Employees	% of total No of Staff Leaving
End of Contract	12	44%
Resigned	15	56%
Grand Total	27	100%

Explanations: Staff left mainly due to end of Internship Contract Periods, career progression and or higher salaries.

Labour Relations: Misconduct and disciplinary action

Nature of Disciplinary Action	No of Employees
Counselling	0
Verbal Warning	0
Written Warning	1
Final Written Warning	2
Dismissal	0
Total	3

PART E:

Communication and Marketing Report



Burial Grounds & Graves -
Chief Tyali

EXECUTIVE SUMMARY

The two key objectives for SAHRA's communication and marketing function are to:

- build SAHRA's brand internationally and locally through public awareness; and
- share and provide access to correct information and knowledge to internal and external stakeholders.

The highlights of the 2016/17 financial were the following:

- Continuation of a low negative ranking across all media
- Extensive media coverage and community support through South Africa of SAHRA activities
- Stakeholder engagements through social media created awareness about conservation, management, and about the promotion of heritage resources in South Africa.

BUILD SAHRA'S BRAND INTERNATIONALLY AND LOCALLY THROUGH PUBLIC AWARENESS

The DAC, as SAHRA's overseeing government department, continues to give outstanding support to the entity. The two organisations partnered in the unveiling of the Delville Wood South African National Memorial; the discovery and reburial of unidentified miners' remains, the honouring of Ms Magrieta Jantjies

and Chief Tyali; the unveiling of the Steve Biko plaque, and on the Colloquium on Heritage and Development.

Colloquium on Heritage and Development

SAHRA hosted its first colloquium on heritage and development in September 2016, to support SAHRA's endeavours to co-ordinate and develop a policy framework for heritage conservation and sustainable development. The colloquium's deliberations focused on the following themes: best practice for heritage management in the 21st century in South Africa, heritage conservation and development; and the social benefits of heritage development.

MEDIA COVERAGE

During 2016/17, SAHRA received media coverage from both print and digital media. Several radio and television stations, including Ikwekwezi FM, YFM, 702 Talk Radio, Mhungana Lonene FM, uKhozi FM, TruFM, Voice of Cape Town, Bush Radio and SABC TV interviewed SAHRA on different topics. These included:

- District Six's declaration as a national heritage site
- The importance of African heritage and customs
- The sinking of the SS Mendi

Several newspapers and magazines covered SAHRA news, namely the Sunday Times, Dispatch Live, Table Talk, Peoples Post and others.

Some of the topics covered in these newspapers were:

- A diamond dig at a heritage site which was stopped
- The Castle of Goodhope's declaration as a national heritage site
- The state honouring of Chief Tyali

SOCIAL MEDIA

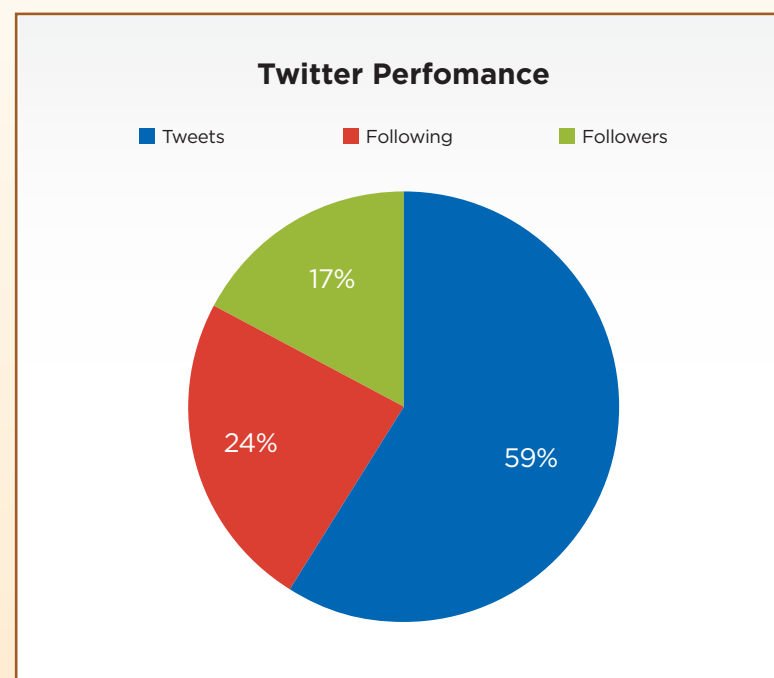
The role of social media is becoming increasingly important as evidenced by the growth in public participation in the various social media platforms in which SAHRA is engaging.

Facebook

At the beginning of 2016/2017, the primary social media used by SAHRA, Facebook, hosted 1 354 page likes. On 31 March 2017, Lifetime page likes were at 1 493 which is an increase of 10.27%. The target was to increase by 10% per quarter which will result in an annual increase of 40%. This target, however, was not achieved.

Twitter

The percentages in the pie chart below show SAHRA's Twitter performance in the 2016/17 year:



PART F:

Financial Information Report



South African Currency

GENERAL INFORMATION

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Identify, develop, conserve, protect, promote and manage the national heritage estate of South Africa.

Accounting Authority

Bouillon, S (Prof)
Bredekamp, H C (Prof)
Molapisi, J M (Ras)
Makhweyane, M T (Mr)
Gani, R (Ms)
Guma, P M (Dr)
Houston, G (Dr)
Lithole, K D (Mr)
Baduza, V (Ms)
Nkhasi-Lesaoana, K (Ms)
Malan, A (Dr)
Masooa, M E (Mr)
Saule, N (Prof)
Sharfman, J (Dr)
Semane, T (Ms)

Business address

111 Harrington Street
Cape Town
8001

Postal address

P.O. Box 4637
Cape Town
8001

Bankers

ABSA Bank Limited
South African Reserve Bank
Nedbank Limited

INDEX

The reports and statements set out below comprise the financial statements presented to the Parliament:

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ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

The financial statements have been prepared in accordance with Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, has every reason to believe that SAHRA will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The Accounting Authority is primarily responsible for the financial affairs of the entity.

The financial statements set out on pages 4 to 65, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 May 2017 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'S. Bouillon', enclosed within a circular flourish.

Bouillon, S (Prof)
Chairperson of Council

ACCOUNTING AUTHORITY'S REPORT

The members of the Accounting Authority submit their report for the year ended 31 March 2017.

1. Review of activities

1.1 Main business and operations

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

There is a three tier system for heritage resources management, in which national level functions are the responsibility of SAHRA, provincial level functions are the responsibility of Provincial Heritage Resources Authorities and local level functions are the responsibility of local authorities.

As the implementing Agency of the Department of Arts and Culture, SAHRA plays a critical role in the identification, conservation, protection and promotion of our heritage resources for the present and future generations. Heritage resources are formally protected through a notice in the Government Gazette.

Our business and operations includes amongst other things to promote and encourage public understanding and enjoyment of the national estate

and public interest and involvement in the identification, assessment, recording and management of heritage resources; promote education and training in fields related to the management of the national estate.

Oversight on the business is provided through a Council which is appointed by the Minister. The Council is constituted by representatives from Provincial Heritage Resources Authorities in the nine Provinces and 6 other members appointed by the Minister.

2. Going concern

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

3. Subsequent events

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

4. Bankers

ABSA Bank Limited
Nedbank Limited
South African Reserve Bank

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the South African Heritage Resources Agency set out on pages 5 to 65, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with 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 South African Heritage Resources Agency 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 this report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and with 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.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the South African Heritage Resource'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 public entity or cease operations, or there is no realistic alternative but to do so.

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

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

10. 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.

11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public 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.
12. 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 public entity's annual performance report for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – business development	29 – 37
Programme 3 – public engagement	38 – 42

13. 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.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – business development
 - Programme 3 – public engagement

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report pages 29 to 37; 38 to 42 for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a number of targets.

Unaudited supplementary information

17. The supplementary information set out on pages 43 to 94 does not form part of the annual performance report and is presented as additional information. I have not audited this information and, accordingly, I do not express a conclusion on them.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

18. 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 public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Procurement and contract management

20. An invitation for competitive bidding was not advertised for the required period, in contravention of treasury regulation 16A6.3(c).

Expenditure management

21. Effective steps were not taken to prevent irregular expenditure amounting to R64 090 as disclosed in note 30 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. All of this irregular expenditure was caused by non-compliance with treasury regulation 16A6.3(c).

OTHER INFORMATION

22. The South African Heritage Resources Agency accounting authority is responsible for the other information. The other information comprises the information in the annual report which includes the chief executive officer's report and audit committee's 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 in the auditor's report.

23. 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.
24. 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

25. 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.
 - Supply chain management processes did not comply with the PFMA, Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and Treasury Regulations because the implementation, review and monitoring controls were not always adhered to.

OTHER REPORTS

26. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
27. The National Treasury conducted a preliminary investigation into compliance with treasury norms and standards in the extension of a 2015 contract for work performed at the Delville Wood Memorial in France. At the time of this report, the accounting authority was in the process of addressing the recommendations and remedial actions as indicated in the National Treasury's report.

Auditor - General

Cape Town
31 July 2017



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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 public 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 public 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 South African Heritage Resources Agency 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 a public entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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.

Statement of Financial Position as at 31 March 2017

Figures in Rand	Note(s)	2017	2016 Restated [*]
ASSETS			
Current Assets			
Receivables from exchange transactions	3	885 130	599 781
Cash and cash equivalents	4	33 948 995	33 830 387
Operating lease asset	9	874 192	883 208
Receivables from non-exchange transactions	36	-	25 000 000
		35 708 317	60 313 376
Non-Current Assets			
Investment property	5	23 399 079	16 419 503
Property, plant and equipment	6	21 597 388	23 103 481
Heritage assets	7	12 059 924	19 147 514
Intangible assets	8	581 067	570 382
Operating lease asset	9	19 153 409	18 261 185
		76 790 867	77 502 065
Non-Current Assets		76 790 867	77 502 065
Current Assets		35 708 317	60 313 376
Total Assets		112 499 184	137 815 441
LIABILITIES			
Current Liabilities			
Operating lease liability	9	84 403	43 577
Payables from exchange transactions	10	4 862 321	3 216 585
Employee benefit obligation	12	209 433	220 802
Unspent conditional grants and receipts	13	3 564 520	3 058 917
		8 720 677	6 539 881

Figures in Rand	Note(s)	2017	2016 Restated*
Non-Current Liabilities			
Operating lease liability	9	27 151	51 808
Other financial liabilities	11	2 855 650	2 829 260
Employee benefit obligation	12	4 927 422	5 085 615
		7 810 223	7 966 683
Non-Current Assets		7 810 223	7 966 683
Current Assets		8 720 677	6 539 881
Total Liabilities		16 530 900	14 506 564
Assets		112 499 184	137 815 441
Liabilities		(16 530 900)	(14 506 564)
Net Assets		95 968 284	123 308 877
Reserves			
Revaluation reserve	33	25 530 604	25 530 604
Accumulated surplus		70 437 673	97 778 273
Total Net Assets		95 968 277	123 308 877

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated [*]
REVENUE			
Revenue from exchange transactions			
Permit fees		34 350	29 850
Rental income		1 908 102	1 799 036
Other income		139 282	116 822
Interest received - investment	21	2 329 239	3 304 666
Total revenue from exchange transactions		4 410 973	5 250 374
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	15	51 125 000	73 552 000
Donations	34	15 762	278 422
Total revenue from non-exchange transactions		51 140 762	73 830 422
Government grants and subsidies		4 410 973	5 250 374
Government grants and subsidies		51 140 762	73 830 422
Total revenue	14	55 551 735	79 080 796
Expenditure			
Salaries and benefits	20	(34 005 690)	(32 154 518)
Depreciation and amortization		(2 009 418)	(1 528 357)
Finance costs	18	(29 342)	(7 577)
Provision for bad debt	17	(180 486)	(71 465)
Repairs and maintenance		(1 508 702)	(583 157)
Loss on disposal of assets		(33 815)	(454 346)
General expenses	19	(45 124 879)	(59 074 763)
Total expenditure		(82 892 332)	(93 874 183)
Total revenue		55 551 735	79 080 796
Total expenditure		(82 892 332)	(93 874 183)
Operating surplus/deficit		-	-
Deficit before taxation		(27 340 597)	(14 793 387)
Taxation		-	-
(Deficit) / surplus for the year		(27 340 597)	(14 793 387)

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	17 630 004	112 371 878	130 001 882
Adjustments			
Correction of errors	-	199 782	199 782
Balance at 01 April 2015 as restated*	17 630 004	112 571 660	130 201 664
Changes in net assets			
Correction of error	-	49 947	49 947
Revaluation of land and buildings	950 000	-	950 000
Net revaluation of heritage assets	6 950 600	-	6 950 600
Net income (losses) recognised directly in net assets	7 900 600	49 947	7 950 547
Surplus for the year as previously reported	-	(14 843 334)	(14 843 334)
Total changes	7 900 600	(14 793 387)	(6 892 787)
Balance at 01 April 2016 as restated	25 530 604	97 778 270	123 308 874
Changes in net assets			
Surplus for the year	-	(27 340 597)	(27 340 597)
Total changes	-	(27 340 597)	(27 340 597)
Balance at 31 March 2017	25 530 604	70 437 673	95 968 277

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants		51 125 000	48 552 000
Interest income		2 329 239	3 212 479
Other cash receipts		25 913 177	1 042 957
		79 367 416	52 807 436
Payments			
Employee costs		(33 723 718)	(31 702 658)
Suppliers		(45 098 095)	(61 882 373)
Finance costs		(29 342)	(7 577)
		(78 851 155)	(93 592 608)
		79 367 416	52 807 436
		(78 851 155)	(93 592 608)
Net cash flows from operating activities	23	516 261	(40 785 172)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(366 764)	(3 002 080)
Proceeds from sale of property, plant and equipment	6	-	322 493
Purchase of intangible assets	8	(57 284)	-
Net cash flows from investing activities		(424 048)	(2 679 587)
Cash flows from financing activities			
Repayment of other financial liabilities		26 390	(259 591)
Net cash flows from financing activities		26 390	(259 591)
Net increase/(decrease) in cash and cash equivalents		118 603	(43 724 350)
Cash and cash equivalents at the beginning of the year		33 830 387	77 554 736
Cash and cash equivalents at the end of the year	4	33 948 990	33 830 386

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
STATEMENT OF FINANCIAL PERFORMANCE						
Revenue						
Revenue from exchange transactions						
Rental of facilities and equipment	2 405 000	(700 000)	1 705 000	1 908 102	203 102	32
Permit fees and other revenue	32 000	13 000	45 000	34 350	(10 650)	32
Income - Other	-	-	-	139 282	139 282	32
Interest received - investment	267 000	3 000 000	3 267 000	2 329 239	(937 761)	32
Total revenue from exchange transactions	2 704 000	2 313 000	5 017 000	4 410 973	(606 027)	
Revenue from non-exchange transactions						
Deferred revenue	7 000 000	25 000 000	32 000 000	-	(32 000 000)	32
Transfer revenue						
Government grants and subsidies	51 125 000	-	51 125 000	51 125 000	-	32
Donations	-	-	-	15 762	15 762	
Total revenue from non-exchange transactions	58 125 000	25 000 000	83 125 000	51 140 762	(31 984 238)	32
Total revenue from exchange transactions	2 704 000	2 313 000	5 017 000	4 410 973	(606 027)	32
Total revenue from non-exchange transactions	58 125 000	25 000 000	83 125 000	51 140 762	(31 984 238)	
Total revenue	60 829 000	27 313 000	88 142 000	55 551 735	(32 590 265)	

Figures in Rand	Approved	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
Expenditure						
Personnel	(35 655 000)	(121 000)	(35 776 000)	(34 005 690)	1 770 310	32
Depreciation and amortisation	(1 011 000)	(1 000 000)	(2 011 000)	(2 009 418)	1 582	32
Provision for bad debt	(110 000)	-	(110 000)	(180 486)	(70 486)	
General expenses	(24 053 000)	(26 192 000)	(50 245 000)	(46 696 738)	3 548 262	32
Total expenditure	(60 829 000)	(27 313 000)	(88 142 000)	(82 892 332)	5 249 668	
	-	-	-	(27 340 597)	(27 340 597)	
	-	-	-	-	-	
Surplus/deficit	-	-	-	(27 340 597)	(27 340 597)	
Surplus before taxation	-	-	-	(27 340 597)	(27 340 597)	
Taxation	-	-	-	(27 340 597)	(27 340 597)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(27 340 597)	(27 340 597)	
Reconciliation						

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

which may be material to the financial statements. Significant judgements include:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated first on individually significant debtors and then apply a portfolio approach to the remaining debtors, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to balances in the portfolio.

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows

used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as inflation and interest.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Useful lives of property, plant and equipment and other assets

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

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The most appropriate

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

Effective interest rate

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

Allowance for doubtful debts

On receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 Investment property

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

- use in the production or supply of goods or services; or
- administrative purposes; or
- sale in the ordinary course of operations.

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

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

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

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

Cost model

Subsequent to initial measurement investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Useful life
Land	Indefinite
Buildings	75 years

As per the National Heritage Resources Act, No. 25 of 1999, Chapter 1 section 3(1): “For the purposes of this Act, those heritage resources of South Africa which are of cultural significance or other special value for the present community and for future generations must be considered part of the national estate and fall within the sphere of operations of heritage resources authorities.”

Chapter 1 section 5(1)(a): “Heritage resources have lasting value in their own right and provide evidence of the origins of South African society and as they are valuable, finite, non-renewable and irreplaceable they must be carefully managed to ensure their survival.”

The investment properties are of cultural significance and special value for the present community and for future generations, these properties are considered part of the national estate and will therefore be preserved for current and future generations. These assets are hold property to earn rental.

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

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

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

1.3 Property, plant and equipment

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease

of the same asset previously recognised in surplus or deficit.

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

The revaluation surplus in net assets related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land and buildings which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount

does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

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

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when

the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that

represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Useful life
Computer software	1 - 10 years
Website	Indefinite

Intangible assets are derecognised:

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

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

1.5 Heritage assets

The principal issues in accounting for heritage assets are the recognition of the assets. The National Heritage Resource Act 25, of 1999 describes Heritage Assets as follows: "Heritage assets are assets that have a cultural, environmental, historical, natural,

scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations." The National Heritage Resource Act 25, of 1999 state the following regarding the national estate:

- (1) For the purposes of this Act, those heritage resources of South Africa which are of cultural significance or other special value for the present community and for future generations must be considered part of the national estate and fall within the sphere of operations of heritage resources authorities.
- (2) Without limiting the generality of subsection (1) the national estate may include but not limited to:
 - (a) places, buildings, structures and equipment, books, records, documents of cultural significance;

SAHRA has adopted the following criteria in accessioning heritage assets:

- (i) an item is important in the course, or pattern, of cultural or natural history;
- (ii) an item has strong or special association with the life or works of a person, or group of persons, of importance in cultural or natural history;
- (iii) an item is important in demonstrating aesthetic characteristics and/or a high degree of creative or technical achievement;
- (iv) an item has strong or special association with a particular community or cultural group for social, cultural or spiritual reasons;

- (v) an item has potential to yield information that will contribute to an understanding of cultural or natural history;
- (vi) an item possesses uncommon, rare or endangered aspects of cultural or natural history;
- (vii) an item is important in demonstrating the principal characteristics of a class of cultural or natural places; or cultural or natural environments.

Classification of Heritage Assets

Assets valued have been categorised under the following headings:

- a) Arts and Artifacts including Objects and Artwork
- b) Library Books Heritage
- c) Building and Monuments

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

Examples of such items include:

- i) The books are scarce copies from various sources and limited copies are available.
- ii) No publishers are willing to reproduce these books
- iii) The books will only be available for research purposes.
- iv) The general public will not be allowed to take them out; they can only be viewed in the library.

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

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

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

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

Recognition

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

If the entity holds assets that might be regarded as heritage assets but which, on initial recognition, do not meet the recognition criteria of a heritage asset because it cannot be reliably measured, information on such a heritage asset is disclosed in the notes 7 Heritage assets.

Initial measurement

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

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

Valuation of heritage assets and library books

The method of valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43). The sale would be “arm’s length” with no undue pressure on purchaser or

seller. In determining the value of the library books, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role, however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; then plausible value can be applied by an experienced valuation professional.

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

- a) In the case of specialised heritage buildings and other man-made heritage structures, such as monuments, SAHRA has used the market costs and replacement cost approach to determine fair values.
- i) An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.43).
- ii) Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation

techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions.

Subsequent measurement

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

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

Impairment

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

Useful lives of Heritage Assets have been assessed as follows:

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

Derecognition

The entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

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

1.6 Financial instruments

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

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

Classification

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

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

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipt	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the

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

Fair value measurement considerations

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

Reclassification

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

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Gains and losses

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

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting

period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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

Financial assets measured at amortised cost:

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

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

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off

is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date.

Any differences between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

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

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of

a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that

does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 Leases

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

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

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

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

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

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

Operating leases - lessee

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

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

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

1.8 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates

cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

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

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

Identification

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

The entity assesses at each reporting date whether there is any indication that a cash-generating asset

may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

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

Value in use

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

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of impairment loss

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

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

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

After a reversal of an impairment loss is recognised,

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

1.9 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

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

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

Criteria developed by the entity to distinguish non-cash-generating assets from cash-generating assets are as follow:

Cash-generating assets are assets that are held with the primary objective of generating a commercial return.

Assets will generate a commercial return when the entity intends to generate positive cash flows from the asset similar to a profit-oriented entity. Non-cash-generating assets are primarily held for service delivery purposes.

Identification

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

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired.

If any such indication exists, the entity estimates the recoverable service amount of the asset.

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

period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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

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

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain

features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods

to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

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

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

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

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised

carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the

reporting period in which the employees render the related service; and

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

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

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

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

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

Other post-retirement obligations

The entity provides post-retirement health care benefits upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the

financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

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

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

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

1.11 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;

- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the

passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.12 Revenue from exchange transactions

Measurement

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

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and; or
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability

is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.14 Investment income

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

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

1.16 Fruitless and wasteful expenditure

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

Any expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance and financial position in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance or financial position.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the Public Finance Management Act means expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act.

1.18 Budget information

The approved budget is prepared on a accrual basis.

The approved budget covers the 12 months ending 31 March 2017.

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

1.19 Related parties

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

Management is those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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

Transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

1.20 Commitments

Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- approved and not contracted for;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

Notes to the Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

GRAP 17 (as amended 2015): Property, Plant and Equipment

Based on the feedback received as part of the post-implementation review, the Accounting Authority agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Accounting Authority agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.
- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.

- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Amendments identified as part of the post-implementation review, affected the following areas:

- Indicator-based assessment of the useful lives of assets
- Use of external valuers
- Encouraged disclosures
- Capital work-in-progress
- Expenditure incurred on repairs and maintenance

The effective date of the standard is for years beginning on or after 01 April 2016.

The impact of the standard is set out in note Changes in Accounting Policy.

GRAP 16 (as amended 2015): Investment Property

Based on the feedback received as part of the post-implementation review, the Accounting Authority agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Accounting Authority agreed to:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.

- Clarify the wording related to the use of external valuers.
- Introduce more specific presentation and disclosure requirements for capital work-in-progress.
- Review the encouraged disclosures and assess whether any should be made mandatory or deleted.
- Require separate presentation of expenditure incurred on repairs and maintenance in the financial statements.

Various amendments were made to the Standard, affecting Definitions, Identification, Disclosure, Effective date and Transitional provisions.

The effective date of the standard is for years beginning on or after 01 April 2016.

The impact of the standard is set out in note Changes in Accounting Policy.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2017 or later periods:

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or

deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities

facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);

- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

The impact of this standard is currently being assessed.

GRAP 26 (as amended 2015): Impairment of cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Non-cash-generating Assets are outlined below:

General definitions:

The definition of cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets.

Disclosures:

The requirement to disclose the criteria developed to distinguish cash-generating assets from non-cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the standard is for years beginning on or after 01 April 2017.

The entity expects to adopt the standard for the first time in the 2018 financial statements.

The impact of this standard is currently being assessed.

GRAP 21 (as amended 2015): Impairment of non-cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

- simplifying the approach to impairment to make it clearer when an asset is cash generating or non-cash-generating;
- assessing the feasibility of one measurement approach for non-cash-generating assets; and
- assessing the feasibility of combining the two Standards.

Summary of changes:

The changes to the Standard of GRAP on Impairment of Non-cash-generating Assets are outlined below:

General definitions:

The definition of cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of cash-generating assets and non-cash-generating assets.

Cash generating assets and non-cash-generating assets:

Additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets

Identifying an asset that may be impaired:

Additional commentary has been added to clarify that physical damage triggers impairment of an asset when it results in a permanent or a significant decline in the potential of an asset.

Reversing an impairment loss:

An indicator has been added that the restoration of an asset's service potential following physical damage to the asset could indicate a reversal in an impairment loss.

Additional commentary has been added to clarify that restoration of an asset's service potential as a result of physical damage is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased.

Disclosures:

The requirement to disclose the criteria developed to distinguish non-cash-generating assets from cash-generating assets has been amended to be consistent with the amendments made to clarify the objective of non-cash-generating assets and cash-generating assets.

The effective date of the standard is for years beginning on or after 01 April 2017.

The entity expects to adopt the standard for the first time in the 2018 financial statements.

The impact of this standard is currently being assessed.

Figures in Rand**Receivables from exchange transactions**

Trade receivables
Deposits
Sundry receivables

2017	2016
292 880	148 196
150 882	252 424
441 368	199 161
885 130	599 781

Reconciliation of receivables from exchange transactions

Trade receivables
Sundry receivables
Deposits
Less impairment allowances

614 813	434 317
441 368	199 161
150 882	252 424
(321 933)	(286 121)
885 130	599 781

No trade and other receivables were pledged as security.

Credit quality of trade and other receivables

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

Trade and other receivables past due but not impaired

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

The entity has assessed these balances for recoverability and believes that they are still of good credit quality.

30 days
60 days
More than 90 days

24 909	25 003 176
1 690	-
112 565	195 985

Figures in Rand

2017

2016

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R 614, 813 (2016: R 434, 317) were impaired and provided for. The amount of the allowance was R (321 933) as of 31 March 2017 [2016: R (286 121)].

The ageing of these receivables is as follows:

30 days	40 406	54 831
60 days	39 303	55 269
90 days	38 953	36 039
More than 90 days	356 987	269 415

Reconciliation of receivables from exchange transactions

Opening balance	286 121	853 100
Provision for impairment	180 486	71 465
Amounts written off as uncollectable	(144 674)	(638 444)
	321 933	286 121

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6 500	2 000
Bank balances	3 658 973	6 863 162
Short-term deposits	30 283 522	26 965 225
	33 948 995	33 830 387

Restrictions on use of cash and cash equivalents

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

At the reporting date the amounts subject to restrictions were:

Figures in Rand

	2017	2016
A Galla Workshops	1 312	1 225
A Skakanga Trust Fund	1 357	1 267
Almshouse	1 981	1 850
Australian War Graves	119 108	111 219
Bellingham	5 419	5 060
Bethanie Restoration Trust	21 417	20 003
Bien Donne Restoration Trust	178 636	166 845
Bo-Kaap Trust	7 613	7 109
Constitution Hill	1 809	1 689
Dutch Reformed Church Somerset West	2 877	2 687
Department of Arts and Culture Projects	20 007 397	22 424 606
Sanlam 2002 - Moffat Mission	7 362	7 238
Dutch Reformed Church Ladies Association	58 465	54 592
Empire Road	23 867	22 286
Esme Lownds	36 003	33 622
Fort Armstrong	2 036	1 901
Genadendal Bequest	616 408	768 554
Getty Foundation	1 165	1 088
Hugo Vault	11 909	11 121
Klein Bosch Cemetery	3 530	3 297
La Motte	18 284	17 069
Langehoven's Arbeidsgenot	41 408	38 675
Lemana Cottage	82 155	76 714
MM Hill Trust Fund	577 470	539 221
Mackie Niven	12 028	11 953
Mamre Projects	19 700	18 395
Matjes River Leaky Foundation	52 644	49 157
Mgwali Mission Church	58 745	54 854

Figures in Rand

NMC Publications Trust Fund
 National Geographic Footprint
 Oppenheimer Geological
 Owl House Trust Funds
 Sanlam Award, De Bult
 Sanlam Fund, Waenshuiskranz
 Sanlam, Steinkopf Mission
 Sanlam, Valdezia
 Sharley Cribb Nursing Home
 Sontonga Memorial Fund
 St Stephen's Church
 Steinkopf Mission Church
 Strand Street Lutheran Church
 Vrijstatia Association
 Wouterson Wessels Vault
 Rowland and Leta Hill
 Ansteys Building
 Egazini
 Sanlam Restoration Trust
 Sanlam Award-Potolozi
 Sanlam 2003 Medigen Church
 British War Graves
 Makapans Cave
 Makgabeng
 ICCROM
 Maritime projects
 Mandela Statue & Victor Verster

2017	2016
31 698	29 599
20 338	18 990
490 755	458 254
52 757	49 262
13 707	12 799
41 076	38 355
3 603	3 364
2 982	2 784
9 392	8 769
3 255	3 039
7 956	7 429
552	516
20 474	19 118
15 627	14 592
1 842	1 720
6 609	6 497
157 490	154 833
7 145	7 025
10 053	9 859
1 131	1 112
1 536	1 510
1 017	1 000
1 882 385	1 764 676
995 185	933 601
59 234	58 234
290 360	360 633
400 000	-
26 500 264	28 420 867

5. Investment property

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	23 790 002	(390 923)	23 399 079	16 700 000	(280 497)	16 419 503

Reconciliation of investment property - 2017

	Opening balance	Transfers	Depreciation	Total
Land	9 687 562	5 436 160	-	15 123 722
Buildings	6 731 941	1 653 840	(110 425)	8 275 356
	16 419 503	7 090 000	(110 425)	23 399 078

Reconciliation of investment property - 2016

	Opening balance	Depreciation	Total
Land	9 687 562	-	9 687 562
Buildings	6 825 440	(93 499)	6 731 941
	16 513 002	(93 499)	16 419 503

Fair values of investment properties as per the valuation done on the 31 March 2016.

The land and buildings included in investment property are listed below. The land and buildings were revalued as at 31 March 2016 by an independent valuer. The method of valuation employed was the market value and replacement cost approach. The market value and replacement cost was determine by taking the estimated

amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. Also taking into account the current cost of a similar asset offering equivalent utility. The investment properties do not experience significant and volatile changes in fair value, thus taking cost vs benefit into account management will only make use of an independent professional valuator every three years. Frequent revaluations are unnecessary for investment property with only insignificant changes in fair value.

The fair value of the individual investment properties as per the valuation done on the 31 March 2016 are listed below:

Land and Buildings 2017

Fisherman Cottage
Welcome Cottage
Mooimeisiesfontein
Dal Josafat
Valkenburg
Het Posthuys, Muizenburg
Onderdal School, Wellington
Old Gaol, Grahamstown

Land	Buildings	Total
847 600	352 400	1 200 000
399 700	1 500 300	1 900 000
316 087	293 913	610 000
6 978 575	4 711 425	11 690 000
1 145 600	154 400	1 300 000
3 954 000	246 000	4 200 000
174 560	765 440	940 000
1 307 600	642 400	1 950 000
15 123 722	8 666 278	23 790 000

Land and Buildings 2016

Fisherman Cottage
Welcome Cottage
Mooimeisiesfontein
Dal Josafat
Valkenburg

Land	Buildings	Total
847 600	352 400	1 200 000
399 700	1 500 300	1 900 000
316 087	293 913	610 000
6 978 575	4 711 425	11 690 000
1 145 600	154 400	1 300 000
9 687 562	7 012 438	16 700 000

Amounts recognised in surplus and deficit for the year

Rental income

972 613	907 632
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Figures in Rand**Direct operating expenses arising from investment property that generated rental income**

Rates and taxes

Water and electricity

Repairs and maintenance related to investment properties

Land

Building

Transfers

Land to the value of R 5 436 160 and buildings to the value of R1 653 840 were reclassified from heritage assets to investment property as they were repurposed to generate income.

	2017	2016
Rates and taxes	148 407	163 903
Water and electricity	339 956	685 120
	488 363	849 023
Land	123 480	8 639
Building	727 373	127 972
	850 853	136 611

6. Property, plant and equipment

Figures in Rand

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 300 000	-	2 300 000	2 300 000	-	2 300 000
Buildings	15 400 000	(205 334)	15 194 666	15 400 000	-	15 400 000
Leasehold property	891 478	(410 500)	480 978	865 529	(116 135)	749 394
Plant and equipment	1 771 544	(859 379)	912 165	1 604 538	(662 294)	942 244
Furniture and fixtures	1 965 108	(1 032 928)	932 180	1 970 587	(746 420)	1 224 167
Motor vehicles	1 601 278	(1 021 748)	579 530	1 601 278	(850 009)	751 269
IT equipment	2 807 979	(2 251 821)	556 158	2 807 488	(1 783 667)	1 023 821
Vessels	611 080	(314 128)	296 952	611 080	(286 186)	324 894
Library books	542 782	(198 515)	344 267	529 430	(144 218)	385 212
Non Current Assets held for sale	492	-	492	2 480	-	2 480
Total	27 891 741	(6 294 353)	21 597 388	27 692 410	(4 588 929)	23 103 481

Figures in Rand

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 300 000	-	-	-	2 300 000
Buildings	15 400 000	-	-	(205 334)	15 194 666
Leasehold property	749 394	25 949	-	(294 365)	480 978
Plant and equipment	942 244	173 386	(494)	(202 971)	912 165
Furniture and fixtures	1 224 167	-	-	(291 987)	932 180
Motor vehicles	751 269	-	-	(171 739)	579 530
IT equipment	1 023 821	167 428	(30 101)	(604 990)	556 158
Vessels	324 894	-	-	(27 942)	296 952
Library books	385 212	13 352	-	(54 297)	344 267
Non Current Assets Held for Sale	2 480	-	(1 988)	-	492
	23 103 481	380 115	(32 583)	(1 853 625)	21 597 388

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Total
Land	2 000 000	-	-	-	300 000	-	2 300 000
Buildings	15 000 000	-	-	-	650 000	(250 000)	15 400 000
Leasehold property	-	865 529	-	-	-	(116 135)	749 394
Plant and equipment	883 258	248 153	(19 979)	-	-	(169 188)	942 244
Furniture and fixtures	567 196	927 477	(91 851)	-	-	(178 655)	1 224 167
Motor vehicles	593 050	493 439	(199 726)	-	-	(135 494)	751 269
LIT equipment	1 076 302	467 482	(73 000)	-	-	(446 963)	1 023 821
Vessels	351 612	-	-	-	-	(26 718)	324 894
Library books	364 985	73 270	-	-	-	(53 043)	385 212
Non Current Assets Held for Sale	394 762	-	(394 762)	2 480	-	-	2 480
	21 231 165	3 075 350	(779 318)	2 480	950 000	(1 376 196)	23 103 481

The land and buildings included in the property, plant and equipment is 109/111 Harrington Street which is a declared provincial heritage site in Government Notice No. 2517, as published in Government Gazette 12814 of 2 November 1990. The building was formerly known as Granite Lodge and it is now used as the head office of the South African Heritage Resources Agency.

Revaluation of land and buildings

The land and buildings were revalued as at 31 March 2016 by an independent valuer. The method employed in conducting revaluation was the Income Capitalisation Approach. The net normalised income of the property was determined based on the assumption that the property is fully let at open market rental; market escalation applies and incurs market related operating cost. The net normalised income is then capitalised into perpetuity using a market related capitalisation rate to reflect the open market value. The capitalisation rate was 9.5%.

The entity has leasehold assets in the hands of the lessee. The lease agreement placed restrictions over the assets.

Repairs and Maintenance related to investment properties

	2017	2017
Land	5 900	-
Building	368 393	122 509
IT equipment	14 928	91 454
Motor vehicles	84 400	99 966
Vessels	-	37 387
Plant and equipment	80 674	95 229
Leasehold property	18 500	-
	572 795	446 545

7. Heritage assets

Figures in Rand

	2017			2016		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated depreciation losses	Carrying value
Art and artifacts	123 440	-	123 440	123 440	-	123 440
Library books	1 671 284	-	1 671 284	1 668 874	-	1 668 874
Land and buildings	10 265 200	-	10 265 200	17 355 200	-	17 355 200
Total	12 059 924	-	12 059 924	19 147 514	-	19 147 514

Reconciliation of heritage assets 2017

	Opening balance	Additions	Transfers	Total
Art and artifacts	123 440	-	-	123 440
Library books	1 668 874	2 410	-	1 671 284
Land and buildings	17 355 200	-	(7 090 000)	10 265 200
	19 147 514	2 410	(7 090 000)	12 059 924

Reconciliation of heritage assets 2016

	Opening balance	Additions	Revaluation increase/ (decrease)	Total
Art and artifacts	123 440	-	-	123 440
Library books	1 463 723	205 151	-	1 668 874
Land and buildings	10 404 600	-	6 950 600	17 355 200
	11 991 763	205 151	6 950 600	19 147 514

Heritage assets which fair values cannot be reliably measured

Library Books

Management define the fair value measurement as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state.

Library books and art and artefacts

The library books were revalued as at 31 March 2015 by an independent valuer. The method of valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43). The sale would be at “arm’s length” with no undue pressure on purchaser or seller. In determining the value of the library books, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role.

The art and artefacts were revalued as at 31 March 2015 by an independent valuer. The method of

valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market.

(GRAP 103.43) The sale would be at “arm’s length” with no undue pressure on purchaser or seller. In determining the value of the

fine arts, antiques and collectibles, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role.

Following the evaluation and valuation that have been performed on the heritage assets on the 31 March 2015, heritage assets

- library books and art and artifacts were retrospectively adjusted against the opening balance in the statement of financial position on the 01 April 2013. The professional valuers are of the opinion that the heritage assets do not experience significant and volatile changes in fair value, thus the retrospective adjustment against accumulative surplus was possible taking into account that the fair value would not have been significantly different at 31 March 2013:

Art and artefacts

Management define the fair value measurement as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. No commercial value could be determined for 91 art and artifact assets classified as heritage.

Land and buildings

The land and buildings included in heritage assets are listed below. The land and buildings were revalued as at 31 March 2016 by an independent valuer. The method of valuation employed was the market value and replacement cost approach. The market value and replacement cost was determined by taking the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. Also taking into account the current cost of a similar asset offering equivalent utility. The entity is responsible for coordinating the identification and management of heritage resources in the country. In principle the heritage properties are held in custody by SAHRA on behalf of the nation for the present and future generations.

Land and Buildings

	2017	2016
Woutersen Wessel Vault, Green Point	710 000	710 000
Van Riebeeck's Hedge, Bishopscourt	1 900 000	1 900 000
Het Posthuys, Muizenberg	-	4 200 000
Hugo Family Vault, Simon's Town	130 000	130 000
Onderdal School, Wellington	-	940 000
Kleinbosch Cemetery, Dal Josafat	10 000	10 000
Groenberg School, Wellington	1 010 000	1 010 000
Erf 56, Tulbagh	450 000	450 000
Erf 225, Tulbagh	470 000	470 000
The Lookout, Uitenhage	160 000	160 000
Old Congregation Church, Cradock	1 000 000	1 000 000
Old Goal, Grahamstown	-	1 950 000
Old Residency, King Williamstown's Town	1 100 000	1 100 000
Garden of Remembrance, Aliwal North	940 000	940 000
Burgher Monuments, Boomplaats	18 000	18 000
Union Masonic Temple, Kimberley	260 000	260 000
Moorddrift Monument, Potgietersrus	11 000	11 000
Old English Fort, Marabastad	27 000	27 000
Verduin Ruins, Soutpansberg District	4 800	4 800
Powder Magazine, Potchefstroom	40 000	40 000
Old Fort and Cementery, Potchefstroom	120 000	120 000
Site of Dr. David Livingstone's House, Marico District	3 400	3 400
Blarney Cottage, Richmond	270 000	270 000
Birth Place of General Louis Botha, Greytown	30 000	30 000
Spioenkop Battlefield, Ladysmith	550 000	550 000
Elandslaagte Memorial, Ladysmith	22 500	22 500
Piet Retief's Grave, Ulundi	98 500	98 500
Mapoch's Caves, Roossenekal	670 000	670 000
Krugerhof, Waterval-Boven	260 000	260 000
	10 265 200	17 355 200

Figures in Rand**Repairs and maintenance related to investment properties**

Land and building

2017	2016
85 054	-

Transfers

Land to the value of R 5 436 160 and buildings to the value of R1 653 840 were reclassified from heritage assets to investment property as they were repurposed to generate income.

8. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	431 871	(337 479)	94 392	568 255	(484 548)	83 707
Website - SAHRIS	486 675	-	486 675	486 675	-	486 675
Total	918 546	(337 479)	581 067	1 054 930	(484 548)	570 382

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Computer software	83 707	57 284	(1 232)	(45 367)	94 392
Website - SAHRIS	486 675	-	-	-	486 675
	570 382	57 284	(1 232)	(45 367)	581 067

Figures in Rand

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software	142 369	(58 662)	83 707
Website - SAHRIS	486 675	-	486 675
	629 044	(58 662)	570 382

Intangible assets with indefinite lives: SAHRIS is responsible for the management of the inventory of the National Estate and is an integrated and interactive system for the management of the national heritage resources. SAHRIS will be required into perpetuity as long as the requirements for it stipulated in NHRA remain in place.

The impairment will be tested on an annual basis.

9. Operating lease asset / liability

Operating lease asset

	2017	2016
Current assets	874 192	883 208
Non-current assets	19 153 409	18 261 185
	20 027 601	19 144 393

Operating leases as lessor (income)

Minimum lease payments due

Within 1 year	99 171	90 155
In 2nd to 5th year inclusive	506 277	460 252
Later than 5 years	61 997 613	62 142 809
	62 603 061	62 693 216

Operating lease income represents rentals received by the entity from buildings owned.

Figures in Rand

Leases have terms between 1 and 65 years, with the option to extend for a further period. The rentals escalate at a rate of 10% per year on average.

Operating lease liability

Current operating lease

Non-current liabilities

2017	2016
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84 403	43 577
27 151	51 808
111 554	95 385
1 347 802	1 479 880
453 281	1 689 618
1 801 083	3 169 498

Operating lease liability**Minimum lease payments due**

Within 1 year

In 2nd to 5th inclusive

Operating lease payments represent rentals payable by the entity for the renting at its regional offices. The leases were negotiated for a period of 36 months, with the option to renew. The rentals escalate at a rate of 8% per annum.

Operating lease payments represent rental payable by the entity for the mooring of its boat. The lease was negotiated for a period of 24 months with the option to renew. The rentals escalate at a rate of 10% per annum.

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

Figures in Rand

10. Payables from exchange transactions

	2017	2016
Trade payables	644 492	3 291
Sundry payables	775 762	187 730
Accrued leave pay	1 208 330	854 219
Accrual for 13th cheque	797 963	700 540
Deposits received	43 978	40 488
Accruals	1 391 796	1 430 317
	4 862 321	3 216 585

11. Other financial liabilities

Designated at fair value

Trust liabilities	2 855 650	2 829 260
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Trust liabilities reflect monies held in trust accounts to be used for a specific purpose or project such as the maintenance of a specified asset.

Reconciliation of Trust liabilities

Opening balance	2 829 260	3 088 851
Expense on trust funds	(1 162)	(658 726)
Interest capitalised	187 552	169 941
Transfer from main account to trust funds for Prestwich	-	269 194
Transfer from main account to trust funds for Genadendal	(160 000)	(40 000)
	2 855 650	2 829 260

Figures in Rand

12. Employee benefit obligations

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

Carrying value

Present value of the defined benefit obligation-wholly unfunded

Non-current liabilities

Current liabilities

	2017	2016
Present value of the defined benefit obligation-wholly unfunded	(5 136 855)	(5 306 417)
Non-current liabilities	(4 927 422)	(5 085 615)
Current liabilities	(209 433)	(220 802)
	(5 136 855)	(5 306 417)

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

Opening balance

Net expense recognised in the statement of financial performance

Opening balance	5 306 417	4 934 088
Net expense recognised in the statement of financial performance	(169 562)	372 329
	5 136 855	5 306 417

Net expense recognised in the statement of financial performance:

Current service cost

Past service cost

Interest cost

Actuarial (gains)/losses

Current service cost	47 823	40 205
Past service cost	(220 802)	(215 856)
Interest cost	523 759	395 746
Actuarial (gains)/losses	(520 342)	152 234
	(169 562)	372 329

Key assumptions used

Assumptions used at the reporting date:

Discount rates used

Expected rate of return on assets

Expected rate of return on reimbursement rights

Continuation of retirement

Proportion of married at year end

Discount rates used	9.66 %	10.08 %
Expected rate of return on assets	8.92 %	9.53 %
Expected rate of return on reimbursement rights	0.68 %	0.50 %
Continuation of retirement	100.00 %	100.00 %
Proportion of married at year end	90.00 %	90.00 %

Salaries

Salary inflation is only applicable to those members who participate on plan options which are income based. Therefore, only the health care cost inflation assumption is applicable to this membership group. In the event that there were any members participating on income-based plan options, we would assume no bracket creep i.e. that salary inflation keeps pace with the income brackets. This implicitly implies that the contributions keep in line with health care cost inflation.

The basis on which the discount rate has been determined is as follows:

Discount rate

It is a requirement of GRAP 25 that the valuation discount rate be equal to the actual long corporate bond yields. Since the South African market in corporate bonds is not sufficiently deep, it is accepted practice to use the South African Government Bonds as a proxy, with or without an additional margin to reflect corporate risk. The term maturity of such bond should be consistent with the term of the liability. Therefore, as required by GRAP 25, the valuation discount rate is based on the current long-term government bond yields, as provided by the Johannesburg Stock Exchange (JSE), at the point on the curve where the duration of the liability matches the duration of the yield curve generated by the bonds. No additional margin has been added.

Health care cost inflation

It assumed that the current contribution table(s) of the medical scheme(s) would continue to apply in the future, with allowance for inflation increases at the health care cost inflation assumptions. This has been assumed to be 1.5% above CPI.

Other assumptions

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

Figures in Rand	2017	2016
	One percentage point increase	One percentage point decrease
Effect on defined benefit obligation	636 985	541 029
Effect on the aggregate of the service cost and interest cost	69 798	59 135

Figures in Rand

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

	2017	2016	2015	2014	2013
Defined benefit obligation	5 136 855	5 306 417	4 934 088	4 103 982	4 036 226

13. Unspent conditional grants and receipts

Unspent grants

Movement during the year

Balance unspent at beginning of year

Conditions met and transferred to revenue

Current year transfers

Interest earned on positive balance

2017	2016
3 564 513	3 058 909
3 058 910	2 616 291
(76 597)	(70 210)
400 000	361 359
182 200	151 470
3 564 513	3 058 910

Reconciliation of unspent conditional grants and receipts**13.1 Makapan**

Balance unspent at beginning of year

Conditions met and transferred to revenue

Interest earned

1 764 676	1 732 582
(958)	(68 569)
118 667	100 663
1 882 385	1 764 676

Reconciliation of unspent conditional grants and receipts**13.2 Makgabeng**

Balance unspent at beginning of year

Conditions met and transferred to revenue

Interest earned

933 600	883 707
(908)	(920)
62 493	50 814
995 185	933 601

Figures in Rand

Reconciliation of unspent conditional grants and receipts

13.3 GIS for South Africa

Balance unspent at beginning of year

Current year transfers

	2017	2016
Balance unspent at beginning of year	144 342	–
Current year transfers	–	144 342
	144 342	144 342

Reconciliation of unspent conditional grants and receipts

13.4 Dutch Wrecks in South Africa

Balance unspent at beginning of year

Current year transfers

Conditions met and transferred to revenue

Interest earned

Balance unspent at beginning of year	216 292	–
Current year transfers	–	217 017
Conditions met and transferred to revenue	(71 313)	(725)
Interest earned	1 039	–
	146 018	216 292

Reconciliation of unspent conditional grants and receipts

13.5 Tourism interpretive signage in the iconic National Heritage sites in South Africa

Current year transfers

Current year transfers	400 000	–
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13.1 Makapans

Makapans Valley Development

(Agreement signed in 28 August 2003, no required completion date noted).

The grant agreement indicates that money paid to SAHRA must be used for the specific purpose.

The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed.

Unspent funds at end of the project is to be paid back to the NLDTF.

13.2 Makgabeng

Write the history of Makgabeng and survey, research and document heritage resources in Makgabeng (Agreement signed in 11 June 2003, no required completion date noted).

Under the agreement, the money paid to SAHRA must be used for the specific purpose.

The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed.

Unspent funds at end of the project is to be paid back to the NLDTF.

13.3 GIS for South Africa

The project is between SAHRA and Embassy of the Kingdom of the Netherlands to provide both training and skills transfer from Dutchatners at the Riksdienst voor het Cultureel Erfgoed (RACM) in the Netherlands and computer hardware for GIS related data handling as part of the development. (Agreement signed on 06 November 2015)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Kingdom of the Netherlands has the right to demand repayment if the money is not used for its intended purpose.

13.4 Modern Oral History: Dutch Wrecks in South Africa

The project is between SAHRA and Cultural Heritage Agency to gather information about historical Dutch shipwrecks within South Africa territorial waters that have been subject to human intervention, principally non-archeological salvage and treasure hunting in nature. (Project plan signed on 23 November 2015)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Kingdom of the Netherlands has the right to demand repayment if the money is not used for its intended purpose.

13.5 Tourism interpretive signage in the iconic National Heritage sites in South Africa

The project is between SAHRA and Department of Tourism for the design, production and installation of tourism interpretive signage in select national heritage sites in South Africa towards improving the quality of product offering for an increased and enhanced visitor experience. (Project plan signed on 29 November 2016)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Department of Tourism has the right to demand repayment if the money is not used for its intended purpose.

Figures in Rand

14. Revenue

Permit fees
Rental of facilities and equipment
Other income
Interest received - investment
Transfer payments
Public contributions and donations

2017	2016
34 350	29 850
1 908 102	1 799 036
139 282	116 822
2 329 239	3 304 666
51 125 000	73 552 000
15 762	278 422
55 551 735	79 080 796

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

Permit fees
Rental income
Other income
Interest received - investment

34 350	29 850
1 908 102	1 799 036
139 282	116 822
2 329 239	3 304 666
4 410 973	5 250 374

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants and subsidies (Department of Art and Culture)
Donations

51 125 000	73 552 000
15 762	278 422
51 140 762	73 830 422

15. Government grants and subsidies

Government grants and subsidies (Department of Art and Culture)

51 125 000	73 552 000
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Figures in Rand**16. Other revenue**

Other income (includes claims, donations and refunds)

17. Debt impairment

Contributions to debt impairment provision

18. Finance costs

Finance costs

19. General expenses

Advertising

Auditors remuneration

Bank charges

Cleaning

Computer expenses

Consulting and professional fees

Lease rentals on operating lease

Discount allowed

Bad debts

Catering and refreshments

Warranty costs

Insurance

Publications

Motor vehicle expenses

Postage and courier

Printing and stationery

	2017	2016
	139 282	116 822
	180 486	71 465
	29 342	7 577
	227 430	706 883
	1 861 692	2 059 993
	45 277	39 301
	153 176	217 736
	196 733	280 287
	4 154 174	7 668 317
	2 080 181	1 428 601
	-	37 844
	26 752	-
	269 619	121 688
	-	15 129
	633 007	612 817
	269 096	409 176
	128 858	155 258
	56 566	158 072
	505 127	632 932

Figures in Rand

	2017	2016
Security	527 750	460 695
Staff welfare	44 851	137 360
Staff membership fees	86 096	71 252
Telephone and fax	1 036 138	1 026 202
Heritage promotion	23 713 527	33 288 801
Travel expenditure	6 134 033	6 192 644
Consumables	54 411	-
Water and electricity	868 565	1 147 703
Uniforms	25 754	5 117
Council Fees	829 499	665 045
Staff bursaries	225 856	82 618
Conference costs	74 060	71 580
Workshops	501 485	938 958
Administrative expenses	44 631	57 057
Internal audit	350 535	385 697
	45 124 879	59 074 763

Figures in Rand

20. Salaries and benefits

Acting allowances

Basic

13th cheque

Housing benefits and allowances

Leave pay charge

Long-service awards

Medical aid - company contributions

PAYE

Post- retirement health care benefits

Provident fund

Relocation and removal costs

Travel, motor car, accommodation, subsistence and other allowances

UIF

	2017	2016
Acting allowances	258 471	117 555
Basic	18 123 460	16 665 536
13th cheque	1 529 343	1 430 029
Housing benefits and allowances	901 459	559 692
Leave pay charge	468 988	275 291
Long-service awards	41 000	16 000
Medical aid - company contributions	1 554 878	1 339 517
PAYE	5 690 123	5 903 577
Post- retirement health care benefits	51 240	588 185
Provident fund	3 185 375	2 929 307
Relocation and removal costs	8 903	353 063
Travel, motor car, accommodation, subsistence and other allowances	2 059 773	1 840 079
UIF	132 677	136 687
	34 005 690	32 154 518

Figures in Rand

Executive committee remuneration - 2017

V. Baduza

Chief Executive Officer
Employment date: 01.02.2015
Term 2017: 12 months

1 093 069

-

-

404 435

1 497 504

M. Nkhasi-Lesaoana

Executive Officer: Heritage Information
Policy and Skills Development
Employment date: 01.12.2012
Term 2017: 12 months

774 118

46 022

-

137 317

957 457

L. Malgas

Company Secretary
Employment date: 01.12.2012
Term 2017: 12 months

902 790

-

-

27 821

930 611

C. Motsisi

Chief Financial Officer
Employment date: 07.01.2013
Term 2016: 12 months (resigned)

813 896

-

21 669

465 156

1 300 721

D. Sibayi

Executive Officer: Heritage
Conservation Management
Employment date: 01.08.1998
Term for 2016: 12 months

959 351

75 680

-

1 000

1 036 031

M. Krieg

Executive Officer: Corporate Services
Employment date: 01.11.2015
Term for 2017: 12 months

643 627

28 000

-

213 509

885 136

5 186 851

149 702

21 669

1 249 238

6 607 460

Figures in Rand**Executive committee remuneration - 2016****V. Baduza**

Chief Executive Officer

Employment date: 01.02.2015

Term 2016: 12 months

M. Nkhasi-Lesaoana

Executive Officer: Corporate Affairs

Employment date: 01.12.2012

Term 2016: 12 months

L. Malgas

Company Secretary

Employment date: 01.12.2012

Term 2016: 12 months

C. Motsisi

Chief Financial Officer

Employment date: 07.01.2013

Term 2016: 12 months

D. Sibayi

Executive Officer: Heritage Resources

Employment date: 01.08.1998

Term for 2016: 12 months

M. Krieg

Executive Officer: Human Resources

Employment date: 01.11.2015

Term for 2016: 5 months

G.Hughes

Executive Officer: Human Resources

Employment date: 15.08.2013

Term for 2016: 5 months (resigned)

	Annual Remuneration	13th Cheque	Leave paid out	Allowances	Total
V. Baduza	1 023 546	-	-	384 295	1 407 841
M. Nkhasi-Lesaoana	577 963	43 203	-	254 048	875 214
L. Malgas	865 360	-	-	9 600	874 960
C. Motsisi	760 986	-	-	441 315	1 202 301
D. Sibayi	905 699	71 123	-	-	976 822
M. Krieg	339 019	-	5 192	83 830	428 041
G.Hughes	336 007	-	14 575	4 000	354 582
	4 808 580	114 326	19 767	1 177 088	6 119 761

Figures in Rand

Council: Fees

	2017	2016
Makhanya, F. Mr (Chairperson) (term ended 31 July 2016)	41 098	113 401
Twala, C. (Dr) (term ended 31 July 2016)	33 931	89 534
Ndlovu, N. (Dr) (term ended 31 July 2016)	29 059	69 824
Ndlala, M.V. (Dr) (term ended 31 July 2016)	18 350	36 301
Burgess, J.P. (term ended 31 July 2016)	21 792	51 779
Makeka, M. Mr (term ended 31 July 2016)	3 822	41 367
Mogatusi, A.T. (Adv) (term ended 31 July 2016)	14 908	34 069
Hill, P. Mr (term ended 31 July 2016)	3 442	10 854
Sindane, J. Ms (term ended 31 July 2016)	14 908	66 567
Winter, S. Ms (term ended 31 July 2016)	3 822	14 908
Bouillon, S. (Prof) (Chairperson)	100 267	-
Guma, P.M. (Dr)	49 655	-
Saule, N. (Prof)	61 292	-
Bredekamp, H.C. (Prof)	69 983	-
Masooa, M.E. Mr *	-	-
Molapisi M. (Ras) *	-	-
Gani, R. Ms	77 654	48 482
Houston, G. (Dr)	57 352	70 366
Makhweyane, M.T. Mr	56 726	-
Semane, T. Ms	46 804	-
Malan A. (Dr)	22 888	-
Lithole, D. Mr *	-	-
Sharfman, J. Mr	53 534	-
	781 287	647 452

* No remuneration for the year under review because the member works for the public sector.

Figures in Rand**Audit and Risk Committee - Fees**

Benjamin-Swales, R. Ms (resigned 18 March 2015)

Mitchell, D. (Adv) (Chairperson)

Gani, R. Ms

Semane, T. Ms (term ended 31 July 2016)

Kgokolo, T. Mr

Ramuedzisi, D. Mr

Sindane, J. Mr (term ended 31 July 2016)

Gantana, J. Ms (resigned 12 October 2016)

	2017	2016
	-	589
	30 740	18 090
	16 154	22 861
	6 885	29 901
	28 955	14 956
	17 278	10 326
	6 884	20 800
	-	-
	106 896	117 523

Ms J. Gantana was an Audit and Risk Committee Member. She was not remunerated for the year under review because she works for the public sector.

21. Interest received - investment

Interest received - investment

	2 329 239	3 304 666
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22. Auditors' remuneration

Audit fees

	1 861 692	2 059 993
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Figures in Rand

23. Cash generated from (used in) operations

(Deficit) / surplus

Adjustments for:

Depreciation and amortisation

Loss on disposal of assets and liabilities

Provision for doubtful debts

Movements in operating lease asset and accruals

Movements in retirement benefit assets and liabilities

Donations

Changes in working capital:

Receivables from exchange transactions

Movement in provision for doubtful debts

Other receivables from non-exchange transactions

Payables from exchange transactions

Unspent conditional grants and receipts

	2017	2016
(Deficit) / surplus	(27 340 597)	(14 793 387)
Depreciation and amortisation	2 009 418	1 528 357
Loss on disposal of assets and liabilities	33 815	454 346
Provision for doubtful debts	180 486	71 465
Movements in operating lease asset and accruals	(867 039)	(843 558)
Movements in retirement benefit assets and liabilities	(169 562)	372 319
Donations	(15 762)	(278 422)
Receivables from exchange transactions	(285 349)	18 596
Movement in provision for doubtful debts	(180 486)	(71 465)
Other receivables from non-exchange transactions	25 000 000	(25 000 000)
Payables from exchange transactions	1 645 734	(2 601 772)
Unspent conditional grants and receipts	505 603	358 349
	516 261	(40 785 172)

24. Commitments for expenditures

Authorised expenditure

Operational expenditure

- Approved and contracted
- Approved but not yet contracted for

Approved and contracted	2 847 666	3 998 799
Approved but not yet contracted for	287 529	–
	3 135 195	3 998 799

Figures in Rand**Capital expenditure**

- Approved and contracted: Heritage Promotions

Total commitments

Operational expenditure

Capital expenditure

	2017	2016
	614 460	14 236 961
	3 135 195	3 998 799
	614 460	14 236 961
	3 749 655	18 235 760

XEPA - Provision of drupal maintenance for 3 years.

The expenditure will be financed from Government Grants.

25. Contingencies

The entity has requested permission to retain accumulated surpluses of R70 635 747 (2016: R97 808 217) for which approval is awaited from National Treasury.

The entity has present obligation of R5 379 for receivables in credit however it is not probable that the monies will be paid back.

Figures in Rand

26. Related parties

Related party balances

Unspent conditional grants and receipts

Makapans (National Lottery Fund)

Makgabeng (National Lottery Fund)

Amounts included in Trade receivable (Trade Payable) regarding related parties

Amount due from former acting CEO (Executive Committee)

Amount included in the provision for impairment

Amount due from former acting CEO (Executive Committee)

Related party transactions

Operational grant received

The Department of Arts and Culture

The Department of Arts and Culture

Amount included in the provision for impairment (expense)

Amount due from former acting CEO (Executive Committee)

Department of Tourism

Restricted grant received

Relationships

Controlling Department of the Agency

The Department of Arts and Culture

Agency of the Department of Trade and Industry

National Lottery Fund

Project funder

Department of Tourism

	2017	2016
	1 882 385	1 764 676
	995 185	933 600
	-	32 819
	-	32 819
	51 125 000	48 552 000
	-	-
	-	25 000 000
	-	(48 112)
	400 000	-

27. Prior period errors

27.1 Cash and cash equivalents

Cash and cash equivalents was understated on the Statement of Financial Position. This was due to interest earned from investment accounts which was not recognised at 31 March 2016. The comparative balance of cash and cash equivalents at 31 March 2016 has been adjusted to include the interest earned amount of R84 287.

27.2 Interest received - investment

Interest received was understated on the Statement of Financial Performance. This was due to interest earned from investment accounts which was not recognised at 31 March 2016. The comparative balance of interest received at 31 March 2016 has been adjusted to include the interest earned amount of R84 287.

27.3 Property, plant and equipment

The library books were understated in the previous financial year with an amount of R30 777 due to library books which did not meet the recognition criteria of GRAP 103 were erroneously omitted upon initial recognition of assets in terms of GRAP 17. The comparative amount was adjusted accordingly and the balance was restated.

27.4 Heritage assets

The library books were understated in the previous financial year with an amount of R164 612 due to heritage books which were erroneously omitted upon initial recognition of assets in terms of GRAP 103. The

comparative amount was adjusted accordingly and the balance was restated.

27.5 Receivables from exchange transactions

Financial instruments which were appropriately designated as measured at amortised cost were There was no unwinding of the discount factor/time-value of money effect presented on the face of the statement of financial performance or disclosed in the notes to the financial statements. Deposits refundable were overstated by R29 943 and the discount expense was understated by R37 844 while interest received was understated by R7 901. The comparative amounts were adjusted accordingly and the balance was restated.

27.6 General expenditure and salaries and benefits

An amount of R54 802 relating to storage was incorrectly classified thus general expenditure was understated and salaries and benefits were overstated. A further amount of R 782 437 relating to training was incorrectly classified thus general expenditure was understated and salaries and benefits were overstated. The comparative amounts were adjusted accordingly and the balance was restated.

27.7 Financial instruments

Rental debtors were designated at amortised cost as per accounting policy 1.6 for which they did not meet the definition. The accounting policy has subsequently being corrected. Restatement was impractical as the intention was to account for rental debtors using the cost model and not at amortised cost as indicated in the accounting policy.

27.8 Depreciation and amortisation

The depreciation was understated in the previous financial year with an amount of R4 397 due to library books which did not meet the recognition criteria of GRAP 103 were erroneously omitted upon initial recognition of assets in terms of GRAP 17. The comparative amount was adjusted accordingly and the balance was restated.

Statement of Financial Performance for the year ended 31 March 2016

	Balance as previously reported	Prior period error	Restated balance
Interest	3 212 479	92 187	3 304 666
Depreciation	(1 523 960)	(4 396)	(1 528 356)
General Expenditure	(58 199 681)	(875 083)	(59 074 764)
Salaries and benefits	(32 991 757)	837 239	(32 154 518)
Total	95 935 454	49 947	89 452 972

Statement of Financial Position as at 31 March 2016

Assets

Current assets

Receiveables from exchange transactions	629 724	(29 943)	599 781
Cash and equivalents	33 746 100	84 287	33 830 387

Non-current assets

Property, plant and equipment	23 072 704	30 777	23 103 481
Heritage assets	18 982 902	164 612	19 147 514
	42 055 606	195 389	42 250 995

Net assets

Accumulated surplus	(112 371 875)	(199 786)	(112 571 661)
	(112 371 875)	(199 786)	(112 571 661)

28. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks including liquidity risk and credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, ensuring the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

The entity's risk to liquidity is the risk that funds are not available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity manages cash flows, budgets and monthly management accounts.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2017

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	4 862 321	-	-	-
Unspent conditional grants and receipts	3 564 520	-	-	-

At 31 March 2016

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	3 216 587	-	-	-
Unspent conditional grants and receipts	3 058 917	-	-	-

Other financial liabilities consist of trust liabilities where the entity is responsible for maintaining specific assets. There are no contractual dates included in these trusts, therefore, the maturity of these liability cannot reliably be included in the above table.

Credit risk

Credit risk is mitigated by the fact that the entity only deposits cash surpluses with major banks of high credit standing. The maximum exposure to credit risk at the reporting date is the bank balances as disclosed in the Statement Financial Position. The table below shows the credit rating and balances of the banks used by the entity.

Credit risk is mitigated through management's assessment of the credit quality of debtors, taking into account their financial position, payment history and the perceived perception of the payment profile.

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

Financial instrument	2017	2016
Trade and receivables before impairment	614 813	434 317
Deposits	150 882	252 424
Cash and cash equivalents	33 948 995	33 830 387

The balance for Cash and cash equivalents includes actual cash on hand balance in 2017 for R6 500 and in 2016 a balance of R2 000.

Market risk

Interest rate risk

The entity's interest rate risk arises from short - term deposits. Short - term deposits issued at variable rates expose the entity to cash flow interest rate risk. On the other hand, short-term deposits issued at fixed rates expose the entity to fair value interest rate risk. During 2017 and 2016, the entity's deposits and bank balances at fixed rate were denominated in the Rand.

Banks

ABSA (Baa2)	15 440 604	21 268 131
Nedbank (Baa2)	11 865 273	12 562 256
Reserve Bank	6 643 118	-
	33 948 995	33 830 387

Figures in Rand**29. Fruitless and wasteful expenditure**

Opening balance

Current year

Written off by the Accounting Authority

2017	2016
584 560	596 497
15 100	174 884
(587 460)	(186 821)
12 200	584 560

Analysis of expenditure awaiting write off per age classification

Current year

Prior years

12 200	166 122
-	418 438
12 200	584 560

Details of fruitless and wasteful expenditure

Interest on overdue accounts

2 month rental paid without occupation (Renovation period)

15 100	8 762
-	166 122
15 100	174 884

Analysis of expenditure written off per age classification

Current year

587 460	186 821
-	-
587 460	186 821

30. Irregular expenditure

Opening balance

Add: Irregular Expenditure - current year

Less: Amounts condoned by the Accounting Authority

30 209 590	9 050 684
20 266 363	30 209 590
(1 293 617)	(9 050 684)
49 182 336	30 209 590

Figures in Rand

Analysis of expenditure awaiting condonation per age classification

Current year

Details of irregular expenditure – current year

Supply Chain Management processes not followed

Preferential points not calculated correctly

Preference points were not stipulated in the request for quotations

None compliance with Construction Industry Development Board

Not advertised in the Tender Bulletin

	2017	2016
Current year	49 182 337	30 209 590
Details of irregular expenditure – current year		
Supply Chain Management processes not followed	19 501 077	30 209 590
Preferential points not calculated correctly	274 329	–
Preference points were not stipulated in the request for quotations	45 361	–
None compliance with Construction Industry Development Board	381 506	–
Not advertised in the Tender Bulletin	64 090	–
	20 266 363	30 209 590
Analysis of expenditure condoned per age classification		
Current year	765 286	–
Prior year	528 330	9 050 684
	1 293 616	9 050 684

The condoned irregular expenditure cases includes an amount of R765 000 relating to the current year for contracts awarded without following proper procurement processes. Reasonable steps have been taken to confirm that such irregular expenditure did not result in any losses or damages to the entity and that the entity did obtain value from such a transaction and was condoned by Council. R528 000 relates to the prior year which was condoned by Council and as a result, the responsible official is suspended for gross negligence in performing duties. The disciplinary process is underway.

Investigations

The irregular expenditure of R49 million that relates to the contract awarded to the service provider in 2015 for the rehabilitation of Deville Wood memorial in France was condoned by the previous council. The Minister of Arts and Culture has requested the current Accounting Authority to commission an investigation of the irregular expenditure relating to this contract and the investigation is underway.

Figures in Rand

31. Financial instruments disclosure

Categories of financial instruments

2017

Financial assets

	At amortised cost	At cost	Total
Receivables from exchange transactions (excluding rental debtors)	609 735	-	609 735
Receivables from exchange transactions (rental debtors)	-	292 880	292 880
Cash and cash equivalents	33 948 995	-	33 948 995
	34 558 730	292 880	34 851 610

Financial liabilities

	At amortised cost	Total
Other financial liabilities	2 855 650	2 855 650
Payables from exchange transactions	4 904 917	4 904 917
Unspent conditional grants	3 564 520	3 564 520
	11 325 087	11 325 087

Figures in Rand

2016

Financial assets

	At amortised cost	At cost	Total
Receivables from exchange transactions (excluding rental debtors)	481 528	-	481 528
Receivables from exchange transactions - (Rental debtors)	-	148 196	148 196
Other receivables from non-exchange transactions	25 000 000	-	25 000 000
Cash and cash equivalents	33 830 387	-	33 830 387
	59 311 915	148 196	59 460 111

Financial liabilities

	At amortised cost	Total
Other financial liabilities	2 829 260	2 829 260
Payables from exchange transactions	3 216 585	3 216 585
Unspent conditional grants	3 058 917	3 058 917
	9 104 762	9 104 762

32. Budget differences

32.1 Differences between budget and actual amounts basis of preparation and presentation

The approved budget is prepared on an accrual basis in terms of GRAP. The financial statements are also prepared on an accrual basis in terms of GRAP for the financial period 2016-2017, thus no reconciliation is required.

32.2 Explanation on variances between budgeted amounts and actual expenditure

- 32.2.1 Income-other is revenue received from insurance claims on assets that were lost.
- 32.2.2 Interest received decreased primarily due to decrease in cash and cash equivalents because of accelerated spending and completion of projects.
- 32.2.3 Personnel costs decreased due to delays in filling vacant funded positions.
- 32.2.4 Depreciation and amortisation decreased due to disposals old IT equipment.
- 32.2.5 General expenses decreased due to projects which were envisaged to be completed before year end but were not completed.

32.3 Changes from the approved budget to the final budget

32.3.1 Explanation on variances between budgeted amounts and final budget amount

- 32.3.1.1 Further budget adjustments were made to reduce rental revenue by R700 000 because of low occupancy rate.
- 32.3.1.2 Interest received was increased by R3 000 000 following approval from National Treasury/DAC to retain and apply the interest.
- 32.3.1.3 The initial budget was R60 829 000 as recorded on the budget statement. SAHRA subsequently received R25 000 000 from DAC for projects, thus the baseline was adjusted to include such as the projects had commenced.
- 32.3.1.4 The depreciation adjustment was made to incorporate the impact of the additions to IT equipment and equipment procured during the 2016/2017 financial year. Further contribution for the move was the transfer of property previously recognised as Heritage assets into investment property which occurred during the year.
- 32.3.1.5 The movement in the general expenditure approved budget corresponds to the expected expenditure in relation to the projects.

Figures in Rand

33. Revaluation reserve

Opening balance

Change during the year

	2017	2016
Opening balance	25 530 604	17 630 004
Change during the year	-	7 900 600
	25 530 604	25 530 604

34. Public contributions and donations

Donations

Donations	15 762	278 422
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35. Receivables from non-exchange transactions

Receivables from non-exchange transactions

The Department of Arts and Culture

The Department of Arts and Culture	-	25 000 000
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The amount of R25 000 000 is in respect of the transfers receivables from the Department of Arts and Culture at year end 2016.