



**Die Afrikaanse Taalmuseum  
en -monument  
ANNUAL REPORT  
2022/2023 FINANCIAL YEAR**

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

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## Part A: General Information

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## 1. Public Entity's General Information

<b>Registered name:</b>	Afrikaanse Taalmuseum en -monument [Afrikaans Language Museum and Language Monument]
<b>Registration number:</b>	N/A
<b>Physical address:</b>	11 Pastorie Avenue Paarl 7646
<b>Postal address:</b>	PO Box 498 Paarl 7620
<b>Telephone numbers:</b>	+27 21 872 3441/863 0543
<b>E-mail address:</b>	admin@taalmuseum.co.za
<b>Website address:</b>	www.taalmuseum.co.za
<b>Internal auditors:</b>	Nexia SAB&T
<b>External auditors:</b>	Auditor General of South Africa
<b>Bankers:</b>	Absa Bank
<b>Council secretary:</b>	Tania Laing

## **2. List of Abbreviations & Acronyms**

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ATM	Afrikaanse Taalmuseum en -monument
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board Act
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
GAAP	Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
MTEF	Medium-term Expenditure Framework
PAA	Public Audit Act of South Africa
PE	Public Entity
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act of 2000
PRECCA	Prevention of Corrupt Activities Act 12 of 2004
SCM	Supply Chain Management
TR	Treasury Regulations





***DR WILLIAM AND ANNE LANGEVELDT***

This annual report is dedicated to Dr William Langeveldt (15/10/1949 - 11/01/2023). Dr Langeveldt was part of the ATM Council for almost two terms. May his soul rest in peace.

### 3. Foreword by the Chairperson



***Adv Jean Johannes Meiring***  
***Chairperson of the Afrikaanse Taalmuseum en -monument***

In the year under review, namely 2022–23, the ATM was able to stabilise its position after emerging broadly unscathed from the Covid-19 pandemic, which marked the entire life of this Council since its inception. Visitor numbers have increased pleasingly. As visitors are the lifeblood of the institution, the negative effect upon them was an especially dire consequence of the pandemic.

Over and above the usual exigencies of providing oversight and leadership to the institution, there were some specific challenges that engaged the Council in the year under review. The first of these was the audit process. The second was the public furore over a possible name change for the institution. Third, there was litigation concerning concerts that the famous artist Steve Hofmeyr had intended to hold at the Amphitheatre in February 2023. I deal with these in turn.

In the first two quarters, much energy was expended by the staff of the ATM to assist the audit process. In light of the fact that in the previous two financial years, the ATM had obtained qualified audits, it was especially important that this record be cleared in the year in question. While the qualifications had related mainly to difficulties attendant upon the valuation of heritage assets – a hurdle that institutions like the ATM are uniquely confronted with – this did not mean that the institution could simply accept the situation. Far from it. It was intent upon clearing the record. This, we are delighted to be able to say, occurred: in the year under review, the ATM earned an unqualified audit. The Council is very pleased indeed with this outcome and congratulates the director and his staff on achieving this milestone – one that the Council sincerely hopes will be the new normal.



*Beeld & Volksblad cartoon - 2 June 2022*

In the course of May 2022, news reached the media that, at a gathering of Department of Sport, Arts and Culture (DSAC) entities earlier that year, Mr Nathi Mthethwa, the then Minister of the DSAC, had expressed the view that the name of the institution ought to change. This caused a public outcry in certain quarters. As part of a Museum Day celebration at the end of May 2022 (after the Council had met for a strategic session that had also been attended by a senior DSAC official) a public gathering regarding the issue was held in Paarl, which was attended by various political parties and interest groups. The Council was in attendance and listened to the views expressed by those present. The Council duly invited the Minister to visit the ATM, yet this invitation could not be taken up.

When, at the very end of the year in review, Mr Zizi Kodwa, the new Minister, took up the reins, an invitation was directed to him, too, to visit the ATM. The Council hopes that Mr Kodwa will be in a position to take up the invitation. It is crucially important to the Council to convey in no uncertain terms that the ATM is an institution that celebrates Afrikaans in all its multicultural and -racial complexity and indeed emphasises above all else the forgotten or overlooked strands of the story of Afrikaans. The contrary impression that some people still hold is simply not consistent with the truth. It is this mission, built upon the ideals of nation-building and national unity, that the ATM wishes to share with the new Minister.

Happily, the litigation in which the ATM had been embroiled with an events agent of Mr Hofmeyr came to a head positively for the ATM in the fourth quarter of the year under review when the appeal against the dismissal of the interdict application against the ATM was withdrawn. In essence, in mid-2022, the ATM had learnt that the aforementioned agent was acting in breach of the rental agreement concluded between it and the ATM regarding the Amphitheatre. In particular, in breach of the agreement, the agent was making a direct association between Mr Hofmeyr and the ATM, which the contract expressly forbade. The ATM gave the agent notice to remedy the breach, which it failed to do. When the ATM then lawfully cancelled the rental agreement, the agent urgently took it to court, where it sought to interdict the ATM from cancelling the agreement. In December 2022, the interdict application was

dismissed with costs. This meant that the cancellation by the ATM stood and that the concerts would not take place. Nevertheless, even though an appeal would have been heard after the dates of the concert, the agent expressed his intention to appeal the outcome. On the eve of the hearing of the appeal, in early 2023, it was happily withdrawn. While the ATM did everything within its rights and while it was vindicated, all litigation is expensive and onerous, and the ATM learnt some hard lessons.

Nevertheless, the outcome of all three the above themes has been positive. They put the Council to the test, and the Council demonstrated its resilience and unity. I thank all the members of the Council for that. So, too, the Council expresses its sincere appreciation and gratitude to the director and all the staff members of the ATM for their sustained and tireless work for the betterment of the life of the entity.

The Council is proud of the fact that, despite all the challenges that it faces, the ATM has continued to present a varied programme of events that was focused upon all parts of the language community – as well as upon those that do not speak Afrikaans. Like before, Arabic Afrikaans was celebrated; the competition culminated together with the biannual Neville Alexander Memorial Lecture.



*Arabic Afrikaans workshop 2022*



***Neville Alexander memorial lecture 2022***

The big challenges to the future of the institution have remained unchanged. They are the long-term viability of the ATM, which includes the state of its premises, which both at the Museum and at the Monument require urgent attention. This was brought firmly to the attention of the Parliamentary Portfolio Committee on 14 October 2022. Indeed, the following day, the Afrikaans media was awash with stories about this crisis that the ATM is facing. It will continue to enjoy the keenest attention of this Council, and surely, too, of our successor Council.

In January 2023 we were very sad to lose a valued, respected and loved member of our Council, Dr William Langeveldt, who was serving his second term. Our condolences go to his wife, Ann, and his other loved ones.

The Council is as always committed to strengthening the position of the ATM as a transforming, vibrant and indigenous space that places a singular premium on diversity and inclusiveness. Its programme and its very way of going about its tasks are devised to advance social cohesion and to build the South African nation. It remains a privilege to present to the general public, Afrikaans speakers and those that do not speak the language, an ATM that offers a rich, diverse and challenging range of events taking pride in the inherent complexity of Afrikaans and its many different people.



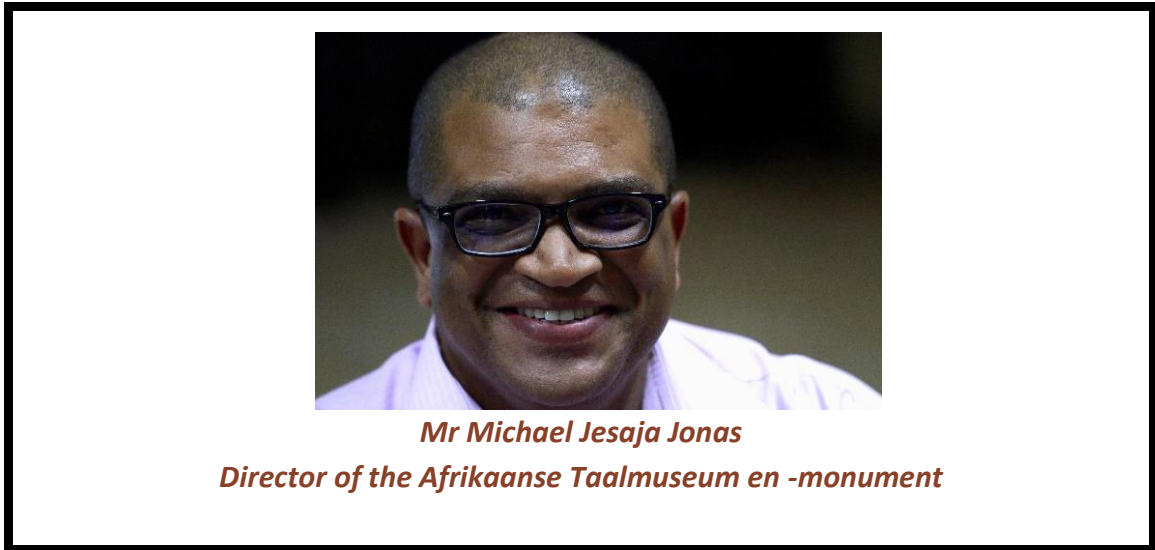
*Guided tour offered by Verinque Daniëls, ATM Visitors Officer*

We believe that, by being firmly committed to exploring and celebrating Afrikaans as something rich, diverse and often surprising, the institution will continue to unsettle stereotypes and expectations, and embrace all South Africans.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a vertical line and a horizontal line, resembling a signature.

**Adv JJ Meiring**  
**CHAIRPERSON**  
**Die Afrikaanse Taalmuseum en -monument**  
**31 July 2023**

### 3. Chief Executive Officer's Overview



#### Finance and Administration

In the 2022/2023 financial year, the focus was mainly on the qualified audit opinions from the previous financial years, the proposed name change issue, the presentation to the Portfolio Committee for Sport, Arts and Culture on 14 October 2022, and the legal case of De Villiers National Cycling v ATM.

#### Audit Opinion

In the first quarter, the focus fell on the preparation for the audit process for the 2021/2022 financial year. The draft annual financial statements for 2021/2022 have been submitted to the offices of the Auditor-General (AG) and the Department of Sport, Arts and Culture (DSAC). During the Audit and Risk Committee meeting of 26 May 2022, the audit strategy was discussed by the AG and recommended for approval by the Council. The focus for the 2021/2022 financial year was on programme 2: Business Development. It is anticipated that the final Management report will be completed by 19 July 2022, while the final AG report will be completed by 31 July.

For the past two financial years, the institution had received qualified audit opinions due to the incomplete valuation of heritage assets. An independent service provider was appointed who assisted the institution with the correct working methods and norms for the valuation of heritage assets, as well as to ensure that the process meets the GRAP-103 requirements. A presentation for the implementation of the valuation report was made to both the Audit and Risk Committee on 26 May 2022 and Management on 3 March 2022. The implementation plan was presented to the Council for approval on 1 July 2022. Management believes that the shortcomings in the previous financial reports that led to the qualified audit opinions have now been fully addressed.

It is with great joy and relief that Management can announce that the ATM received a clean audit for the 2021/2022 financial year. Management and staff are aware that a lot of hard work lies ahead to ensure that this performance is maintained. I would like to express my sincere thanks to the staff, Council and especially the Audit and Risk Committee for their continued support and guidance.

It can also be reported that the entity has met and exceeded its target of 40 000 visitors for the 2022/2023 financial year post-Covid-19. Furthermore, due to the hard work and dedication of staff members, the ATM achieved 100% of its performance targets.

### Proposed Name Change

The issue of a possible name change, as proposed by the previous Minister of Sport, Arts and Culture, Nathi Mthethwa, on 10 March 2022 in Pretoria attracted wide publicity. The instruction was given during the annual signing ceremony of the shareholder agreement between the department and chief executive officers and chairs of the public entities that fall under its portfolio. In response, the institution launched a consultation process to investigate the feasibility of a possible name change.

To address this issue and the future of the ATM, they were made the central themes of the International Museum Day conversation for 2022 which was to take place on 28 May. However, on 18 May 2022, a media report and statements, especially by political parties, appeared in which there was speculation that Afrikaans would be removed from the name of the ATM as part of a ministerial directive. These reports, letters of complaint, social media comments and loads of protest e-mails expressed unhappiness about a possible name change by many Afrikaans speakers and civic organisations across a wide spectrum. Political parties and traditional Afrikaans organisations also joined the protest action, some hijacking the matter for their own gain.

The issues of a possible name change and merger of public entities were also high on the agenda of the strategic planning session of the ATM's council members held on 26 and 27 May 2022. After the planning session, a media release was issued in which the Council informed the public about the two-day discussion with DSAC regarding the name change issue and also about the proposed amalgamation process set out in the White Paper on Art, Culture and Heritage of 2018. The Council had not made any decisions and there would be further meetings with the department.



*International Museum Day 2022*

The session was followed up with a public meeting on 28 May 2022 in Paarl during which the public's input was sought. The ATM took note of the public sentiments that were expressed before and during the public meeting. Those who could not attend the meeting were asked to send their input by e-mail. A letter had also been sent to the Minister regarding the issues that were discussed during the strategic planning session of 26 and 27 May 2022. In a follow-up letter, the Minister was invited to act as a guest speaker at various future events and visit the institution. His office indicated they had received the letters.



Concern over the possible impact of the proposed name change prompted donors such as the Het Jan Marais Nasionale Fonds to visit and discuss a name change and the ATM's future funding on 7 July 2022. The international community from the Low Countries was equally concerned. This could be deduced from a meeting with Geraldine Reymenants, a representative of the Flemish government in South Africa. On the local front, the ATM's Chairperson and Director met with the Pan South African Language Board (PANSALB) on 5 July 2022. In a presentation, the mandate of the ATM, activities, background to a possible name change request and possible future cooperation between the two public entities were highlighted.

### **Covid-19 Recovery Plan**

A presentation on the annual report for the 2021/2022 finances was made to the Portfolio Committee for Sport, Arts and Culture on 14 October 2022. Council members and Ms Shandry de Jager (Financial Officer) also attended the virtual meeting. After the presentation, several questions were put to the Director. Members of the Portfolio Committee focused particularly on information provided in the presentation and on questions from previous financial years. A specific request had been made to the institution to compile a Covid-19 recovery plan. The proposed plan was presented and approved during the Council meeting on 2 December 2022.

The compiled ATM Covid-19 recovery plan looks at, among other things, some of the internal and external challenges facing the ATM; the fact that the ATM's income consists largely of government funding (about 85%); diversifying income sources; the use of technology; and building strategic partnerships. The Management also compiled a business plan modelled on the recovery plan, and the plan has already been sent to new, potential donors. The possibility of establishing a 'Friends of the ATM' is also being investigated.

Organisations in the private sector that previously made donations to the ATM are more reluctant to donate money to a government institution. As a result, consideration was given to establishing a non-profit organisation or trust that could be known as 'Friends of the ATM'. This organisation will then receive the donations and finance the projects in collaboration with the ATM. Instead of a new organisation or trust being established, we investigated whether the Historium Trust could fulfil the purpose. According to the existing trust deed, the ATM is the main beneficiary (the trustees are not beneficiaries); the trust deed also stipulates that the Director of the ATM must always be a trustee. A proposal was unanimously accepted by the ATM Council and the trustees of the Historium Trust that donor fees and donations will in future be administered by the Trust.

### **Litigation Case**

The institution was approached by De Villiers National Cycling on 25 May 2022 to lease the Amphitheatre (on the slopes of the Paarl Mountain) to host Steve Hofmeyr concerts on 4 and 5 February 2023. On 27 June 2022, the ATM's Coordinator: Visitor Services and Events, asked for the written confirmation of the leasing agreement and at the same time informed De Villiers National Cycling that no marketing can take place without the signed agreement. On 1 July 2022, after the Council meeting, the Director informed the Coordinator: Visitor Services and Events that he had learned that marketing of the concerts had already started without the finalisation of the agreement. In response, the coordinator sent a letter to the lessee in which she requested that the advertisements be removed.

Despite several requests to change the advertisement's wording, the lessee continued to indicate that the concert would take place at the Monument (and not the Amphitheatre). The institution was forced to issue a notice to the lessee on 7 September 2022. In the notice, De Villiers National Cycling was reminded of clause 7.1.3 of the lease agreement according to which all marketing material and related marketing activities in respect of the use of the Amphitheatre should be submitted to the ATM for written approval BEFORE it is used. In terms of clause 7.1.4 only the name 'Amphitheatre' may be used for marketing purposes and in terms of clause 7.1.5 it must be clear at all times that the function is offered by the lessee/events company and not by the ATM. An advertisement and related material for the function was published, inter alia, without prior submission and written approval by ATM, with the words 'Afrikaanse Taalmonument' on it and in a manner that make it appear as if the ATM is hosting the function.

These actions amounted to a breach of contract and in terms of clause 19.1 of the lease agreement, De Villiers National Cycling was warned to rectify the breach of contract within three (3) days. De Villiers National Cycling did not do so.

On 8 September, the Council called a special meeting to discuss a letter from Mr Des Bailes. Mr Bailes is a community activist who speaks out strongly against the political statements of Hofmeyr; he threatened that he would contact the Minister of Sport, Arts and Culture if the lease agreement was not cancelled by 30 September. Depending on the possible actions and the fact that the institution's reputation could be adversely affected by a possible, if untrue, association with Hofmeyr, the Council made a unanimous decision to cancel the agreement. Therefore, on 13 September 2022, the ATM cancelled the agreement in terms of clause 19.1, read with clause 19.1.2, of the agreement. De Villiers National Cycling declared a dispute and several letters were received from its lawyer, on 14 and 16 September 2022. In response, Boy Louw Attorneys Inc. was appointed to act on behalf of the ATM.

The litigation, De Villiers National Cycling v ATM, intended to obtain a court order to force the ATM to stick to the lease agreement or pay damages for any financial losses and reputational damages suffered by De Villiers National Cycling. The court case was due to take place in the High Court in Cape Town on 6 October 2022 but was postponed until 7 November and later until 29 November 2022.

In the meantime, the ATM's lawyers appointed an internet expert to show that De Villiers National Cycling could indeed have taken steps to correct the clauses in the contract that it had violated. De Villiers National Cycling had initially agreed to take the necessary steps to correct or remove the non-approved advertisements already on the internet.

The Audit and Risk Committee expressed its concern about the possible reputational damage that the ATM may suffer as a result of the advertisements placed by De Villiers National Cycling. Following this, the Committee requested the possible appointment of an external service provider who could prepare preventive media strategies.

However, on 13 December 2022, Judge LG Nuku delivered a judgement in favour of the ATM and dismissed the application with costs. He also sharply criticised De Villiers National Cycling's actions, as can be read in his judgement of case number 16294/2022 online. De Villiers National Cycling was forced to move the concert to another venue. On 31 December 2022, in response to queries and erroneous social media postings, the ATM posted a media release to state the institution's side of the matter. The public was also informed that the institution's management and council were satisfied with the court ruling and considered the case closed. De Villiers National Cycling abandoned its attempt to appeal the case in early February 2023.

## **Infrastructure**

The outdated infrastructure, which does not meet modern occupational safety and health compliance requirements or the user needs of the institution, is still a challenge and of concern. Through regular reporting and meetings, whether in person or virtually, there are attempts to find solutions. For the first time, on 13 October 2022, during a meeting between the ATM, the Department of Public Works and Infrastructure (DPWI) and the Department of Sport, Arts and Culture (DSAC) the institution was asked to make a presentation regarding the maintenance needs and planned capital works projects. A cooperation agreement is envisaged, where the annual maintenance budget for the ATM will be transferred from the DSAC to the DPWI to handle all maintenance works. Finalisation and implementation of the cooperation agreement will significantly ease the pressure on the staff responsible for obtaining service providers and quotations.

Concerning the capital works, the appointment of a project manager has been finalised. The project manager will assist the institution with the implementation of the User Asset Management Plan (UAMP), write specifications and oversee projects such as the replacement of the electrical infrastructure at the Museum, Monument and Amphitheatre, the installation of emergency generators at the sites, as well as the construction of the workers' cloakrooms. Technical drawings for erecting the workers' cloakrooms were also completed by the appointed architect.

Progress with the eradication of invasive alien plants and the maintenance of fire breaks in terms of the National Environmental Management Biodiversity Act, 2004 (Act 10 of 2004), which is the responsibility of the owner, the DPWI, was boosted by the completion of the final invasive species management plan. Greenspiration, a service provider, was appointed to draw up an invasive species control plan for the 101 hectares on the slopes of Paarl Mountain and submitted the final plan with the identification of invasive species, guidelines for removal of these species, rehabilitation, maintenance and the resultant cost savings. The plan has been handed over to the property manager of the DPWI. We are awaiting comments and approval. In the meantime, correspondence has been received from landowners regarding the creation of fire breaks at the neighbouring farms Picardie, Laborie, Hou Moed and De Hoop.

Illegal use of the property by neighbouring landowners, as confirmed by the report of the surveyor appointed in January 2021, was also brought to the attention of the DPWI.

### Public Programmes



*National Women's Day 2022*

Allow me the opportunity to highlight some highlights on the events calendar for 2022/2023. In celebration of National Women's Day, the ATM, Historium Trust and the Cape Winelands District Municipality (KWDM) selected 16 women from the various local municipal areas and honoured their respective contributions to their communities.

As a first for ATM, the music concert 'Gospel in Jou Taal' was presented in the Amphitheatre during which artists from various religious services performed. The idea is to expand this concert into one of the most popular events on the Western Cape's events calendar.



*Reading project and educator training in Touws River - 2022*

The 'Let's Read' project reached new heights with the purchase of books, thanks to the donation from the Hiemstra Trust. The books were distributed in the Touws River and West Coast areas. Educators at several schools in the Touws River area were trained during a programme presented and sponsored by the Afrikaanse Onderwysnetwerk (AON). The AON is committed to and involved in strengthening mother tongue teaching in Afrikaans. The training aims to enable learners to improve their reading skills. Grade 2 and 3 teachers were invited and the focus was on getting learners who struggle with reading to the level where they will learn to read with ease. At the end of the course, each educator received a teacher's guide and 39 posters, as well as enough learning material for 30 learners.



The author, translator and son of Paarl Kirby van der Merwe's latest novel 'Eugene' was launched during a free event in collaboration with the Historium Trust and NB Publishers at the Monument. A conversation between him, the ATM's director and the chairman, gave guests a fascinating insight into this journalist author and his book.



*Language Day panel discussion - 2022*

The ATM, in collaboration with the Historium Trust and the CJ Langenhoven Memorial Trust, offered a panel discussion to celebrate Language Day. The theme dealt with how relevant the statement "Afrikaans is a White

man's language", as made by CJ Langenhoven, was and is. Current issues regarding the well-being, development and challenges in Afrikaans were thrown open for discussion. The all-female panel consisted of language experts, representatives of the CJ Langenhoven Memorial Trust as well as a descendant of CJ Langenhoven. They were Eureka Barnard, Dr Jo-Mari Anne Nel, Dr Anastasia de Vries and Willemien Brümmer. Jo-Mari Anne Nel's book, 'Stof van die Richtersveld', was also launched.

The 2022 Marie Luttig Memorial Lecture on 17 August 2022 provided a background on the origin and history of Afrikaans, the state of Afrikaans, the role of language and cultural organisations, the role of the community as shareholders and concluded with possible strategies to position Afrikaans as an inclusive language.

### **Public Relations, Community Engagement and Strategic Partnerships**

The ATM's visibility, management of shareholders, and public and community involvement have been significantly increased by the Management's attendance at various events, involvement in and service on various boards and participation in media interviews.

### **Staff**

In the year of reporting, the institution experienced various challenges regarding personnel matters, including misconduct, abuse of leave, and resignations.

#### **Misconduct**

Mr Ronald Abrahams, a terrain worker at the Taalmonument, was charged with misconduct for rudeness, abusive language and threatening behaviour towards the Director and the Coordinator: Visitor Services and Events in the visitor centre of Taalmonument. Complaint number two was that he was influencing and/or inciting colleagues against the Management of the Language Monument. This type of behaviour violates his employment contract [Clause 21: Rules and Regulations, The Rules of the Employer Clause 1 (1.6) and (7.14) ] and is a breach of ATM's Code of Conduct for Employees [Clause (4.3) that deals with the relationship between employees]. The disciplinary hearing of Mr Abrahams took place on Friday, 6 May 2022. He was found guilty regarding the first charge and received a final written warning.

#### **Abuse of leave**

The abuse of leave, by terrain workers in particular, continued during the reporting period. A decision was made that the management of leave must be guided by policy and procedures, in line with the Basic Employment Conditions Act. The Remuneration and Human Resources Committee, in consultation with ATM council member Mr Jurie Saal, an expert on human resources management, reviewed the existing policy and procedures and recommended that the leave section in the existing Human Resources Policy is removed and treated as a separate policy.

#### **Resignations and appointments**

In the 2022/2023 financial year, the institution experienced a high staff turnover. The resignations of Janine Brown (Museum Officer), Divan Arendse (Terrain Worker), Jeffrey Petersen (Assistant: Marketing and Events) and Riana Dempers (Coordinator: Visitor Services and Events) were accepted by the Management. Howard Heneke (Facilities Officer) opted for early retirement.

These posts have all been filled in the meantime, as have the vacant posts of the Educational Officer and Site Supervisor.

Finally, I would like to take this opportunity to thank the staff for their dedication, perseverance and selfless service to the institution. The staff is indeed the greatest asset of the institution. I would also like to thank the Council for their oversight role and expertise that we can always rely on.



**Mr MJ Jonas  
DIRECTOR  
Die Afrikaanse Taalmuseum en -monument  
31 July 2023**

#### 4. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

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

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the ATM.

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2023.

Yours faithfully



**Mr MJ Jonas**  
**DIRECTOR**  
**31 July 2023**



**Adv JJ Meiring**  
**CHAIRPERSON**  
**31 July 2023**



## 5. Strategic Overview

### 5.1 Vision

The ATM's vision is to expand it into a dynamic and inclusive institution that promotes the linguistic diversity of Afrikaans within the context of a multicultural society.

### 5.2 Mission

The mission of the ATM is to:

- Promote the diversity of Afrikaans through inclusive programmes and activities.
- Digitalise information to better conserve and increase access to it.
- Create an environment in which different Afrikaans role-players interact with each other to achieve social cohesion.
- Reach out to other indigenous language communities and entities through educational programmes and cultural activities.
- Research 'ignored' or displaced histories of Afrikaans, and sharpen its focus on African knowledge-learning systems as part of a larger decolonisation process.
- Promote mutual respect and tolerance between members of the Afrikaans language community to facilitate a stronger shared cultural identity.
- Manage the institution on sound and transparent financial and management principles that will establish it as a leading and recognised role-player in the heritage sector.
- Protect, conserve and promote Afrikaans' diverse language heritage, cultural-historical buildings and heritage sites.
- Empower various cultural groups through workshops and programmes.
- Empower the staff and greater community.

### 5.3 Values

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

The ATM's values include:

- Striving for high levels of integrity, reliability, transparency and professionalism in what we do.
- Being tolerant and respectful in dealing with cultural groups and other indigenous languages.
- Striving for excellence in our work environment, as well as in what we offer to the public.
- Contributing to the empowerment of the South African society.
- Being creative and innovative in terms of the programmes and activities we offer.

## 6. Legislative and Other Mandates

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

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

In addition, the ATM's mandate is to:

- maintain the ATM's cultural-historical buildings and heritage sites and the heritage of Afrikaans in such a manner that nation-building and social cohesion will be achieved;
- collect and conserve, conduct research on, and portray, through exhibitions, the origin, development, benefit and expansion of Afrikaans, with a special focus on inclusiveness to address historical imbalances; and
- promote and stimulate Afrikaans nationwide at all levels of society, especially in disadvantaged communities, through lectures and publications, educational programmes, guided tours and cultural activities.

### Constitutional mandates

The following sections of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) are relevant to the ATM:

Section of Constitution	Responsibility of the ATM
Section 31: Rights of persons belonging to a cultural, religious or linguistic community	The ATM must ensure that its programmes and projects respect the cultural diversity of South Africa.

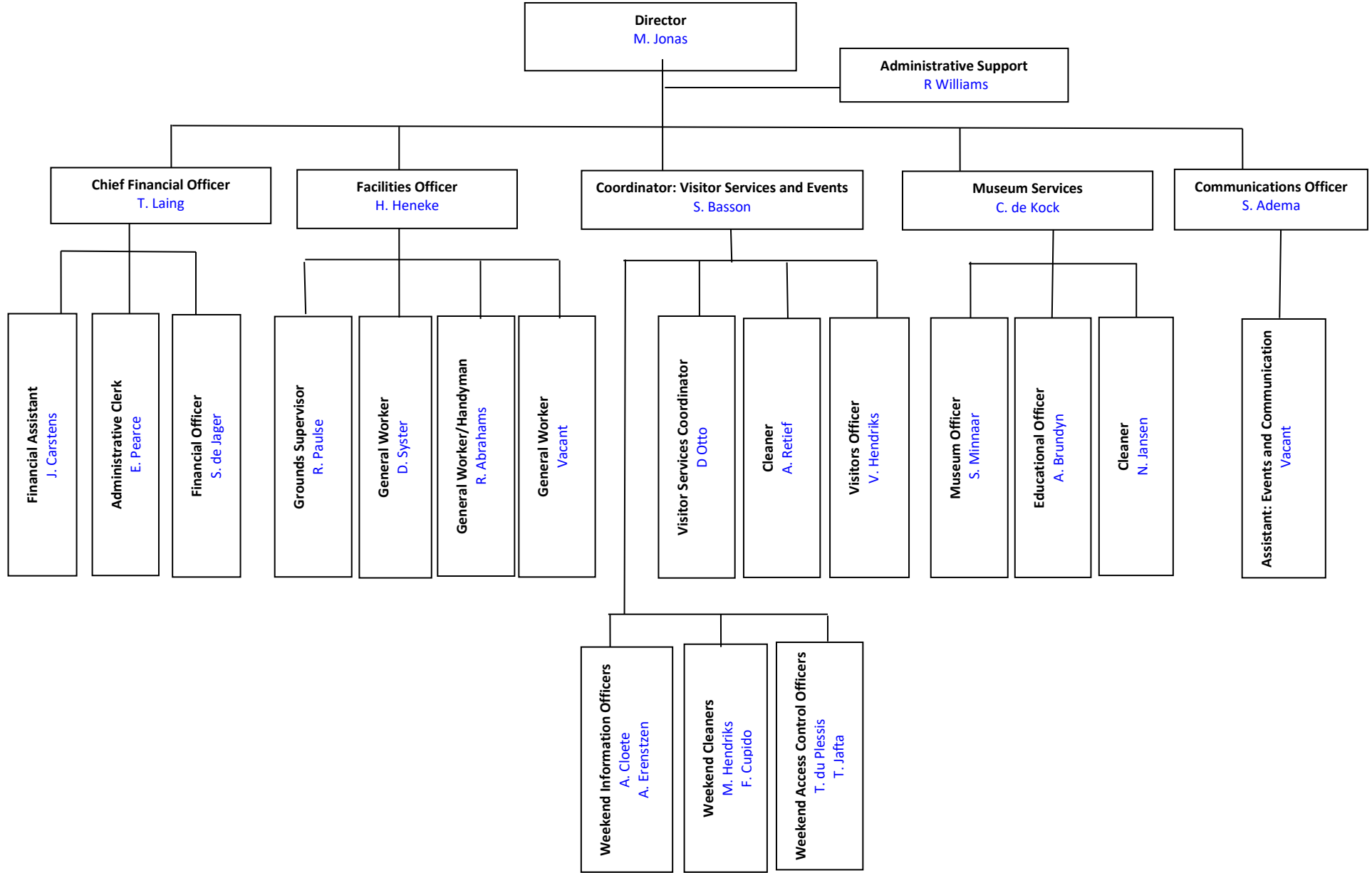
### Legislative and policy mandates

National legislation	Responsibility of the ATM
Cultural Institutions Act (Act No. 119 of 1998)	The ATM is governed by a Council appointed by the Department of Sport, Arts and Culture with duties prescribed in this Act.

### Institutional policies and strategies governing the five-year planning period

Policy	Responsibility of the ATM
Review internal policies	The ATM will review internal policies to determine if they are still relevant, and update them as necessary.

## 7. Organisational Structure



## Part B: Performance Information

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## **1. Auditor's Report: Predetermined Objectives**

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

Refer to page 78 of the Report of the Auditor's Report, published as Part F: Financial Information.

## **2. Overview of Performance**

Our fiscal resources will be allocated to exhibition reviews, research, collection management, and educational and public programmes. The number of outreach programmes to be undertaken varies continuously. Public programmes will focus on the educational and information needs of the respective audiences. The Garden Theatre at the Monument plays host to our picnic concerts in the summer. New research is being done to ensure the representativeness, scope and quality of our collections as well as of the research done on subjects relevant to the Afrikaans language.

### **2.1 Service delivery environment**

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

The Museum houses an exhibition that portrays the wide-ranging establishment and development of the Afrikaans language.

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

The large Amphitheatre forms a very special part of our entertainment division. It can host a crowd of up to 4 250 seated people and is used for concerts with popular artists and musicians.

## 2.2 Organisational environment

The ATM is governed by a Council, appointed for a three-year term by the Minister of Arts and Culture. The duties of Council, as described in the Cultural Institutions Act, 1998 (Act Number. 119 of 1998), are to:

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

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

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

## 2.3 Key policy developments and legislative changes

Council revised its heritage asset management, asset management, and supply chain management policies during the financial year. Council also approved two new policies, namely a policy for council meetings and remuneration for after-hours work. It is in the process of considering a policy for education, as well as a Protection of Personal Information (POPI) manual. Except for what was already stated, no other changes to policies and legislation had a significant impact on the ATM.

## 2.4 Progress towards achievement of institutional impacts and outcomes

### Municipal charges

The ATM has received extra funds from the DSAC to pay the local municipality for utility services - the expenses for municipal charges are disclosed under administrative expenses. The ATM is responsible for three of the six municipal accounts (paid directly to the local municipality), while the Department of Public Works and Infrastructure (DPWI) is responsible for the other three accounts and claims these payments from the ATM. The risk remains that DPWI will not make regular payments, which will put the ATM at risk of being without basic services. The grant received is reflected under conditional grants for municipal expenses.

### Leasing of private property

The ATM has a shortage of office space for its staff and has been leasing office space in a building next to the Museum for which the DPWI has been making payments on behalf of the ATM. From 2018/2019, the ATM has received extra funds from the DSAC to pay the rent and is paying this over to the DPWI. The grant received is reflected under the conditional grants for office space, and all expenses are disclosed under administrative expenses.

### **Personnel expenditure**

The ATM has 21 approved positions of which 18 are filled with permanent staff members, 1 is a part-time staff member and 2 positions have not been filled. In total, the ATM has a staff complement of 18 permanent staff members, 6 casual workers and 1 contract staff member. Of the 18 permanent staff members, three are on probation during the first six months of the new financial year as they are new appointments.

The total staff cost was about 48% of the total expenses for the 2022/2023 financial year. Before the global Covid-19 pandemic, the ATM was able to allocate monies towards a study fund for staff members who want to study but do not have the funds or are unable to get a loan from a financial institution. Unfortunately, the ATM was unable to include it in its budget for the 2022/2023 financial year. Even so, the ATM encourages its staff to do training and learn new skills.

### **Goods and services**

This year the ATM spent approximately 52% of the total expenses on ensuring that we have a skilled workforce, comply with the necessary regulations, ensure effective core functions are fulfilled, and achieve strategic goals and key outcomes. The ATM has been working hard to attract more visitors and, in doing so, receive more revenue. This was done by hosting full moon picnics, stargazing evenings and picnic concerts. Up-and-coming as well as more established artists were invited to perform at the Monument, with the focus on inviting more up-and-coming artists for the picnic concerts. This also empowers these (often local) artists and offers them a larger platform. As the ATM's facilities are in the open air, the main challenge remains the weather. Restrictions that the ATM faced are the limited space in the Garden Theatre, but still aims to keep these events affordable for South African families. The restriction had a direct impact on both the revenue and the expenditure.

All the profits (if there are any) are utilised to further the ATM's projects. One of these is the 'Let's Read' literacy project that the ATM initiated a few years ago. The project's aim is to promote a culture of reading and awaken a love of books, and to create an environment where children feel at home with literature. This is mainly aimed at rural schools without reading facilities and libraries. The ATM also received a donation for this project and used it to buy curriculum-based reading books for primary school children. These books were donated to three schools during the 2022/2023 financial year.

This year the ATM hosted a gospel show at the Amphitheatre, although the event was not as well-attended as expected. It was also rented to an interested party that held a show in March 2023. The ATM had rented the Amphitheatre to an interested party who wanted to host a two concerts at the Amphitheatre in February 2023. After the contract was signed, the lessee breached three clauses and the contract had to be cancelled. The party declared a dispute and went to the High Court to force the ATM to honour the contract despite the breaches, but the court found in favour of the ATM with costs. The costs still need to be determined by the court, which the other party will then need to pay to the ATM.

It is also important for Management that the Monument should be a safe place to work at, and more importantly, to visit. During the financial year, the ATM experienced vandalism and theft to and at its facilities. The extent of the vandalism and theft was less than the previous financial year. However, the ATM could only perform minimal repairs after the vandalism and thefts due to limited funding available.

The general infrastructure of the Museum, Monument and Amphitheatre also remains a concern for Management as it is almost 50 years old. The Museum building is in dire need of urgent repairs (electricity, floors, gutters and interior walls). The Amphitheatre's structure has a structural crack in the roof of the artists' quarters that has to be patched after every winter to remain usable. The Monument's water supply (pipes and reservoir) also needs to be refurbished or replaced. The electricity supply to the Monument and Amphitheatre remains a concern; therefore the ATM bought an emergency generator as a backup if the supply is cut off. Water is pumped to the Monument and Amphitheatre, but without electricity, our staff members and visitors will not have any water while at the Monument and Amphitheatre.

An electrical engineer was contracted in 2020 and determined that the ATM will be able to link an emergency generator to the current electrical grid of the Taalmonument and Amphitheatre, but not a backup generator. The electrical distribution board and wiring are more than 45 years old, and the distribution board (installed under the Taalmonument) has deteriorated due to the wet conditions from cracks that had formed in the Monument. These cracks will, in the long run, compromise the integrity of the structure. A structural engineer was contracted in 2018, and the report we received was sent to the DSAC.

The ATM appointed a service provider who compiled an invasive species plan for the grounds of the Taalmonument, which was finalised by the end of March 2023. This will enable the ATM to tackle the invasive plants and trees, by commencing with the removal thereof as well as the rehabilitation of the area. Unfortunately, the cost estimate is beyond the capacity of the ATM and the plan was sent to the DPWI and DSAC for implementation.

### **Exhibitions**

The visitor centre at the Monument hosts exhibitions; they are an extension of the exhibitions at the Museum. The visitor centre also controls visitor flow, enquiries and visitor administration. Furthermore, its lecture hall serves as a place where groups can be informed about the different activities and aspects concerning the heritage of Afrikaans and the language's contribution to nation-building and social cohesion.



### **3. Institutional Programme Performance Information**

#### **3.1 Programme: Administration**

This programme comprises all operational costs and support structures of the ATM that are not already included in the other programmes.

Strategic objectives relating to this programme and which are reported on are as follows:

- Entrance to the Museum and Monument
- Human resources management
- Property management
- Applicable legislation

#### **Outcomes, Outputs, Output Indicators, Targets and Actual Achievement**

##### **Access to the Museum and Monument**

The ATM serves as a contact zone and a place of gathering where diverse communities of Afrikaans and other languages meet during offerings such as full moon picnics, stargazing picnics and music concerts. For 2022/2023, the ATM was able to exceed on reaching the target that was set. This was due to being able to host its picnic evenings (full moon, stargazing and concerts) without restrictions, as well as being able to host school groups.

##### **Human resources management**

The ATM strives to have a well-trained staff complement and encourages them to attend training opportunities. This will equip them to be able to further excel in their daily tasks. The staff attended various training opportunities to enhance their skills.

##### **Property management**

The staff focused on smaller maintenance work projects during the financial year. The ATM started with the compilation of a plan for the removal of invasive plants and trees, as well as maintaining fire breaks on its property in 2021/2022 and continued during 2022/2023. The final plan was handed to the ATM at the end of March 2023; this plan was shared with the DPWI as the ATM cannot implement it due to capacity constraints.

#### **Strategic objective 1: Entrance to the Museum and Monument**

This strategic objective reports on the number of the visitors we receive per year, as well as the number of picnic events and concerts. The aim is to increase the number of visitors by 2% per annum.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Entrance to the Museum and Monument								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To increase visitors and revenue at the Museum & Monument	Increase visitors by 2% per annum on average	Number of visitors, per annum	16910	36586	40000	50527	10527	Target exceeded. The ATM held educational programmes for more school groups than was initially planned and hosted picnics for which there were no restrictions
	Number of events and concerts per annum	Number of picnic events and concerts, per annum	10	16	12	14	2	Target exceeded. Concerts were held in addition to the planned stargazing and full moon picnics

The ATM has virtual tours on its website, is communicating daily with the public via social media, and is looking at different ways of presenting more of its programmes and events online. Furthermore, the ATM has been offering discounts to its local community and very affordable annual entry permits to all regular visitors.

It has been challenging to set targets which involve the prediction of visitor trends, as in the previous year the ATM barely reached its set target, given the Covid-19 pandemic. The ATM compared the visitor numbers in the 2019/2020 and 2021/2022 financial years to predict the number of visitors that the ATM might expect. This is done during the first half of a financial year, but visits to both the Taalmuseum and the Taalmonument are very seasonal. Visits to the Taalmonument are also dependent on the weather as this is an open-air terrain. If it is extremely hot in the summer, visitors will rather visit the beach, and if it is rainy or cold in the winter, visitors will not visit the Taalmonument.

**Strategy to overcome areas of underperformance**

None

**Changes to planned targets**

\* Adjusted its target for visitor numbers due to restrictions in movement as a result of the Covid-19 pandemic in 2020/2021.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Events and concerts	318	547	-229	308	415	-107
Total	318	547	-229	308	415	-107

**Strategic objective 2: Human resources management**

This strategic objective reports on ensuring that staff are well trained and regularly evaluated to achieve a higher level of service delivery.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Human Resources Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To maintain a 100% evaluation rate and ensure well-trained staff	Evaluation schedule	Number of staff performance evaluations done, per annum	2	2	2	2	0	Target achieved
	HR plan for training	Coordinate and manage training, per annum	17 training interventions	4 training interventions	6 training interventions	7 training interventions	1	Target exceeded Received training for a liquor licence, which was not planned for

The ATM strives to ensure that all staff members are evaluated twice a year and are well-trained. When training opportunities present themselves and the ATM and its staff will benefit from them, these opportunities are seized upon.

**Strategy to overcome areas of underperformance**

None

**Changes to planned targets**

None

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Coordinate and manage training, per annum	73	21	52	71	41	30
Total	73	21	52	71	41	30

**Strategic objective 3: Property management**

This strategic objective reports on ensuring presentable buildings, well-kept gardens and conserving the fynbos according to an annual property maintenance work programme.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Property management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To adhere to the annual property maintenance programme	Annual repairs and maintenance done as per the annual work programme	Annual repairs and maintenance completed* - Museum - Monument - Amphitheatre - Parking area - Hiking trails	Completed: Repairs – 2 Maintenance – 9 Total: 11 instances	Completed: Repairs – 4 Maintenance – 6 Total: 10 instances	Completed: 5	Completed: Repairs – 5	0	Target reached
	Annual eco-management plan managed according to work programme for eco-management	Annual eco-management plan completed* - Water ditches cleaned - Invasive alien trees cleared - Firebreaks cleared	Completed: 30 Jun 30 Sep 30 Sep	Completed: 30 Jun 31 Oct 30 Sep	Completed: 30 Jun 31 Oct 30 Sep	Completed: 30 Jun 31 Oct 30 Sep	0	Target reached

The ATM strives to ensure that all its buildings are presentable, gardens are well-kept and the fynbos conserved according to an annual property maintenance work programme. Regular inspections by staff ensure that this is achieved.

**Strategy to overcome areas of underperformance**

None

**Changes to planned targets**

None

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property Management	489	259	192	6481	881	5600
Total	489	259	192	6481	881	5600

**Strategic objective 4: Applicable legislation**

This strategic objective reports on ensuring full compliance with applicable legislation.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Applicable legislation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To fully comply with applicable legislation	Annual performance plan	Annual performance plan	1 plan	1 plan	1 plan per annum	1 plan	0	Target reached
	Quarterly reports	Quarterly reports	4 reports	4 reports	4 reports per annum	4 reports	0	Target reached
	Performance information and financial statements audited	Performance information and financial statements audited	1	1	1 per annum	1	0	Target reached
	Annual report audited	Annual report audited	1	1	1 report per annum	1	0	Target reached
	Strategic plan	Strategic plan	0	0	0	0	0	-
	Financial management systems and procedures updated	Financial management systems and procedures updated	1 updated	0 updated	1 updated per annum	1 updated	0	Target reached
	Number of policies reviewed	Number of policies reviewed	1 reviewed	2 reviewed	4 reviewed per annum	3 reviewed	-1	Target not reached Compiled new policy instead of reviewing existing policies
	Enterprise risk management plan reviewed	Enterprise risk management plan reviewed	1 plan	1 plan	1 plan reviewed per annum	1 plan	0	Target reached

The ATM strives to ensure compliance with various applicable regulations. During the 2022/2023 financial year, the ATM reviewed its policies regarding heritage asset management, supply chain management and asset management. A new policy for meetings of Council was compiled and approved.

**Strategy to overcome areas of underperformance**

None

**Changes to planned targets**

Targets in the strategic plan for 2020-2025 were adjusted to reflect measurable targets as the percentages were not clearly defined.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Applicable legislation	14	8	6	21	10	11
Total	14	8	6	21	10	11

### 3.2 Programme: Business ventures

This programme comprises various public and fundraising programmes, as well as information regarding the ATM's collections.

Strategic objectives relating to this programme and which are reported on, are as follow:

- Funding and marketing
- Public programmes and communication
- Collection management
- Research

#### **Outcomes, outputs, output indicators, targets and actual achievement**

##### Fundraising and marketing

The ATM was able to host all its skills development courses that it had planned for the financial year. This includes photography and bookbinding courses.

##### Public programmes and communication

The ATM offered various public programmes focused on adults and youths during the financial year.

##### Collection management

The ATM collects valuable and relevant documentation, artefacts and books for purposes of reference, research and display, and documenting them in a digital register. It also conserves them for the future through restoration, repair, cleaning and care under proper climatic conditions and accepted museology standards, according to the ATM's conservation policy. The ATM is digitising a part of its collection; this project will be a long-term one with various phases and over succeeding financial years due to the complexity of digitising some of the rarer items.

##### Research

The ATM has a few ongoing research projects which span over a few financial years.

#### **Strategic objective 5: Fundraising and marketing**

This strategic objective reports on the presentation of fundraising events and skills development courses.

#### **Key performance indicators, planned targets and actual achievements**

Strategic objective: Fundraising and Marketing								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Present skills development courses to generate additional funds	Number of courses per annum	Number of fundraising events per annum	0	0	1	1	0	Target reached
		Number of skills development courses per annum	3	4	4	4	0	Target reached

**Strategy to overcome areas of underperformance**

None

**Changes to planned targets**

- \* No longer offering fundraising events with other partners, except our Night Race partners.
- \* Minimising the number of courses offered as we want to focus on subjects relevant to our mandate, and interest in heritage subjects is limited.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Fundraising and marketing	70	69	1	55	57	-2
Total	70	69	1	55	57	-2



**Strategic objective 6: Public programmes and communication**

This strategic objective reports on promoting the institution at all levels of society by offering public programmes through hosting several special days.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Public Programmes and Communication								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To develop public awareness of our institution and to encourage the public to visit us	Number of special days per annum	Number of special days for adults per annum	5	6	7	7	0	Target reached
		Number of special days for the youth per annum	-	-	7	8	1	Target exceeded Additional special programme held for youth in collaboration with another entity
		Sponsor-A-Bus project: number of groups transported	0	1	1	1	0	Target reached

**Strategy to overcome areas of underperformance**

The ATM strives to host quality public programmes which will be enjoyed by all. When opportunities present themselves, the ATM will seize them to present or host public programmes.

**Changes to planned targets**

- \* Public programmes will be referred to as special days.
- \* Public programmes have been split to represent events for adults and those for the youth.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public programmes and communication	275	259	16	200	175	25
Total	275	259	16	200	175	25

**Strategic objective 7: Collection management**

This strategic objective reports on collecting valuable and relevant documentation, artefacts and books for purposes of reference, research and display, and documenting them in a digital register. Also, to conserve them for the future through restoration, repair, cleaning and care under proper climatic conditions and accepted museology standards, according to the ATM's conservation policy.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Collection Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Ensuring the preservation of artefacts, documents and books for the future	Electronic catalogue for artefacts, books and documents  Inspection registers for collection, archive and exhibition	Number of artefacts acquired per annum	7	0	0	0	0	-
		Number of conservation, preservation and maintenance activities for Museum collection	12	19	6	16	10	Target exceeded Various archival books were restored
		Maintaining the register for the textile collection per annum	6	8	8	8	0	Target reached
		Maintaining the register for inspection of the archives per annum	7	8	8	8	0	Target reached
		Maintaining the register for climatic conditions in archives per annum	61	50	50	50	0	Target reached
		Maintaining the register for inspection of the total exhibition per annum	11	12	12	12	0	Target reached
Ensuring collections are managed according to current museum standards	Up-to-date policy according to relevant museum standards	Review/develop policy	0	0	1	1	0	Target reached

**Strategy to overcome areas of underperformance**

The ATM strives to ensure that its collection is well-preserved per international archival standards. Regular inspections by staff ensure that this is achieved.

**Changes to planned targets**

- \* As the ATM has a closed collection and limited archive space, all acquisitions of artefacts are limited to donations only.
- \* The ATM performed a complete audit of its archive in 2017/2018, which resulted in certain items being identified to be repaired. Due to limited funds available, the repair of the identified items will be done as funds become available.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Collection Management	7	0	7	7	0	7
Total	7	0	7	7	0	7

**Strategic objective 8: Research**

This strategic objective reports on widening horizons for the benefit of the community as a whole, and making results of research known as widely as possible.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Research								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Dissemination of research results in various formats	Produce content for website/Facebook	Number of articles written or lectures presented per annum	2	3	4	4	0	Target reached
		Number of active research projects per annum	4	3	4	9	5	Target exceeded Some of the research activities that were ongoing in 2021/2022 were completed in 2022/2023
		Number of history snippets written for website/Facebook per annum	9	9	8	8	0	Target reached

**Strategy to overcome areas of underperformance**

The ATM regularly communicates relevant information regarding Afrikaans, multilingualism and the ATM itself.

**Changes to planned targets**

No changes were necessary.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research	31	0	31	229	226	3
Total	31	0	31	229	226	3

### 3.3 Programme: Public engagement

This programme comprises our public engagement through exhibitions and educational programmes.

Strategic objectives relating to this programme and which are reported on are as follow:

- Exhibitions
- Education

#### **Outcomes, outputs, output indicators, targets and actual achievement**

##### Exhibitions

The ATM was able to host several temporary exhibitions in the Green Gallery as well as a new permanent exhibition of the builders of the Taalmonument.

##### Education

The ATM was able to host its educational programmes at the Taalmonument and Taalmuseum during the financial year.

#### **Strategic objective 9: Exhibitions**

This strategic objective reports on conveying information to the public by means of exhibitions.

#### **Key performance indicators, planned targets and actual achievements**

Strategic objective: Exhibitions								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To convey information to the public through exhibitions	Exhibitions on display	Number of exhibitions held or updated per annum	3	5	4	4	0	Target reached

#### **Strategy to overcome areas of underperformance**

The ATM hosted 4 'Groen Galery' exhibitions (temporary open-air exhibitions) during 2022/2023. Displaying exhibitions is one of the core functions of a museum, and the ATM also displays the exhibitions virtually to make it available to the whole world.

#### **Changes to planned targets**

None

#### **Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Exhibitions	108	15	93	181	17	164
Total	108	15	93	181	17	164

**Strategic objective 10: Education**

This strategic objective reports on liaising with relevant educational institutions, and to reach as many schools as possible through outreach programmes.

**Key performance indicators, planned targets and actual achievements**

Strategic objective: Education								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
To educate, and to liaison and undertake outreach programmes to reach as many schools as possible	Liaise and invite schools by means of via a database	Number of school tours conducted per annum	0	51	40	102	62	Target exceeded Due to partnerships with other institutions for special days, more schools were invited. The Department of Education allows school groups to go on educational excursions again
		Number of educational programmes developed per annum	2	3	2	2	0	Target reached
		Number of educational programmes upgraded per annum	2	3	0	0	0	Target discontinued as the ATM will focus on e-programmes and e-learning
		E-programmes/ -learning per annum	0	0	2	2	0	Target reached
	Schools apply for sponsorship	Sponsor-A-Bus project:	0	22	16	30	14	Target exceeded Due to external

	ps	number of school groups transported per annum						and partnerships with other institutions, more schools were invited to attend special programmes
	Reading campaign through reading groups	Language projects: Established reading group per annum	0	0	2	3	1	Target exceeded External funding received and a school identified for which books were donated
	Writing and public speaking competitions to stimulate learners' creativity and teach them techniques for public speaking	Number of competitions held for learners per annum	0	2	2	2	0	Target reached
	Provide access to the Museum's activities	Number of outreach projects per annum	1	3	2	2	0	Target reached

**Strategy to overcome areas of underperformance**

The programmes that the ATM presents to the groups are based on the curricula for the specific grades, which makes it an extension of the classroom.

**Changes to planned targets**

- \* During 2020/2021, changes to three of the planned targets had to be made due to the Covid-19 pandemic. The targets for school tours at the Taalmuseum and Taalmonument, and the sponsoring of busses for schools and competitions had to be adjusted due to restrictions in movement and the uncertainty whether schools would be able to do field trips. The targets were only adjusted slightly for 2022/2023 as the ATM barely managed the target for 2021/2022. Some of these targets will be re-evaluated during the 2023/2024-financial year as schools may again do field trips as before the pandemic.
- \* The ATM decided to focus on e-programmes and e-learning for its educational programmes. Upgrading of educational programmes will form part of the e-programmes and e-learning initiatives.

**Linking performance with budgets**

Sub-programme name	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Education	207	289	-82	144	165	-21
Total	207	289	-82	144	165	-21



#### 4. Revenue Collection

Sources of revenue	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Transfer received: DSAC	11939	12324	-385	17248	14107	3141
Entrance fees	1257	1338	-81	1074	884	190
Rent income received	378	473	-95	266	324	-58
Interest received	450	237	213	319	405	-86
Funding and marketing	63	244	-181	92	471	-379
Other income	61	176	-115	61	337	-276
<b>Total</b>	<b>14148</b>	<b>14792</b>	<b>-644</b>	<b>19060</b>	<b>16528</b>	<b>2532</b>

#### Comments on revenue collection

##### Transfer received from the DSAC

Every financial year the ATM receives a quarterly transfer from the Department of Sports, Arts and Culture (DSAC). From this quarterly transfer, we pay our staff and cover a part of the operating expenses of the Museum and Monument. Self-generated funds are used to cover the rest of the operating expenses and to generate additional funds. The ATM did not only receive a subsidy but also transfers for municipal expenses, operational costs, rental expenses and costs of compliance. During the previous financial year, the ATM also received capital works funding. Of these grants received, the funds for capital works, municipal expenses, rental expenses and cost of compliance are conditional grants, and therefore earmarked for these expenses.

##### Entrance fees

The ATM charges entrance fees at the Museum and the Monument. Apart from the subsidy we receive from the DSAC, this is normally our main income. The income we receive from entrance fees is used to cover most of the operating expenses and expenditures in terms of the ATM's core functions. We've seen an increase from 2021/2022 to 2022/2023 for the revenue generated through entrance fees. This correlates with the increase in visitor numbers as well. During 2022/2023 the visitors to the ATM increased compared to 2021/2022 but is still 22% less than in 2019/2020 (2019/2020: 64 899; 2020/2021: 17 030; 2021/2022: 38 525; 2022/2023: 50 527). This is inclusive of other events held during the 2022/2023 financial year.

##### Rental income received

The ATM also generates income through the monthly rental of the coffee shop on the premises of the Monument and ad hoc events held at the Amphitheatre. The Monument terrain is used by national and international companies for film and advertising productions, and wedding and other photo shoots.

##### Interest received

We receive interest on low-risk investments (fixed deposit, savings accounts and money market accounts). Due to the ATM being unable to spend most of the capital works funding received, the funds generated interest during the financial year and resulted in the ATM having an increase in the interest received. The interest that was received from the capital works funding will be allocated to the capital works projects.

#### **Funding and marketing**

Each year we apply to various possible private funding institutions for donations and sponsorships for specific projects. We received donations and sponsorships from private funders in 2021/2022 and 2022/2023.

#### **Other income**

Other income mostly consists of income generated from sales of merchandise and in part from the sale of assets that have been written off as well as from insurance claims. For 2022/2023 the ATM was paid out an insurance claim for vandalism and theft at the Amphitheatre. The money was used to repair the damage.

## **5. Capital Investment**

The ATM only has movable and heritage assets. Movable assets are only replaced when they are beyond repair or stolen. New movable assets are budgeted for and bought as needed. The ATM does not have capital assets.

The ATM received an allocation of R580 000 in 2019/2020 for the installation of an emergency generator. The project was halted when an electrical engineer evaluated the electrical infrastructure and determined that the infrastructure will not be able to support the emergency generator. He also determined that the current electrical infrastructure may pose a fire hazard. During 2020/2021, the ATM received a further allocation of R1 687 000, as well as R2 000 000 in 2021/2022, towards the installation of a generator as well as maintenance. The ATM procured an emergency generator while this project is underway.

The ATM also received an allocation of R3 000 000 in 2019/2020 and R1 500 000 in 2020/2021 for the construction of workers' cloakrooms. Draft plans were also presented to the DSAC. By the end of 2021/2022, the ATM submitted the final plans and cost to the local authority and heritage organisations for approval. Approval was obtained, but the plans that were submitted expired which left the ATM to resubmit the plans for approval. The architect who submitted the plans was unwilling to continue and the ATM had to readvertise for the services of an architect. A new company was appointed in the third quarter of 2022/2023. The ATM will appoint a new project manager during April 2023 who will be overseeing the project.

The ATM received an allocation of R3 736 090 for facilities management during 2021/2022. Besides buying an emergency generator, the ATM also replaced its irrigation system at the Taalmonument and Taalmuseum, and installed water tanks for rainwater. The wooden window frames of the coffee shop have been replaced with aluminium frames, and the paving area has been extended in front of the coffee shop to form part of a lookout point at the Taalmonument. The walkways of the parking area at the Amphitheatre have been upgraded, and the fencing around the parking area was replaced.

The ATM compiled an invasive species plan for the grounds of the Taalmonument, which was finalised at the end of March 2023. This enabled the ATM to identify the areas that need to be tackled to combat the invasive plants and trees by commencing with the removal thereof and the rehabilitation of the area. The ATM does not have the necessary funding to fully implement the plan and therefore shared the plan with the Department of Public Works and Infrastructure as the owners of the land.

The ATM has no plans to close or downgrade any of its facilities.

Maintenance is performed quarterly at the Museum and Monument, according to a work schedule.

Maintenance of the visitor centre is now the responsibility of the ATM, although there is still a warranty of approximately four years on the building. Because of the warranty, this responsibility will not have an immediate effect on expenditure, but it will certainly have an effect in the coming years.

The ATM uses the software program Pastel Evolution Fixed Assets to manage the database. The database is updated monthly and depreciation is calculated after the update. The assets are also counted quarterly through the sampling method, and a full count is done annually.

Condition of the buildings:

Visitors centre, Monument – fair (some cracks suggest that the foundation of the building may have shifted)

Coffee shop, Monument – good

Ticket office, Monument – good

Museum – fair (in need of electrical work, floors need extra stabilisation)

Amphitheatre – fair (in need of some maintenance like painting etcetera)

Infrastructure projects	2022/2023			2021/2022		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Workers cloakrooms	3454	-	3454	0	166	(166)
Emergency generator and maintenance	3877	-	3877	2000	390	1610
Maintenance	95	-	95	0	0	0
Infrastructure	1486	194	1292	3736	2090	1646
Total	8912	194	8718	5736	2646	3422

## Part C: Governance

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## 1. Introduction

Corporate governance embodies processes and systems by which the ATM is directed, controlled and held to account. In addition to legislative requirements based on the ATM's enabling legislation (the Cultural Institutions Act), corporate governance concerning the ATM is applied through the precepts of the Public Finance Management Act (PFMA) and according to the principles contained in the King's Report on Corporate Governance.

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

## 2. Portfolio Committees

### Dates of meetings

A meeting was scheduled for 14 October 2022.

### Areas of risk, and implementation of plans and actions

No areas of risk and implementation of plans and actions were discussed during 2022/2023, except a request for the ATM to compile a Covid-19 recovery plan. The plan was compiled and presented to Council on 2 December 2022 and approved by Council on 10 March 2023.

## 3. Executive Authority

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

Quarterly reports	1 <sup>st</sup> quarterly report	29 July 2022
	2 <sup>nd</sup> quarterly report	28 October 2022
	3 <sup>rd</sup> quarterly report	30 January 2023
	4 <sup>th</sup> quarterly report	28 April 2023

Feedback on the quarterly report was received from the DSAC bi-annually in the form of terrain visits. From 2014 quarterly reports were also submitted to National Treasury. The reports were submitted on the same dates mentioned above.

Annual Performance Plan	Final	31 January 2023
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Feedback on the Annual Performance Plan was received from the DSAC. No adjustments were made during 2022/2023 and submitted to Parliament

### Strategic Plan 2020-2025

For the 2020/2021 financial year, the Strategic Plan 2020-2025 is applicable and no adjustments were made during 2022/2023 and submitted to Parliament.

Annual Report	Final	31 August 2022
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The Annual Report was presented to Parliament.

Audit report and management report		29 July 2022
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Audit outcomes improvement plans	1 <sup>st</sup> feedback	28 October 2022
	2 <sup>nd</sup> feedback	30 January 2023
	3 <sup>rd</sup> feedback	28 April 2023

Estimated national expenditure	ENE database	7 December 2022
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#### 4. The Accounting Authority/Council

##### **Introduction**

Council should ensure that procedures are in place for monitoring and evaluating the implementation of its strategies, policies and business plans, as a measure of management and operational performance. Council also takes responsibility for the oversight of organisational performance management and reporting.

##### **The role of Council is as follows:**

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

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

##### **Council charter**

Council's Charter was reviewed, approved and signed on 2 July 2021.

##### **Composition of Council**

The ATM had a council consisting of nine members with a term of office from 9 December 2020 until 8 December 2023. Their term for 2022/2023 was from 1 April 2022 until 31 March 2023. Dr William Langeveldt fell ill during 2022/2023 and passed away on 11 January 2023. In 2022/2023 Council met five times.

##### **ATM Council 9 December 2020 – 8 December 2023**

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Board directorships (list the entities)	Other committees or task teams (e.g. audit committee / ministerial task team)	No. of meetings attended
Adv JJ Meiring	Chairperson	9 Dec 2020 – 8 Dec 2023		BA, LLB, BA Hons (Latin), BCL	Law; books and literature; publishing	Council member of Stellenbosch University; Member of advisory boards of Safflii and LitNet Akademies	N/A	5
Ms SP	Vice	9 Dec		Primary	Governance	South African	N/A	4

Tsoleli	Chairperson	2020 – 8 Dec 2023		Teacher Diploma, Advanced Certificate in Psychology of Education, Advance Certificate in Governance and Leadership, Post-graduate diploma in Governance	and Management	War Museum; Masechaba Tsoleli Empowerment Foundation		
Prof SM Beukes	Member	9 Dec 2020 – 8 Dec 2023		DLitt et Phil (Applied Linguistics)	Language planning and policy, language politics, language sociology, sociology of translation, sociolinguistics	CEO, SA Academy for Science and the Arts	Member of the Remuneration and Human Resources Committee	4
Dr L Munsamy	Member	9 Dec 2020 – 8 Dec 2023		PhD, MPA, Disaster Risk Management	Public Sector Management, Disaster Risk Management, Strategic Management, Project Management	Council member of National Museum; Chairperson of Pension Fund; Chairperson of Governance and Legal Committee of National Museum	Chairperson of the Remuneration and Human Resources Committee	4
Dr W Langeveldt	Member	9 Dec 2020 – 8 Dec 2023	11 Jan 2023 (deceased)	Doctor of Philosophy, Instructional Design and Technology, MA, Councillor Education and Student Development, Interaction Leadership Programme for Africans, Certificate of Achievement in Diplomacy, Psychometrist, Teacher: Higher Bilingual Certificate, BA Education, BA Arts, Primary Teacher's Certificate	Research (history of Southern Africa)	N/A	Member of the Remuneration and Human Resources Committee	2
Mr JJ Saal	Member	9 Dec 2020 – 8 Dec 2023		BA Hons (Linguistics), National Diploma in Technical Financial Accounting	Human resources; Labour relations; Audit	N/A	Member of Audit and Risk Committee	5

Mr L Adendorf	Member	9 Dec 2020 – 8 Dec 2023		BTech: Journalism National Diploma: Journalism	Compliance and Ethics Marketing	N/A	Member of Audit and Risk Committee	5
Mr S Maharaj	Member	9 Dec 2020 – 8 Dec 2023		BCom Hons BCompt, CA(SA)	Finance, Audit, Risk	Boxing South Africa	Chairperson of Audit and Risk Committee	2
Ms H Erdmann	Member	9 Dec 2020 – 8 Dec 2023		BA (Psychology, History, Geography), Art History undergraduate modules, Master's Degree, SU (in progress)	Art and photography curator	N/A	Member of the Remuneration and Human Resources Committee	4

- **Alternate members**  
The ATM did not have any alternate members on its Council.
- **Outgoing Council members**  
The ATM did not have any outgoing Council members in the 2021/2022 financial year, except for Dr William Langeveldt who sadly passed away on 11 January 2023.

**Committees**

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk	4	4	Chairperson: Mr S Maharaj Member: Mr JJ Saal Member: Mr L Adendorf External member: Prof J Rossouw (From 2 July 2021) Director: Mr MJ Jonas Secretary: Ms T Laing External Auditors: Ms K Abrahams (AG) Internal Auditors: Ms Z Abrams (Nexia SAB&T)
Remuneration and Human Resources	4	4	Chairperson: Dr L Munsamy Member: Prof SM Beukes Member: Dr W Langeveldt Member: Ms H Erdmann Director/Secretary: Mr MJ Jonas

**Remuneration of Council Members**

Each year the ATM receive a circular from National Treasury to inform us of the remuneration of Council members. The remuneration is paid per day, while other expenses like travel and accommodation are reimbursed to the members. All members were remunerated.

**ATM Council 9 December 2020 – 8 December 2023**

Name	Remuneration	Other allowance	Other reimbursements	Total
Adv JJ Meiring	R25 262	R0	R8 917	R34 179
Ms SP Tsoleli	R24 063	R0	R9 905	R33 968
Prof SM Beukes	R26 236	R0	R0	R26 236
Dr L Munsamy	R5 226	R0	R1 225	R6 451
Dr W Langeveldt	R13 936	R0	R1 497	R15 433
Mr JJ Saal	R48 988	R0	R6 864	R55 852
Mr L Adendorf	R43 762	R0	R13 941	R57 703
Mr S Maharaj	R20 212	R0	R12 141	R32 353
Ms H Erdmann	R33 310	R0	R1 435	R34 745



## 5. Risk Management

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

The ATM identified the Museum building as high risk as the floor is partly unstable and the deteriorating electrical wiring is a potential fire hazard. Procedures were put in place to mitigate the risks, but ultimately the building needs urgent repairs to properly address the risks. Unfortunately, the ATM lacks the necessary funds, and therefore the DSAC and DPWI have been contacted. The DSAC made funds available with which the ATM painted the exterior wall of the Museum and repaired the roof. A structural engineer was appointed to assess the condition of both the Museum and the Monument. In the latter cracks have formed, which allows for damp to collect in areas under the Monument that are accessible to staff. Both buildings need urgent repairs to ensure no long-term damage. In June 2018 the cost estimate was approximately R6 million for repairs.

Security at the Monument (because of its location on Paarl Mountain) remains a concern for Management, the Audit and Risk Committee as well as Council. A lack of security staff during the day can pose a threat to staff, especially at the entrance to the Monument. Security cameras are needed to monitor certain high-risk areas. The ATM has contracted more security staff during the evenings at both the Monument and Amphitheatre, and also during the day when strict Covid-19 lockdown rules were in place.

The ATM receives funds from the DSAC for payment of the municipal expenses and is paying over these funds to the DPWI, which then makes payments to the local municipality. Although the payments are made, the DPWI's payments are not regular. For this reason, the ATM has included this as a high-risk item as the risk remains that the electrical and water services may be disconnected. As a popular tourist attraction, the ATM cannot afford the Monument to be without these basic services. This has partly been addressed with some of the municipal accounts being transferred from the DPWI to the ATM, which has enabled the ATM to ensure that the accounts under the administration of the ATM is paid timeously, but the risk remains as there are still accounts that reside with the DPWI.

The ATM also included the impact that the global Covid-19 pandemic had in the risk register as the ATM saw a significant decrease in its income for the 2020/2021 financial year and a slow recovery during 2021/2022. During 2022/2023 the ATM has seen a further increase in its visitor numbers which has a direct correlation with the revenue that the ATM generates itself. It is currently difficult to predict any future trends as the Taalmonument (which attracts the most visitors) is also an open-air venue and is being affected by weather as well. A recovery plan was approved by Council on 10 March 2023 which will assist the ATM in addressing the risk regarding the recovery after the pandemic.

The effect of loadshedding has also had an impact on the ATM. Although the ATM has a backup generator, it is currently only being used by the coffee shop at the Taalmonument to enable the functioning thereof as part of visitor services. The visitor centre at the Taalmonument and the Taalmuseum does not have backup power and therefore is unable to function as normal during loadshedding. The ATM will investigate alternative power sources in 2023/2024 for the Taalmuseum which will enable it to function normally, as well as the installation of a switch-over for the Taalmonument to enable the visitor centre to connect with the backup generator. The ATM also has to be mindful that the dated electrical infrastructure of both the Taalmuseum and Taalmonument might not be able to integrate alternative power sources. The risk lies in the possibility of additional expenses to use alternative power sources (which are already expensive) as well as a reputational risk due to technical difficulties the ATM encounters during loadshedding, especially during events.

## 6. Internal Control Unit

Internal controls are tested by the internal auditors and any weaknesses are reported to the ATM's Management, the Audit and Risk Committee as well as Council. Reports must then be made quarterly to ensure that the weaknesses are addressed.

## 7. Internal Audit and Audit Committees

### Internal audit

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

### Audit Committee

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

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

Attendance of Audit Committee meetings by Audit Committee members:

**Period: 1 April 2022 – 31 March 2023**

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr S Maharaj (Chairperson)	BCom Hons BCompt, CA (SA)	-	Council member until 9 Dec 2023	9 Dec 2020	-	3
Mr JJ Saal	BA Hons (Linguistics) National Diploma in Technical Financial Accounting	-	Council member until 9 Dec 2023	1 Dec 2017	-	4
Mr L Adendorf	BTech in Journalism National Diploma in Journalism	-	Council member until 9 Dec 2023	9 Dec 2020	-	4
Prof J Rossouw (External member)	PhD, BCom Hons, MBA, MCom (Econ)	-	External member	2 Jul 2021	-	4
Mr MJ Jonas	-	Internal	Director/Chief Executive	1 Jun 2016	-	4

			Officer			
Ms T Laing	-	Internal	Chief Financial Officer	1 Sep 2001	-	4
External auditors	-	External	-	-	-	2
Internal auditors	-	External	-	-	-	3

Council appointed the Audit and Risk Committee at their first meeting on 16 February 2021. After the position of an external member for this committee was advertised and the recruitment process was completed, Prof Rossouw was appointed as an independent member of the Audit and Risk Committee. The term of the Audit and Risk Committee is the same as that of Council.

## **8. Compliance with Laws and Regulations**

The ATM strives to comply with all the laws and regulations applicable to the ATM by submitting its financial statements, performance information, strategic plan, annual performance plan and other relevant plans and reports.

## **9. Fraud and Corruption**

The ATM has an implemented fraud prevention plan. In addition to this, staff are constantly reminded that they can report any suspected fraud or corruption through the Department of Sport, Arts and Culture hotline at 0800 701 701 or [integrity@publicservicecorruptionhotline.org.za](mailto:integrity@publicservicecorruptionhotline.org.za).

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

## **10. Minimising Conflict of Interest**

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

## **11. Code of Conduct**

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

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

## **12. Health, Safety and Environmental Issues**

For the ATM, as for any other establishment, the staff's health must be optimised. The ATM has designated safety representatives and there is a Health and Safety Committee, consisting of two staff representatives per building, that meets monthly.

## **13. Council Secretary**

The ATM does not have a designated post for council secretary and the role is currently fulfilled by the Chief Financial Officer. The role and responsibilities of the council secretary are defined in the charter of Council:

- The council secretary must co-ordinate the functioning of Council and its committees, and the role must carry the necessary authority.
- The council secretary must maintain an arms-length relationship with Council and therefore should not be a Council member.
- The council secretary reports to Council via the Chairperson on all statutory duties and functions performed in relation to Council, and to the Director on all other functions and administrative matters. Council evaluates the performance of the council secretary at least annually.
- The council secretary or deputy shall attend all Council and committee meetings, and must ensure that minutes of all council meetings and any committee meetings are properly recorded.

## **14. Social Responsibility**

The ATM is involved in several social responsibility initiatives, including a women's empowerment project in collaboration with two women's groups in Paarl and Wellington. Our annual Evening Race is held in aid of the Drakenstein Palliative Hospice, and the ATM sponsors a school with food and/or personal care donations for Mandela Day. We encourage visitors to bring books in aid of our 'Let's Read!' literacy project, and we donate books to women empowerment groups as well as schools. During the year we held two writing competitions; one was for Arabic-Afrikaans, after which we had a function to announce the winners in December and commemorate the emancipation of slaves in South Africa. In addition, staff members each year participate in a Mandela Day outreach programme, delivering food and other parcels, and adopting a local school to support them with excursions and educational aids. On Africa Day, the Taalmonument offers free entry to all, while it also sponsors workshops hosted by it for people that cannot afford it, as well as transport to these workshops. The ATM furthermore commemorates all national days, often by offering free events and free entry. It also offers its facilities for deserving organisations' workshops/meetings for free, and co-sponsors a local 'phenomenal women' competition and public speaking workshops for learners.

## 15. Audit Committee Report

We are pleased to present our report for the financial year ending 31 March 2023.

### **Audit Committee responsibilities**

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### **Effectiveness of internal control**

Our review of the findings of the Internal Audit work which was based on the risk assessments conducted within the ATM revealed certain weaknesses, which were raised with the ATM.

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

- Reviewed internal procedures for cash receipts
- Reviewed the supply chain management process
- Reviewed the performance indicators of quarter 1 and 2 of 2022/2023
- Reviewed readiness of the 2022/2023 financial statements in May 2023

The following were areas of concern:

- Opening balance of balance sheet items agree with the finalised AFS of the prior year (Intangible assets) – corrected immediately
- Reasonability of amounts documented on the ageing analysis (Debtors and Creditors) – corrected immediately
- Asset registers agree with draft AFS (Intangible assets) – corrected immediately

### **In-year management and monthly/quarterly reports**

The ATM reports monthly and quarterly to National Treasury as required by the PFMA.

### **Evaluation of financial statements**

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

### **Auditor's report**

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

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



**Mr S Maharaj CA(SA)**  
**CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE**  
**Afrikaanse Taalmuseum en -monument**  
**31 July 2023**

## 16. B-BBEE Compliance Performance Information

The following table has been completed in accordance with the compliance to the Broad-Based Black Economic Empowerment (B-BBEE) requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the ATM applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?		
Criteria	Response Yes / No	Discussion <i>(Include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The ATM did not issue any licences, concessions or other authorisation and for this reason no qualification criteria were determined during the financial year.
Developing and implementing a preferential procurement policy?	Yes	The ATM has a supply chain management policy and procedure which incorporates preferential procurement.
Determining qualification criteria for the sale of state-owned enterprises?	No	The ATM did not have any transactions linked to the sale of state-owned enterprises and for this reason no qualification criteria were determined during the financial year.
Developing criteria for entering into partnerships with the private sector?	No	The ATM did not enter into partnerships with the private sector and for this reason no qualification criteria were determined during the financial year.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	The ATM did not have any transactions linked to the awarding of incentives, grants and investment schemes and for this reason no qualification criteria were determined during the financial year.

During the financial year, the ATM contracted MSCT BEE Services (Pty) Ltd to conduct an audit for the purpose of calculating the ATM's B-BBEE scores. The ATM is a level 8 compliant contributor to B-BBEE.

## **17. Use of Official Languages**

In accordance with Section 9(2) of the Use of Official Languages Act, No 12 of 2012, the ATM includes a report on the following matters:

### **Implementation of its language policy**

The ATM's language policy has been approved in 2014 and has been fully implemented.

### **Activities of its language unit**

The ATM is unable to establish a language unit due to budgetary and human resources constraints.

However, the ATM strives to ensure that all our exhibitions, signage and educational material are available in at least the three official languages used widely in the Western Cape. This is largely the case at the Taalmonument and Taalmuseum.

Our tours are conducted in Afrikaans or English (with audio guides available in six languages, including isiXhosa), the symbolism of the Taalmonument is available in 22 languages (including all the official languages and Braille), and all (social) media postings are in at least Afrikaans and English. While the website is mainly in Afrikaans and English, some information is also available in isiXhosa and other local and international languages.

The Council's and its subcommittee minutes, as well as the ATM's annual reports, are available in both Afrikaans and English.

### **Complaints received regarding its use of official languages and how it responds**

The ATM did not receive any complaints regarding its use of official languages during the year under review. Should any complaint be received, it will be investigated and appropriate steps taken, depending on the specifics and capacity of the institution to respond to it adequately.

## Part D: Human Resources Management

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## 1. Introduction

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

Targets are defined by staff members. Work evaluations take place quarterly to determine whether targets are reached. Staff members are therefore continually monitored to remain focused in the pursuit of their targets.

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

## 2. Human Resources Oversight Statistics

### Personnel cost

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	13 533	7263	54%	28	260
Business Development	1383	806	58%	9	89
Public Engagement	5	5	100%	1	5

### Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% Of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	1292	18%	1	1292
Senior Management	2482	34%	5	496
Professionally qualified	1090	15%	5	218
Skilled	1771	24%	14	126
Semi-skilled	628	9%	7	88
Unskilled	-	-	-	-
<b>TOTAL</b>	<b>7263</b>	<b>100%</b>	<b>32</b>	<b>2 220</b>

### Performance rewards

Level	Performance rewards	Personnel Expenditure (R'000)	% Of performance rewards to total personnel cost (R'000)
Top management	1	36	0.51%
Senior management	4	68	0.96%
Professionally qualified	1	11	0.15%
Skilled	5	29	0.41%
Semi-skilled	3	12	0.17%
Unskilled	-	-	-
<b>TOTAL</b>	<b>14</b>	<b>156</b>	<b>2.2%</b>

**Training costs**

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg. training cost per employee
7263	21	0.30%	19	1.1

**Employment and vacancies**

Level	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% Of vacancies
Top management	1	1	1	-	-
Senior management	5	5	5	1	20%
Professionally qualified	7	7	5	3	60%
Skilled	5	5	14	-	
Semi-skilled	12	10	7	2	28%
Unskilled	-	-	-	-	-
<b>TOTAL</b>	<b>29</b>	<b>28</b>	<b>32</b>	<b>6</b>	<b>19%</b>

The Education Officer, Museum Officer, Events and Communication Assistant, Events Coordinator and a General Worker vacated their positions during 2022/2023. The position of Museum Officer was filled in March 2023, while the positions of Education Officer and Events Coordinator were filled in April 2023. The positions of Events and Communication Assistant and General Worker are still vacant as of 31 March 2023.

**Employment changes**

Provide information on changes in employment over the financial year. Turnover rates indicate trends in the employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top management	1	-	-	1
Senior management	5	-	1	4
Professionally qualified	7	-	2	5
Skilled	12	3	3	12
Semi-skilled	7	-	1	6
Unskilled	-	-	-	-
<b>Total</b>	<b>32</b>	<b>3</b>	<b>7</b>	<b>28</b>

**Reasons for staff leaving**

Reason	Number	% Of total no. of staff leaving
Death	-	-
Resignation	4	13%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	3	9%
Other	-	-
<b>Total</b>	<b>7</b>	<b>22%</b>

As on 31 March 2023, four employees had resigned while the duration of a further three employee contracts had ended.

**Labour relations: misconduct and disciplinary action**

Nature of disciplinary action	Number
Verbal Warning	1
Written Warning	-
Final Written Warning	2
Dismissal	-

**Equity target and employment equity status**

With the hiring of professionally qualified and skilled employees Management strived to appoint African staff to realise even more equity within the workplace, but there were no African candidates that applied.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	0	0
Senior Management	0	0	1	1	0	0	1	1
Professionally qualified	0	1	1	2	0	0	1	1
Skilled	0	1	5	5	0	0	1	1
Semi-skilled	0	0	3	3	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	1	1	0	0	2	2
Professional qualified	0	1	3	3	0	0	0	0
Skilled	0	0	0	0	0	0	3	3
Semi-skilled	0	0	5	5	0	0	0	0
Unskilled	0	0	4	4	0	0	0	0
<b>TOTAL</b>	0	1	13	13	0	0	5	5

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professionally qualified	-	-	-	-
Skilled	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
<b>TOTAL</b>	-	-	-	-

## Part E: PFMA Compliance Report

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## 1. Irregular, fruitless and wasteful expenditure and material losses

### 1.1. Irregular expenditure

#### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	9630	9685
Add: Irregular expenditure confirmed	4	9
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Less: Irregular expenditure related to previous year overstated	0	-64
<b>Closing balance</b>	<b>9634</b>	<b>9630</b>

#### Irregular expenditure was incurred during the current financial year due to the following reason:

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation were not justified/approved: R4 119.

Applications for condonation of the opening balance of irregular expenditure were submitted to National Treasury. The ATM is still waiting on the outcome of the applications.

Irregular expenditure at the beginning of the year:

Irregular expenditure of R9 630 257 as on 1 April 2022 has not yet been condoned by the Council. The ATM is awaiting approval from National Treasury for the condonement before Council can condone the irregular expenditure.

#### Prior year expenditure

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation were not justified/approved: R8 955.

The ATM was unable to obtain three quotations for certain expenditures due to a monopoly in a specific industry – the irregular expenditure is overstated by R64 118.

### Reconciling notes

Description	2022/2023	2021/2022 <sup>1</sup>
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	4	9
Irregular expenditure that relates to 2022/23 and identified in 2022/23	4	9
Irregular expenditure for the current year	4	9
<b>Total</b>	<b>4</b>	<b>9</b>

<sup>1</sup> Record amounts in the year in which it was incurred

**b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)**

Description <sup>2</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	4	9
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
<b>Total<sup>3</sup></b>	<b>4</b>	<b>9</b>

**Irregular expenditure was incurred during the current financial year due to the following reason:**

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation were not justified/approved: R4 119.

**Prior year expenditure**

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation were not justified/approved: R8 955.

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Applications for condonation of the opening balance of irregular expenditure were submitted to National Treasury. The ATM is still waiting on the outcome of the applications.

Irregular expenditure at the beginning of the year:

Irregular expenditure of R9 630 257 as on 1 April 2022 has not yet been condoned by the Council. The ATM is awaiting approval from National Treasury for the condonement before Council can condone the irregular expenditure.

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Applications for condonation of the opening balance of irregular expenditure were submitted to National Treasury. The ATM is still waiting on the outcome of the applications.

Irregular expenditure at the beginning of the year:

<sup>2</sup> Group similar items

<sup>3</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

Irregular expenditure of R9 630 257 as on 1 April 2022 has not yet been condoned by the Council. The ATM is awaiting approval from National Treasury for the condonement before Council can condone the irregular expenditure.

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Additional disclosure relating to Inter-Institutional Arrangements**

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

Description	2022/2023	2021/2022
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Disciplinary steps taken
None



## 1.2. Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	18	18
Add: Fruitless and wasteful expenditure confirmed	3	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	-3	0
Closing balance	<b>18</b>	<b>18</b>

Signage boards at the Taalmonument were replaced, but during the process an ATM employee did not ensure that the contractor printed the information boards as per the specifications. This was discovered after the boards were delivered and installed. When an inquiry was made, the employee admitted that the supplier requested to deviate from the specifications; the employee did not seek approval through the correct channels and approved the change himself. After the incident was assessed, it was determined that information boards had to be replaced to conform to the existing signage infrastructure. It was determined that the expenditure was in vain and could have been avoided with due care from the staff member. During the process, the employee resigned from the ATM's service, but the amount was recovered.

Fruitless and wasteful expenditure at the beginning of the year:

Fruitless and wasteful expenditure of R17 954 as on 1 April 2022 has not yet been condoned by the Council. The ATM is awaiting approval from National Treasury for the condonement before Council can condone the fruitless and wasteful expenditure.

### Reconciling notes

Description	2022/2023	2021/2022 <sup>4</sup>
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	3	0
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2022/23	3	0
Fruitless and wasteful expenditure for the current year	3	0
<b>Total</b>	<b>3</b>	<b>3</b>

<sup>4</sup> Record amounts in the year in which it was incurred

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

Description <sup>5</sup>	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	3	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
<b>Total<sup>6</sup></b>	<b>3</b>	<b>0</b>

Signage boards at the Taalmonument were replaced, but during the process an ATM employee did not ensure that the contractor printed the information boards as per the specifications. This was discovered after the boards were delivered and installed. When an inquiry was made, the employee admitted that the supplier requested to deviate from the specifications; the employee did not seek approval through the correct channels and approved the change himself.

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

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	3	0
<b>Total</b>	<b>3</b>	<b>0</b>

After the incident was assessed, it was determined that information boards had to be replaced to conform to the existing signage infrastructure. It was determined that the expenditure was in vain and could have been avoided with due care from the staff member. During the process, the employee resigned from the ATM's service, but the amount was recovered.

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

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Disciplinary steps taken
Counselling and verbal warning

<sup>5</sup> Group similar items

<sup>6</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

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

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

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**b) Details of other material losses**

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**c) Other material losses recovered**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**d) Other material losses written off**

Nature of losses	2022/2023	2021/2022
	R'000	R'000
None	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**2. Late and/or non-payment of suppliers**

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1063	6552
Invoices paid <b>within</b> 30 days or agreed period	1063	6552
Invoices paid <b>after</b> 30 days or agreed period	0	0
Invoices older than 30 days or agreed period ( <i>unpaid and without dispute</i> )	0	0
Invoices older than 30 days or agreed period ( <i>unpaid and in dispute</i> )	0	0

No invoices were paid late or not paid due to a dispute or any other reason.

### 3. Supply Chain Management

#### 3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
None	-	-	-	0
<b>Total</b>				<b>0</b>

#### 3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
None	-	-	-	0	0	0
<b>Total</b>				<b>0</b>	<b>0</b>	<b>0</b>

## Part F: Financial Information

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## 1. Report of the External Auditor

### Report of the Auditor-General to Parliament on the Afrikaans Language Museum and Monument

#### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Afrikaans Language Museum and Monument set out on pages 89 to 129, which comprise the Statement of Financial Position as at 31 March 2023, the Statement of Financial Performance, Statement of Changes in Net Assets, Statement of Cash Flows and Statement of Comparison of Budget and actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Afrikaans Language Museum and Monument as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for the opinion

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

#### Emphasis of matter

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

#### Restatement of corresponding figures

7. As disclosed in note 23 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2023.

#### Other matter

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

#### Unaudited supplementary schedules

9. The detailed income statement set out on pages 130 and 131 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion.

### **Responsibilities of the accounting authority for the financial statements**

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or in error.
11. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to the going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the Auditor-General for the audit of the financial statements**

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## **Report on the annual performance report**

### **Introduction and scope**

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for selected material performance indicators presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.
15. I selected the following material performance indicators related to Programme 1: Administration and Programme 2: Business Development presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
  - Number of visitors per annum
  - Sponsor-A-Bus project: number of groups transported
  - Number of special days for adults per annum
  - Number of special days for the youth per annum
  - Number of artefacts acquired per annum
  - Number of articles written or lectures presented per annum
  - Number of history snippets written for website/Facebook per annum
  - Number of conservation, preservation and maintenance activities for Museum collection
16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides

useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives;
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently, and that I can confirm the methods and processes to be used for measuring achievements;
  - the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated;
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents;
  - the reported performance information is presented in the annual performance report in the prescribed manner; and
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
18. I performed the procedures for the purpose of reporting material findings only.
19. I did not identify any material findings on the reported performance information for the selected material performance indicators.

### **Report on compliance with legislation**

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the entity's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

### **Other information in the annual report**

24. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.



26. My responsibility is to read the other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report, or through my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

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

Auditor-General

Cape Town  
7 August 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure to the auditor's report**

The annexure includes the following:

- the Auditor-General's responsibility for the audit
- the selected legislative requirements for compliance testing

## **Auditor-General's responsibilities for the audit**

### **Professional judgement and professional scepticism**

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

### **Financial statements**

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

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

## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No. 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55 (1)(a); 55(1)(b); 55(1)(c)(i) Section 57(b)
Treasury Regulations (TR)	Regulation 16A3.1; 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) & (b); 16A6.3(a); 16A6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.2(1) & (2); 16A8.3; 16A8.4; 16A9.1; 16A9.1(b)(ii); 16A9.1(c); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c) Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c); 18; 18(1) and (2)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25(5) & 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017 (PPR)	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1; 12.2
Preferential Procurement Regulations of 2022 (PPR)	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 29 Section 34(1)
PFMA Supply Chain Management (SCM) Instruction No. 09 of 2022/2023	Paragraph 3.1; 3.3(b); 3.3(c); 3.3(e); 3.6
National Treasury Instruction No. 1 of 2015/2016	Paragraph 3.1; 4.1; 4.2
National Treasury SCM Instruction Note 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6

Legislation	Sections or regulations
National Treasury SCM Instruction 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction Note 03 of 2019/20	Paragraph 5.5.1(vi); 5.5.1(x)
National Treasury SCM Instruction Note 11 of 2020/21	Paragraph 3.4(a) Paragraph 6.1; 6.2; 6.7
National Treasury SCM Instruction Note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a); 3.4.2(b); 3.3.1 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1) Paragraph 4(2) Paragraph 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act 89 of 1998	Section 4(1)(b)(ii)
National Treasury Instruction Note 4 of 2015/16	Paragraph 3.4
National Treasury Instruction 3 of 2019/20 – Annexure A	Section 5.5.1(iv) & (x)
Second amendment of National Treasury Instruction 05 of 2020/2021	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum National Treasury Instruction 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction 5 of 2020/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/09	Paragraph 3.1 Paragraph 3.1(b)
National Treasury Instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act 103 of 1994	Section 30(1)

## 2. Annual Financial Statements

### Council's Responsibilities and Approval

Council is required to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the ATM as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (No.1 of 1999 as amended by Act 29 of 1999).

The annual financial statements are prepared in accordance with GRAP, as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, 1999 (No.1 of 1999 as amended by Act 29 of 1999), and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

Council acknowledges that they are ultimately responsible for the system of internal financial control established by the ATM, and place considerable importance on maintaining a strong control environment. To enable Council to meet these responsibilities, Council sets standards for internal control aimed at reducing the risk of error or loss 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 institution and all employees are required to maintain the highest ethical standards in ensuring the ATM's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management at the ATM is on identifying, assessing, managing and monitoring all known forms of risk across the ATM. While operating risk cannot be fully eliminated, the ATM endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied, and managed within predetermined procedures and constraints.

Council 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Council has reviewed the ATM's cash-flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, it is satisfied that the ATM has access to adequate resources to continue its operational existence for the foreseeable future.

The annual financial statements set out on pages 89 to 129, which have been prepared on a going-concern basis, were approved by Council on 31 July 2023 and were signed on its behalf by:

### Approval of annual financial statements



**Adv JJ Meiring**  
Chairperson of Council



**Mr MJ Jonas**  
Director

## Council's Report

Council has pleasure in submitting their report on the annual financial statements of the Afrikaanse Taalmuseum en -monument (ATM) for the year ending 31 March 2023.

### 2.1 Afrikaanse Taalmuseum en -monument

The ATM is a Schedule 3A public entity established under the Cultural Institution Act, 119 of 1998 and the National Heritage Resource Act, 25 of 1999.

### 2.2 Nature of business

The core business of the ATM is to reinforce the role of Afrikaans as an inclusive language from which other national languages can derive lessons, especially regarding, but not limited to, language development and promotion, and how it functions in South Africa.

There have been no material changes to the nature of the ATM's business from the prior year.

### 2.3 Review of financial results and activities

The annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act, 1999 (No.1 of 1999 as amended by Act 29 of 1999). The accounting policies have been applied consistently compared to the prior year.

	<b>2023</b>	<b>2022</b>
(Deficit)/Surplus for the year	(R166 707)	R2 123 458
Cash flow at the end of the year	R900 766	R540 301
Net assets at the end of the year	R11 239 167	R11 405 874

Full details of the financial position, results of operations and cash flows of the ATM are set out in these annual financial statements.

### 2.4 Council

The Council in office at the date of this report are as follows:

<b>Council</b>	<b>Office</b>	<b>Designation</b>	<b>Changes</b>
Adv JJ Meiring	Chairperson	Non-executive	
Ms S Tsoleli	Vice-chairperson	Non-executive	
Dr A Beukes		Non-executive	
Mr L Adendorf		Non-executive	
Mr S Maharaj		Non-executive	
Ms H Erdmann		Non-executive	
Dr L Munsamy		Non-executive	
Dr W Langeveldt		Non-executive	Deceased 11/01/2023
Mr JJ Saal		Non-executive	

### 2.5 Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the ATM or the policy regarding their use.

On 31 March 2023, the ATM's investment in property, plant and equipment amounted to R4 838 789 (2022: R5 332 613), of which R75 831 (2022: R2 271 116) was added in the current year through additions.

2.6 Events after the reporting period

The Council is not aware of any material event which occurred after the reporting date and up to the date of this report.

2.7 Going concern

Council believes that the ATM has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going-concern basis. Council has satisfied itself that the ATM is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. Council is not aware of any new material changes that may adversely impact the ATM. Council is also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation that may affect the ATM.

### Director's Report

The director presents the annual report, which forms part of the audited financial statements of the entity for the year ended 31 March 2023.

- **Legal form and country of incorporation**

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

- **Principal activities of the entity**

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

- **Geographical location and segmentation**

The ATM is situated at the following addresses:

Language Museum and administration – 11 Pastorie Avenue, Paarl

Language Monument and Amphitheatre – Gabbema Doordrift Street, Paarl Mountain

- **Statement of responsibility**

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

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

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

- **Operating results**  
The entity's business and operations are clearly reflected in the attached financial statements.
- **Property, plant and equipment**  
There were no major changes in property, plant and equipment during the year.
- **Director and chief financial officer**  
The names of the entity's director and chief financial officer appear on the index page of the financial statements.
- **Events subsequent to the balance sheet date**  
The director is not aware of any event or circumstance that occurred since the end of the financial year that may have a material effect on the operations of the entity or the results of any such operation, and which are not dealt with in the annual financial statements.



Mr MJ Jonas  
DIRECTOR  
31 July 2023



Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Position as at 31 March 2023

	<u>Note</u> <u>s</u>	<u>2023</u> <u>R</u>	<u>2022 (Restated)</u> <u>R</u>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>7 258 283</b>	<b>7 727 862</b>
Property, plant and equipment	2	4 838 789	5 332 613
Heritage assets	3	2 389 431	2 389 431
Intangible assets	4	30 063	5 818
<b>Current assets</b>		<b>14 649 304</b>	<b>13 800 861</b>
Inventories	5	56 039	62 166
Receivables from exchange transactions	6	119 522	74 126
Investments	7	13 572 977	13 124 268
Cash and cash equivalents	8	900 766	540 301
<b>Total assets</b>		<b>21 907 587</b>	<b>21 528 723</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>11 239 167</b>	<b>11 405 874</b>
Accumulated surplus		8 851 420	9 018 127
Revaluation reserve	9	2 387 747	2 387 747
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Unspent government grants and subsidies	12	9 819 759	9 742 381
<b>Current liabilities</b>		<b>848 661</b>	<b>380 468</b>
Trade and other payables	10	228 243	159 290
Employee benefit obligation	11	175 300	132 978
Unspent government grants and subsidies	12	445 118	88 200
<b>Total liabilities</b>		<b>10 668 420</b>	<b>10 122 849</b>
<b>Total net assets and liabilities</b>		<b>21 907 587</b>	<b>21 528 723</b>

Annual Financial Statements for the year ended 31 March 2023

Statement of Financial Performance for the year ended 31 March 2023

	<u>Notes</u>	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
<b>Revenue</b>			
Government grants and subsidies		12 027 200	13 897 062
Services in kind		296 786	210 188
Donations		140 550	383 185
<b>Revenue from non-exchange transactions</b>	13	<b>12 464 536</b>	<b>14 490 435</b>
Entrance fees		1 338 345	883 560
Interest received		236 606	405 499
Gain on disposal of assets and liabilities		-	444
Sale of goods		89 939	70 635
Other income		662 896	678 932
<b>Revenue from exchange transactions</b>	14	<b>2 327 786</b>	<b>2 039 070</b>
<b>Total revenue</b>		<b>14 792 322</b>	<b>16 529 505</b>
<b>Expenditure</b>			
Audit fees		(595 118)	(475 049)
Cost of inventories sold		(52 180)	(52 789)
Depreciation, amortisation and impairments	15	(566 417)	(500 485)
Employee costs	16	(7 262 664)	(6 927 779)
General expenses	17	(5 746 471)	(5 587 190)
Loss on disposal of assets and liabilities		(437)	(1 430)
Operating lease charges	18	(735 742)	(638 277)
Research and development costs		-	(223 048)
<b>Total expenditure</b>		<b>(14 959 029)</b>	<b>(14 406 047)</b>
<b>(Deficit) / Surplus for the year</b>		<b>(166 707)</b>	<b>2 123 458</b>

Annual Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

	<u>Revaluation reserve</u> <u>R</u>	<u>Accumulated surplus</u> <u>R</u>	<u>Total net assets</u> <u>R</u>
<b>Balance on 01 April 2021</b>	<b>2 516 182</b>	<b>6 894 669</b>	<b>9 410 851</b>
Surplus for the year	-	2 123 458	2 123 458
Revaluation of heritage assets	(128 435)	-	(128 435)
<b>Balance on 1 April 2022</b>	<b>2 387 747</b>	<b>9 018 127</b>	<b>11 405 874</b>
Deficit for the year	-	(166 707)	(166 707)
<b>Balance on 31 March 2023</b>	<b>2 387 747</b>	<b>8 851 420</b>	<b>11 239 167</b>
Notes	9		

Annual Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

	<u>Notes</u>	<u>2022</u> R	<u>2021</u> R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from government grants and subsidies		11 939 000	17 248 090
Cash receipts from donations		131 750	383 185
Cash receipts from own income		2 066 232	1 633 958
Cash paid to suppliers		(6 769 294)	(6 931 269)
Cash paid to employees		(7 220 342)	(6 889 389)
Cash generated from operations	20	147 346	5 444 575
Interest income		759 102	405 499
<b>Net cash flows from operating activities</b>		<b>906 448</b>	<b>5 850 074</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(75 831)	(2 271 116)
Purchase of other intangible assets	4	(21 443)	(7 474)
Sale of other intangible assets	4	-	450
Purchase of investments		(724 277)	(6 649 883)
Proceeds from sale of investments		275 568	3 110 943
<b>Net cash from investing activities</b>		<b>(545 983)</b>	<b>(5 817 080)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Total cash movement for the year</b>		<b>360 465</b>	<b>32 994</b>
Cash at the beginning of the year		540 301	507 307
<b>Total cash at end of the year</b>	8	<b>900 766</b>	<b>540 301</b>

Annual Financial Statements for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

	<u>Approved Budget</u>	<u>Adjustments</u>	<u>Final budget</u>	<u>Actual amounts on comparable basis</u>	<u>Difference between final budget and actual</u>	<u>Key</u>
<b>Receipts</b>						
Self-generated income	2 081 670	126 600	2 208 270	2 825 334	617 064	N1
Donations	-	-	-	131 750	131 750	N2
Grant revenue	17 888 473	(5 949 473)	11 939 000	11 939 000	-	
	<b>19 970 143</b>	<b>(5 822 873)</b>	<b>14 147 270</b>	<b>14 896 084</b>	<b>748 814</b>	
<b>Payments</b>						
Goods and services	12 729 624	(5 826 873)	6 902 751	6 866 567	36 184	N3
Personnel expenditure	7 240 519	4 000	7 244 519	7 220 342	24 177	N4
	<b>19 970 143</b>	<b>(5 822 873)</b>	<b>14 147 270</b>	<b>14 086 909</b>	<b>60 361</b>	
<b>Net Receipts</b>					<b>809 175</b>	
<b>Net receipts per the Statement of Comparison of Budget and Actual Amounts</b>						<b>809 175</b>
<b>Basis differences</b>						
<b>Cash flows from operating activities</b>						
Working capital changes – inventories						(6 127)
Working capital changes – receivables						45 396
Working capital changes – trade payables						(68 952)
Working capital changes – unspent grants						88 200
Working capital changes – employee benefit obligation						(42 322)
Interest received capitalised to unspent grants						(522 496)
Revenue – services in kind						296 786
Expenses – services in kind						(296 786)
Loss on sale of assets						(437)
Depreciation, amortisation and impairments						(566 417)
<b>Cash flows from investing activities</b>						
Purchases of property, plant and equipment						75 831
Purchase of intangible assets						21 443
<b>Deficit per the Statement of Financial Performance</b>						<b>(166 707)</b>

N1 – Except for the government grants the ATM receives, the institution also generates its own income to fulfil its mandate. This is by way of entrance fees, rental of its facilities and the selling of inventory. For the current financial year, the ATM exceeded its planned target of self-generated income by R617,064. The ATM received more visitors during the financial year than was initially planned, which resulted in a higher-than-anticipated income from entrance fees. The ATM was able to host more picnic events which also contributed to the higher-than-expected visitor numbers as well as the higher revenue from entrance fees.

## **Annual Financial Statements for the year ended 31 March 2023**

### **Statement of Comparison of Budget and Actual Amounts (continued)**

The ATM implemented a new tariff system for photo and film shoots at the beginning of 2022/2023 which is more budget-friendly for smaller groups. Although the ATM experienced some pushback from companies who wanted to do larger shoots, by the third quarter of the financial year, the situation changed with a higher-than-expected demand for shoots to be done at the Taalmonument.

The ATM also rents the Amphitheatre – located on the slopes of Paarl Mountain – for functions and shows. As it is an open-air venue with 4,200 seats, it is a challenge to host events given the unpredictable weather. The ATM had two rentals booked for the financial year. One would have taken place in February 2023 but due to a breach of contract, it was cancelled. The other one went ahead in March 2023.

N2 – The ATM does not budget for any donations and sponsorships received, although applications to various funds are made annually for financial assistance for certain programmes. This year the ATM received donations to the value of R131,750 for its Let's read! project which enables the ATM to purchase books for schools without libraries. The institution also received donations for its educational programmes and Sponsor-A-Bus project. This enables the ATM to transport learners from less privileged schools to attend the institution's educational programmes. Furthermore, various donations were made to the ATM for the Museum exhibition and Afrikaans.

N3 – An overspending of R36,184 occurred during the 2022/2023 financial year due to higher-than-expected expenditure for recruitment advertising when the ATM experienced an increase in staff turnover during the fourth quarter. The ATM also needed to replace an old brush cutter and lawnmower as they were broken beyond repair. Both these items were used at the Taalmonument, which has large lawns on its uneven slopes, and had been repaired repeatedly in the past.

N4 – The ATM overspent R24,177 for its personnel expenditure. During the 2022/2023 financial year, the ATM experienced an increased staff turnover which resulted in higher-than-expected payouts towards leave accrued during the financial year. Although various reasons were given during the exit interviews, better work opportunities and higher salaries post-Covid-19 were mentioned by most.

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## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1 Basis of preparation and summary of significant accounting policies

The annual financial statement has been prepared on a going concern basis in accordance with Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (No. 1 of 1999 as amended by Act 29 of 1999). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Critical judgements in applying accounting policies

Management is required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements are outlined as follows:

##### Key sources of estimation uncertainty

##### Useful lives of property, plant and equipment

The ATM reviews the estimated useful lives of property, plant and equipment when circumstances indicate that they may have changed since the most recent reporting date. During the current year, Council determined that the useful lives of certain items of buildings, furniture, fittings and vehicles should be revised.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to decrease the depreciation expense in the current financial year and for the next 3 years, by the following amounts:

	R
2023	7 367
2024	7 367
2025	7 230
2026	399

##### Allowance for slow-moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated selling price less cost to complete and sell. Where an impairment is necessary, inventory items are written off to selling price minus cost to complete and sell.

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### Impairment testing

The ATM reviews and tests the carrying value of property, plant, equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, Management determines the recoverable amount by performing in-use value and fair-value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, Management assesses the recoverable amount for the cash-generating unit to which the asset belongs.

#### Cash-generating assets and non-cash-generating assets

##### Value in use of cash-generating asset

The ATM 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 several factors, together with economic factors such as inflation and interest.

##### Value in use of non-cash-generating asset

The ATM reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Services in kind: Fair value of 'free' rental of buildings

The ATM used property rental agents to determine the fair rental value of the Taalmonument and Amphitheatre and used quoted rental prices of other properties located in the same location as the Taalmuseum. Characteristics, circumstances and location of the buildings were used in determining the fair value. The Taalmuseum is ideally situated in an area where office space is in high demand and has easy access to other businesses and parking. The Taalmonument and Amphitheatre are located in a remote location with no other surrounding businesses, and access to the area is more challenging.



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Annual Financial Statements for the year ended 31 March 2023

**Accounting Policies**

**Amortisation of intangible assets**

The ATM reviews the estimated useful lives of intangible assets when changing circumstances indicate that they may have changed since the most recent reporting date. During the current financial year Council determined that the useful lives of certain items of software licenses should be revised. The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to decrease the amortisation expense in the current financial year and for the next 3 years, by the following amounts:

	R
2023	1 347
2024	1 347
2025	1 347
2026	1 347

**1.2 Property, plant and equipment**

Property, plant and equipment are tangible assets which the ATM holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the ATM, and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment as well as 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the ATM and the cost can be measured reliably. Day-to-day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by Management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the ATM.

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Annual Financial Statements for the year ended 31 March 2023

**Accounting Policies**

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

<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Buildings	Straight line	10 to 50 years
Furniture and fittings	Straight line	3 to 50 years
Motor vehicles	Straight line	5 to 20 years

When there are indicators that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in the accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment – determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item – is included in surplus or deficit when the item is derecognised.

**1.3 Heritage assets**

**Initial recognition and measurement**

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

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

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

**Subsequent measurement**

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

**Impairment**

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

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.4 Financial instruments

The ATM has various types of financial instruments and these can be broadly categorised as either Financial Assets, Financial Liabilities or Residual Interests per the substance of the contractual agreement. The ATM only recognises a financial instrument when it becomes a party to the contractual provisions of the instrument.

##### Initial recognition

Financial assets and liabilities are recognised in the ATM's Statement of Financial Position when the ATM becomes party to the contractual provisions of the instrument.

The ATM does not offset a financial asset and liability unless a legally enforceable right to set off the recognised amounts exists; the ATM also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Fair value methods and assumptions

The fair value of financial instruments is determined as follows:

- The fair values of quoted investments are based on current bid prices.

If the market for a financial asset is not active (and for unlisted securities), the ATM established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash-flow analysis, and option-pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

##### The effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset and financial liability.

##### Amortised cost

Amortised cost 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 for impairment or uncollectibility.

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Annual Financial Statements for the year ended 31 March 2023

**Accounting Policies**

**Financial Assets – Classification**

A financial asset is any asset that represents cash or contractual right to receive cash or another financial asset from another entity.

In accordance with GRAP 104, the financial assets of the ATM are classified as follows into the three categories allowed by this standard: Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Financial assets at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition, financial assets are measured at amortised cost, using the effective interest rate method less a provision for impairment. Financial assets measured at fair value are financial assets that meet either of the following conditions:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost. Financial assets measured at cost are investments in residual interest that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The ATM has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

<b>Type of Financial Asset</b>	<b>Classification in terms of GRAP 104</b>
Investments	Financial assets at amortised cost
Trade receivables from exchange transactions	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks, net of bank overdrafts. The ATM categorises cash and cash equivalents as financial assets: financial assets at amortised cost.

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### Financial liabilities – Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

There are three main categories of Financial Liabilities, with the classification determining how they are measured. They are:

Financial liabilities measured at fair value;

Financial liabilities measured at amortised cost; or

Financial liabilities measured at cost.

The ATM has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Liability	Classification in terms of GRAP 104
Trade and other payables	Financial liability at amortised cost

Financial liabilities that are measured at fair value are financial liabilities that are essentially held for trading (i.e. purchased with the intent to sell or repurchase in the short term; derivatives other than hedging instruments, or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering, or are derivatives).

#### Initial and Subsequent Measurement

##### Financial Assets:

##### Financial Assets measured at Amortised Cost

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis.

##### Financial Assets measured at Fair Value

Financial assets at fair value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in the Statement of Financial Performance.

##### Financial Liabilities:

Financial liabilities are initially measured at fair value. Subsequently, financial liabilities are measured at amortised cost.

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.5 Intangible assets

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

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

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

<b>Item</b>	<b>Useful life</b>
Software licenses	3 to 10 years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

#### 1.6 Tax

The ATM is exempt from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act.

The ATM is not registered for value-added tax (VAT) in terms of section 24(1) of the Value Added Tax Act of 1991.

#### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

##### **Operating leases – lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- Another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payment is not that basis; or
- The payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.8 Inventories

Inventories are measured at the lower end of cost and estimated selling price, less costs to complete and sell, on the first-in, first-out (FIFO) basis.

##### Initial recognition and measurement

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

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

##### Subsequent measurement

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

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

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

##### Derecognition

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

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.9 Impairment of assets

The ATM assesses at each reporting date whether there is any indication that any asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not above the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

#### 1.10 Impairment of cash-generating assets

Cash-generating assets are those assets held by the ATM with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

##### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. The ATM assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the ATM estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the ATM 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.

##### 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 its disposal at the end of its useful life.

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

##### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cashflow estimates have not been adjusted.



## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 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.

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the ATM determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the ATM uses Management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- ❖ the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- ❖ the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the ATM does not reduce the carrying amount of an asset below the highest of: its fair value less costs to sell (if determinable); its value in use (if determinable); and zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit before the estimation of the recoverable amount of the cash-generating unit.

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### Reversal of impairment loss

The ATM 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 ATM 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.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- ❖ its recoverable amount (if determinable); and
- ❖ the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### 1.11 Impairment of non-cash-generating assets

##### Identification

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

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

The ATM 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 ATM estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the ATM 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 non-cash-generating assets' remaining service potential. The present value of the remaining service potential of a non-cash-generating asset 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 based on such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset are determined on an "optimised" basis. The rationale is that the ATM would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized 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.

#### Reversal of an impairment loss

The ATM 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 ATM 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.

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

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.

#### 1.12 Employee benefits

##### Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

#### 1.13 Revenue from non-exchange transactions

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

Government grants and subsidies that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Government grants and subsidies that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Government grants and subsidies received before the revenue recognition criteria are satisfied are recognised as a liability.

Government grants and subsidies are measured at the fair value of the asset received or receivable.

Income from donations that do not impose specified future performance conditions is recognised in income when the donation proceeds are receivable.

Income from donations that impose specified future performance conditions is recognised in income only when the performance conditions are met.

#### 1.14 Revenue from exchange transactions

Revenue is recognised to the extent that the ATM has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement, provided the amount of revenue can be measured reliably and economic benefits associated with the transaction will probably flow to the ATM. Revenue is measured at the fair value of the consideration receivable, excluding sales taxes and discounts.

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

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.15 Irregular and fruitless and wasteful expenditure

Irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including the Public Finance Management Act no. 1999 (as amended by Act no. 29 of 1999), or any regulations made in terms of this act.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year-end and/or before finalisation of the financial statement must also be recorded appropriately in the irregular expenditure register. In such instances, no further action is required except for updating the note to financial statements.

Irregular expenditure that was incurred and identified during the current financial year and which condonement is being awaited at year-end must be recorded appropriately in the irregular expenditure register. In such instances, no further action is required except for updating the note to financial statements.

Fruitless expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditures relating to fruitless and wasteful expenditures are recognised as expenses in the statement of comprehensive income 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 comprehensive income.

#### 1.16 Related parties

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

Where transactions between the ATM and any one or more related parties took place, and those transactions were not within:

- (a) Normal supplier and/or client/recipient relationship on terms and conditions no more or less favourable than those which is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- (b) Terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

Further details about those transactions are disclosed in note 20 to the financial statements.

## Annual Financial Statements for the year ended 31 March 2023

### Accounting Policies

#### 1.17 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by Management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases, the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

#### 1.18 Budget Information

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The annual financial statements and the budget are not on the same basis of accounting and therefore a reconciliation between statement of financial performance and the budget have been included in the annual financial statements.

#### 1.19 Events after the reporting date

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

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

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Annual Financial Statements for the year ended 31 March 2023

**Accounting Policies**

**1.20 Materiality**

Material omissions or misstatements of items are material if they could, individually or collectively, influence decisions or assessments of users based on the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total revenue recognised. This materiality is from Management's perspective and does not correlate with the auditor's materiality.

**1.21 New standards and interpretations**

Standards and interpretations issued, but not yet effective.

The ATM has not applied the following standards and interpretations, which have been published and are mandatory for the ATM's accounting periods beginning on or after 1 April 2023 or later periods:

<b><u>Standard/Interpretation</u></b>	<b><u>Effective date</u></b>	<b><u>Expected impact</u></b>
GRAP1: Presentation of Financial Statements (revised)	01 April 2023	Unlikely there will be a material impact
GRAP25: Employee Benefits (revised)	01 April 2023	Unlikely there will be a material impact
GRAP103: Heritage Assets (revised)	To be determined	Unlikely there will be a material impact
GRAP104: Financial Instruments (revised)	01 April 2025	Unlikely there will be a material impact
iGRAP21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact

Notes to the Annual Financial Statements for the year ended 31 March 2023

**2. Property, Plant and Equipment**

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	5 138 796	(1 031 535)	4 107 261	5 139 360	(723 727)	4 415 633
Furniture and fittings	2 778 061	(2 077 164)	700 897	2 702 229	(1 850 168)	852 061
Motor vehicles	705 210	(674 579)	30 631	705 210	(640 291)	64 919
<b>Total</b>	<b>8 622 067</b>	<b>(3 783 278)</b>	<b>4 838 789</b>	<b>8 546 799</b>	<b>(3 214 186)</b>	<b>5 332 613</b>

**Reconciliation of property, plant and equipment – 2023**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	4 415 633	-	(430)	(307 942)	4 107 261
Furniture and fixtures	852 061	75 831	-	(226 995)	700 897
Motor vehicles	64 919	-	-	(34 288)	60 631
<b>Total</b>	<b>5 332 613</b>	<b>75 831</b>	<b>(430)</b>	<b>(569 225)</b>	<b>4 838 789</b>

**Reconciliation of property, plant and equipment – 2022**

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	2 816 038	1 762 053	-	(162 458)	4 415 633
Furniture and fixtures	587 298	509 063	(1 430)	(242 870)	852 061
Motor vehicles	157 282	-	-	(92 363)	64 919
<b>Total</b>	<b>3 560 618</b>	<b>2 271 116</b>	<b>(1 430)</b>	<b>(497 691)</b>	<b>5 332 613</b>

**Property, plant and equipment encumbered as security**

No items of property, plant and equipment have been pledged as security.

**Changes in estimates**

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed, in line with the accounting policy. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

Based on this analysis, the useful lives of buildings and furniture and fittings have been revised. The impact of the change is a reduction in the annual depreciation amount for the current financial year of R7 367. Useful lives of furniture and fittings were also revised in 2022, with a reduction in the annual depreciation amount for the prior financial year of R19 316.



Notes to the Annual Financial Statements for the year ended 31 March 2023

	<b>2023</b>	<b>2022</b>
	<b>R</b>	<b>R</b>
<b>Capital commitments</b>		
Buildings	187 500	-
<b>Repairs and maintenance</b>		
Expenditure incurred on repairs and maintenance to property, plant and equipment	114 795	117 443

**Detail of properties**

The buildings consist only of improvements erected on erf 11827. This property, of which the Afrikaanse Taalmuseum en -monument has the unrestricted use of, is owned by the Department of Public Works and Infrastructure.

**3. Heritage Assets**

	<b>Cost / Valuation</b>	<b>Cost / Valuation</b>
Artefacts	1 172 098	1 172 098
Audiovisuals	21 642	21 642
Collection of rare books and manuscripts	1 070 483	1 070 483
Collection of textiles	47 494	47 494
Historical documents	77 714	77 714
<b>Total</b>	<b>2 389 431</b>	<b>2 389 431</b>

**Reconciliation of heritage assets – 2022**

	Opening balance	Additions	Revaluation	Total
Artefacts	1 600 809	-	(428 711)	1 172 098
Audiovisuals	21 642	-	-	21 642
Collection of rare books and manuscripts	750 686	-	319 797	1 070 48
Collections of textiles	61 015	-	(19 521)	47 494
Historical documents	77 714	-	-	77 714
<b>Total</b>	<b>2 517 866</b>	<b>-</b>	<b>(128 435)</b>	<b>2 389 431</b>

Notes to the Annual Financial Statements for the year ended 31 March 2023

2023                      2022  
R                                      R

**Reconciliation of heritage assets – 2022**

	Opening balance	Additions	Revaluation	Total
Artefacts	1 600 809	-	(428 711)	1 172 098
Audiovisuals	21 642	-	-	21 642
Collection of rare books and manuscripts	750 686	-	319 797	1 070 48
Collections of textiles	61 015	-	(19 521)	47 494
Historical documents	77 714	-		77 714
<b>Total</b>	<b>2 517 866</b>	<b>-</b>	<b>(128 435)</b>	<b>2 389 431</b>

**Repairs and maintenance**

No expenditure was incurred for repairs and maintenance to heritage assets in the current and prior years.

**Pledged as security**

No heritage assets have been pledged as security.

**Revaluation of heritage assets 2022**

The ATM appointed a service provider to perform a revaluation of its heritage assets in accordance with the requirements of the GRAP 103 standard. An adjustment of R128 435 to heritage assets was made due to the revaluation of heritage assets for the 2021/2022 financial period.

**Prior period error 2022**

During the verification and valuation of heritage assets performed for the 2021/2022 financial period, heritage assets to the value of R154 457 were found. These items, donated to the ATM in prior years, were previously not identified, accessioned and valued.

**Assets not verified**

**2022:** During the physical verification and revaluation of heritage assets for the 2021/2022 financial period, 133 assets to the value of R18 320 could not be verified and are currently reported in the Loss Register for investigation.

**2023:** In 2022/2023 the ATM investigated the items that were reported in the Loss Register; the institution was able to find 55 assets to the value of R9 355. Of the items that were missing, it was determined that two to the value of R0 had to be deaccessioned; this was approved by Council in March 2023.

Notes to the Annual Financial Statements for the year ended 31 March 2023

2023  
R

2022  
R

**4. Intangible assets**

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Software licences	62 134	(32 071)	30 063	67 684	(61 866)	5 818

**Reconciliation of intangible assets – 2023**

	Opening balance	Additions	Disposals	Amortisation	Total
Software licences	5 818	21 443	(7)	2 809	30 063

**Reconciliation of intangible assets - 2022**

	Opening balance	Additions	Disposals	Amortisation	Total
Software licences	1 144	7 474	(6)	(2 794)	5 818

**Pledged as security**

No intangible assets have been pledged as security.

**Changes in estimates**

When there are indicators that the useful lives and residual values of intangible assets have changed since the most recent annual reporting date, they are reassessed, in line with the accounting policy. These assessments are based on historic analysis, benchmarking, and the latest available, reliable information.

Based on this analysis, the useful lives of software licences have been revised. The impact of the change is a reduction in the annual amortisation rate for the current financial year by R1 347.

**5. Inventories**

Inventories for sales	56 039	62 166
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**Inventory pledged as security**

No items of inventory have been pledged as security.

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
<b>6. Receivables from exchange transactions</b>		
Trade receivables	26 746	1 799
Prepayments	92 776	72 327
	<u>119 522</u>	<u>74 126</u>

**Trade and other receivables pledged as security**

No trade and other receivables have been pledged as security.

**Ageing of trade receivables**

Current (0 to 30 days)	26 346	5 254
30 days	-	3 500
90 days	400	-
> 121 days	-	(6 955)
	<u>26 746</u>	<u>1 799</u>
Amounts due in respect of trading operations	26 746	1 799
Amounts due in respect of other activities	92 776	72 327
	<u>119 522</u>	<u>74 126</u>

**Trade and other receivables can be analysed as follow:**

Neither past nor due	<u>119 522</u>	<u>74 126</u>
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**7. Investments**

**Short-term investments**

Fixed Deposit – ABSA Bank Limited	3 038 468	2 868 937
Liquidity Plus – ABSA Bank Limited	9 982 616	9 735 688
Call Account – Corporation for Public Deposits	551 893	519 643
	<u>13 572 977</u>	<u>13 124 268</u>

The call deposit account and liquidity plus account have no maturity date. The fixed deposit account has a maturity date of 22 May 2023 and will be re-invested on the same day.

The liquidity plus account is used for the capital works fund grant (refer to note 12).

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>8. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	55 803	88 412
Bank balances	844 963	451 889
	<u>900 766</u>	<u>540 301</u>
<b>9. Revaluation reserve</b>		
<b>Revaluation of heritage assets</b>		
Balance at the beginning of the year	2 387 747	2 516 182
Revaluation during the year	-	(128 435)
	<u>2 387 747</u>	<u>2 387 747</u>
Heritage assets were revalued by an independent valuator and were valued using calculations of similar and identical pieces, according to the valuator's stock list of the past 12 years. The prices are not only in terms of estimated market value but also measured in terms of factual sales value on request.		
<b>10. Trade and other payables</b>		
Trade payables	228 242	150 490
Other payables	-	8 800
	<u>228 242</u>	<u>159 290</u>
<b>Ageing of trade payables</b>		
Current (0 to 30 days)	<u>228 242</u>	<u>150 490</u>
Amounts due in respect of trading operations	228 243	150 490
Amounts due in respect of other activities	-	8 800
	<u>228 243</u>	<u>159 290</u>
<b>11. Employee benefit obligation</b>		
The amount recognised in the statement of financial position is as follows:		
<b>Carrying value</b>		
Leave pay	<u>175 300</u>	<u>132 978</u>

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>12. Unspent government grants and subsidies</b>		
Government grants	10 264 877	9 830 581
<b>Split between non-current and current portions</b>		
Non-current liabilities	9 819 759	9 742 381
Current liabilities	445 118	88 200
	<u>10 264 877</u>	<u>9 830 581</u>

**Reconciliation of government grants**

	Capital works fund	GRAP 103 grant	Municipal expenses grant	Leasing of private property grant	Compliance grant	Total
<b>2023</b>						
Balance at the beginning of the year	9 582 911	247 670	-	-	-	9 830 581
Grants received during the year:						
Department of Sport, Arts and Culture	-	-	1 424 000	392 000	1 145 000	2 961 000
Interest received	522 496	-	-	-	-	522 496
Expenditure incurred during the year	(88 200)	-	(1 424 000)	(392 000)	(1 145 000)	(3 049 200)
	<u>10 017 207</u>	<u>247 670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10 264 877</u>

	Capital works fund	GRAP 103 grant	Municipal expenses grant	Leasing of private property grant	Compliance grant and Public Art Presidential Employment Stimulus Programme	Total
<b>2022</b>						
Balance at the beginning of the year	6 231 883	247 670	-	-	500 000	6 979 553
Grants received during the year:						
Department of Sport, Arts and Culture	5 736 090	-	1 373 000	378 000	1 104 000	8 591 090
Grant not realised	-	-	-	-	(500 000)	(500 000)
Interest received	261 230	-	-	-	-	261 230
Expenditure incurred during the year	(2 646 292)	-	(1 373 000)	(378 000)	(1 104 000)	(5 501 292)
	<u>9 582 911</u>	<u>247 670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9 830 581</u>

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>13. Revenue from non-exchange transactions</b>		
Government grants and subsidies	12 027 200	13 897 062
Services in kind	296 786	210 188
Donations	140 550	383 185
	<u>12 464 536</u>	<u>14 490 435</u>

**Government grants and subsidies**

Department of Sport, Arts and Culture: Subsidy – unconditional	8 978 000	8 657 000
Department of Sport, Arts and Culture: Capital works grant – conditional	88 200	2 385 062
Department of Sport, Arts and Culture: Municipal expense grant – conditional	1 424 000	1 373 000
Department of Sport, Arts and Culture: Leasing of private property grant – conditional	392 000	378 000
Department of Sport, Arts and Culture: Compliance grant – conditional	1 145 000	1 104 000
	<u>12 027 200</u>	<u>13 897 062</u>

Services in kind

The ATM received the following services in kind from the Department of Sport, Arts and Culture and from the Department of Public Works and Infrastructure. These services in kind were recognised in the Statement of Financial Performance.

Rent – Department of Public Works and Infrastructure	<u>296 786</u>	<u>210 188</u>
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The buildings, owned by the Department of Public Works and Infrastructure, are occupied free of charge. The approved user charge amount was paid by the Department of Sport, Arts and Culture on behalf of the ATM to the Department of Public Works and Infrastructure for the use of state-owned properties. The ATM received a letter from the Department of Sport, Arts and Culture confirming the user charge for both the current and previous financial year instead of using the fair value determined by using property rental agents as in previous reporting periods.

**14. Other income**

Business venture	473 145	323 720
Course fees	48 700	79 150
Funding and marketing	18 227	9 681
Insurance claims	55 679	264 934
Sundry income	67 145	1 447
	<u>662 896</u>	<u>678 932</u>

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>15. Depreciation, amortisation and impairments</b>		
The following items are included in depreciation, amortisation and impairments:		
<b>Depreciation</b>		
Property, plant and equipment	569 226	497 691
<b>Amortisation</b>		
Intangible assets	(2 809)	2 794
<b>Total depreciation, amortization and impairments</b>		
Depreciation	569 226	497 691
Amortisation	(2 809)	2 794
	<b>566 417</b>	<b>500 485</b>
<b>16. Employee cost</b>		
Basic and bonuses	5 933 593	5 645 566
Medical aid – company contributions	212 300	222 766
Unemployment Insurance Fund	39 259	36 258
Workmen’s Compensation Fund	17 117	12 767
Leave pay provision charge	42 321	38 390
Housing subsidy	154 400	170 173
Leave gratuity	38 611	15 378
Pension fund contributions	825 063	786 481
	<b>7 262 664</b>	<b>6 927 779</b>
<b>17. General expenses</b>		
Advertising	31 773	-
Bank charges	52 148	47 967
Cleaning	29 256	30 762
Communication	155 215	99 126
Consultants	695 260	252 456
Education	298 713	166 023
Entertainment	47 724	23 590
Events and functions	874 937	647 048
Exhibitions and conservation expenses	14 856	19 995
Insurance	114 633	93 414
Marketing	150 401	238 190
Memberships	6 190	1 364
Municipal expenses and licences	1 763 977	1 690 550
Other expenses	257 255	259 052
Printing and stationery	58 281	40 883
Postage	1 907	1 667
Repair and maintenance	410 193	948 379
Security	528 597	859 999
Staff training	21 221	40 937
Travel and subsistence	233 934	125 788
	<b>5 746 471</b>	<b>5 587 190</b>



Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>18. Operating lease charges</b>		
<b>Operating lease charges</b>		
Premises		
- Contractual amounts	699 145	598 379
Equipment		
- Contractual amounts	36 597	39 898
	<u>735 742</u>	<u>638 277</u>
<b>19. Operating lease commitments</b>		
Within one year	72 083	25 280
Second to fifth year inclusive	210 750	29 506
	<u>282 833</u>	<u>54 786</u>
<p>At the reporting date, the ATM has outstanding commitments under non-cancellable operating leases. Operating lease payments represent rentals for office equipment. The leases are negotiated for a term of five years and are fixed for the duration of the lease agreement.</p>		
<b>20. Cash generated from operations</b>		
(Deficit)/surplus before taxation	(166 707)	2 123 458
<b>Adjustments for:</b>		
Depreciation and amortisation	566 417	500 485
Loss on sale of assets and liabilities	437	986
Interest received	(236 606)	(405 499)
Revenue: services in kind	(296 786)	(210 188)
Expenses: services in kind	296 786	210 188
<b>Changes in working capital:</b>		
Inventories	6 127	(9 080)
Receivables from exchange transactions	(45 396)	45 720
Receivables from non-exchange transactions	-	500 000
Trade and other payables	68 952	(200 913)
Unspent government grants and subsidies	(88 200)	2 851 028
Employee benefit obligation	42 321	38 390
	<u>147 346</u>	<u>5 444 575</u>

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>21. Related parties</b>		
<b>Relationships</b>		
Controlling entity		Department of Sport, Arts and Culture
Affiliated entity		Department of Public Works and Infrastructure
Affiliated entity		Historium Trust
Affiliated entity		Afrikaans Language Committee
Member of key management		Michael Jonas, ATM Director and Trustee of the Historium Trust
Member of key management		Tania Laing, Chief Financial Officer
<b>Compensation paid to key management</b>		
<b>Director's remuneration (chief executive officer)</b>		
Basic salary	989 904	949 728
Bonuses - 13 <sup>th</sup> cheques	82 492	79 144
Performance bonus	36 244	34 586
Housing subsidy	9 600	9 600
Medical aid contribution	13 200	13 200
Pension fund contribution	160 858	154 320
	<b>1 292 298</b>	<b>1 240 578</b>
<b>Chief financial officer's remuneration</b>		
Basic salary	656 148	629 520
Bonuses – 13 <sup>th</sup> cheque	54 679	52 460
Performance bonus	25 299	-
Housing subsidy	9 600	9 600
Medical aid contribution	13 200	13 200
Pension fund contribution	142 164	102 288
	<b>901 090</b>	<b>807 068</b>

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>Transactions with associate undertakings</b>		
<p>The Historium Building was bought by Council of the Afrikaanse Taalraad (Afrikaans Language Committee) in a private transaction in 1990. The Historium (erven 1747, Paarl) was registered in the name of the ATM since the Afrikaans Language Committee was not a registered entity.</p> <p>Council intends to consolidate the Historium Building, the Afrikaans Language Committee and Afrikaans Trust into a new private trust known as the Historium Trust to discontinue any party relationship between the ATM and the Historium Building.</p> <p>The Afrikaans Language Committee was controlled by the same Council as the ATM.</p> <p>The Auditor-General raised the issue of the relationship between the ATM and the private account of the Afrikaans Language Committee; it is therefore considered a matter of emphasis in the audit report.</p> <p>The property is registered in the name of the ATM although it is the property of the Afrikaans Language Committee, as it was originally purchased by the Afrikaans Language Committee and therefore private.</p> <p>The ATM submitted a request with a draft deed of donation to the Minister of Sport, Arts and Culture (after having obtained an opinion from the State Attorney) to transfer the building to the Historium Trust in terms of Section 4(3)(a) of the Cultural Institutions Act, 119 of 1998, and the Public Finance Management Act, 1 of 1999, more specifically Section 76(1)(k) and (i) and Treasury Regulations 21.3.</p>		
Rent paid – Historium Trust	399 859	385 691
Rent paid – Department of Public Works and Infrastructure	296 786	210 188
	<u>696 645</u>	<u>595 879</u>

**22. Counsellors' fees**

2023	Fees	Expenses	Total
Adv JJ Meiring	25 262	8 917	34 179
Ms S Tsoleli	24 063	9 905	33 968
Dr A Beukes	26 236	-	26 236
Mr L Adendorf	43 762	13 941	57 703
Mr S Maharaj	20 212	12 141	32 353
Ms H Erdmann	33 310	1 435	34 745
Dr L Munsamy	5 226	1 225	6 451
Dr W Langeveldt	13 936	1 497	15 433
Mr JJ Saal	48 988	6 864	55 852
Prof J Rossouw (independent Audit and Risk Committee member)	17 770	13 618	31 388
	<b>258 765</b>	<b>69 543</b>	<b>328 308</b>

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>	
	<u>R</u>	<u>R</u>	
2022	Fees	Expenses	Total
Adv JJ Meiring	18 981	-	18 981
Ms S Tsoleli	9 410	-	9 410
Dr A Beukes	17 420	-	17 420
Mr L Adendorf	34 840	10 360	45 200
Mr S Maharaj	40 424	12 141	52 565
Ms H Erdmann	27 872	1 502	29 374
Dr L Munsamy	21 604	9 738	31 342
Dr W Langeveldt	21 079	2 002	23 081
Mr JJ Saal	38 324	1 320	39 644
Prof J Rossouw (independent Audit and Risk Committee member)	21 254	13 618	34 872
	<b>251 208</b>	<b>50 681</b>	<b>301 889</b>

Prof J Rossouw is the independent Audit Committee Chairperson appointed by Council for the same term as that of the Council members.

**23. Comparative figures**

Different categories of revenue from non-exchange transactions, revenues from exchange transactions and expenditures were disclosed separately in notes to the financial statements and the totals were disclosed on the face of the Statement of the Financial Performance. The different categories of revenue from non-exchange transactions, revenues from exchange transactions and expenditures are now disclosed on the face of the Statement of the Financial Performance with related notes.

Certain comparative figures have been reclassified. The classification between the non-current and current portions of unspent government grants and subsidies was not disclosed in the prior year.

The effects of the reclassification are as follows:

Statement of Financial Position	As previously reported: 31 March 2022	Reclassification	Restated: 31 March 2022
Unspent government grants and subsidies: non-current portion	-	9 742 381	9 742 381
Unspent government grants and subsidies: current portion	9 830 581	(9 742 381)	88 200
	<b>9 830 581</b>	<b>-</b>	<b>9 830 581</b>

Non contractual commitments were disclosed in the prior year financial statements and GRAP standards only require contractual commitments at the reporting date to be disclosed in the financial statements. The commitment disclosed in the prior year financial statements was overstated by R5 949 473.

The correction of the error results in adjustments as follows:

Disclosure	As previously reported: 31 March 2022	Reclassification	Restated: 31 March 2022
Commitments	5 949 473	(5 949 473)	-

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>24. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
Property, plant and equipment	187 500	-

This committed expenditure relates to property and will be financed by conditional government grants and subsidies.

**25. Events after the reporting period**

The Council is not aware of any material event which occurred after the reporting date and up to the date of this report, except for:

Deliberations about a possible name change for the Museum occurred in May 2022. There is considerable uncertainty attendant upon these events. The financial effect that it might have cannot be estimated at this point. Further events beyond 2023 entail a possible merger under a single board with the National Library of South Africa (NLSA), the South African Library for the Blind (SALB) and the Amazwi South African Museum of Literature to form a larger DSAC flagship entity.

**26. Going concern**

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

Notes to the Annual Financial Statements for the year ended 31 March 2023

	<u>2023</u>	<u>2022</u>
	<u>R</u>	<u>R</u>
<b>27. Irregular expenditure</b>		
<b>Irregular expenditure</b>		
Opening balance	9 630 257	9 685 420
Expenditure related to current year	4 119	8 955
Expenditure related to previous financial year overstated	-	(64 118)
	<b>9 634 376</b>	<b>9 630 257</b>

**Irregular expenditure was incurred during the current financial year due to the following reason:**

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation were not justified/approved: R4 119.

Applications for condonation of the opening balance of irregular expenditure was submitted to National Treasury. The ATM is still waiting on the outcome of the applications.

Irregular expenditure at the beginning of the year:

Irregular expenditure of R9 630 257 as at 01 April 2022 has not yet been condoned by the Council. ATM is awaiting approval from National Treasury for the condonement before Council can condone the irregular expenditure.

**Prior year expenditure**

Non-compliance with National Treasury Practice Note 8 of 2007/08 where at least three quotations were not obtained and the reasons for deviation were not justified/approved: R8 955.

The ATM was unable to obtain three quotations for certain expenditures due to a monopoly in a specific industry – the irregular expenditure is overstated by R64 118.

**28. Fruitless and wasteful expenditure**

**Fruitless and wasteful expenditure**

Opening balance	17 954	17 954
Expenditure related to current year	2 650	-
Expenditure recovered	(2 650)	-
	<b>17 954</b>	<b>17 954</b>

Signage boards at the Taalmonument were replaced, but during the process an ATM employee did not ensure that the contractor printed the information boards as per the specifications. This was discovered after the boards were delivered and installed. When an inquiry was made, the employee admitted that the supplier requested to deviate from the specifications; the employee did not seek approval through the correct channels and approved the change himself. After the incident was assessed, it was determined that information boards had to be replaced to conform to the existing signage infrastructure. It was determined that the expenditure was in vain and could have been avoided with due care from the staff member. During the process, the employee resigned from the ATM's service, but the amount was recovered.

Notes to the Annual Financial Statements for the year ended 31 March 2023

**29. Risk management**

**Market risk**

The ATM's activities expose it to a variety of financial risks: market risk (fair value interest risk, cash flow interest rate risk), credit risk and liquidity risk. The ATM is not exposed to market risk due to it being required to settle with creditors within 30 days of receiving an invoice as per treasury regulations and the PFMA.

**Liquidity risk**

Liquidity risk is the risk that the ATM will not be able to meet its obligations as they fall due. In terms of its borrowing requirements, the ATM ensures that adequate funds are available to meet its expected and unexpected financial commitments. All outstanding accounts payable balances are due within 30 days of the reporting date.

**Sensitivity analysis**

On 31 March 2023, if the interest rates on variable rate financial instruments had been 1% higher/lower with all other variables held constant, no significant impact would have been had on the surplus for the year.

**Financial assets**

Trade and other receivables are at a fixed rate of interest. Management manages interest rate risk by negotiating beneficial rates on floating-rate loans and, where possible, using fixed-rate loans. Management also has a policy balancing the interest on asset loans with the interest payable on liabilities.

**Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the ATM. The ATM has adopted a policy of only dealing with creditworthy parties.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The ATM only deposits cash with major banks with high-quality credit standings, and limits exposure to any one counterparty.

No credit limits were exceeded during the reporting year, and Management does not expect any losses from non-performance by these counterparties.

**Maximum exposure to credit risk**

The ATM's exposure to credit risk with regard to loans and receivables is limited to amounts in the Statement of Financial Position.

Notes to the Annual Financial Statements for the year ended 31 March 2023

**30. Categories of financial instruments**

Categories of financial instruments - 2023	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
<b>Assets</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	2	-	-	4 838 789	4 838 789
Heritage assets	3	-	-	2 389 431	2 389 431
Intangible assets	4	-	-	30 063	30 063
		-	-	<b>7 258 283</b>	<b>7 258 283</b>
<b>Current Assets</b>					
Inventories	5	-	-	56 039	56 039
Investments	7	13 572 977	-	-	13 572 977
Receivables from exchange transactions	6	26 746	-	92 776	119 522
Cash and cash equivalents	8	900 766	-	-	900 766
		<b>14 500 489</b>	-	<b>148 815</b>	<b>14 649 304</b>
<b>Total Assets</b>		<b>14 500 489</b>	-	<b>7 407 098</b>	<b>21 907 587</b>
<b>Net Assets and liabilities</b>					
<b>Net Assets</b>					
Revaluation reserve		-	-	2 387 747	2 387 747
Accumulated surplus		-	-	8 851 420	8 851 420
		-	-	<b>11 239 167</b>	<b>11 239 167</b>
<b>Total Net Assets</b>		-	-	<b>11 239 167</b>	<b>11 239 167</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Unspent government grants	12	-	-	9 819 759	9 819 759
<b>Current Liabilities</b>					
Payables from exchange transactions	10	-	228 242	-	228 242
Unspent government grants and subsidies	12	-	-	445 118	445 118
Employee benefit obligation	11	-	-	175 300	175 300
		-	<b>228 242</b>	<b>620 418</b>	<b>848 660</b>
<b>Total Liabilities</b>		-	<b>228 242</b>	<b>10 440 177</b>	<b>10 668 419</b>
<b>Total Net Assets and Liabilities</b>		-	<b>228 242</b>	<b>21 679 344</b>	<b>21 679 344</b>



Notes to the Annual Financial Statements for the year ended 31 March 2023

Categories of financial instruments - 2022	Notes	Financial assets at amortised cost	Financial liabilities at amortised cost	Equity and non-financial assets and liabilities	Total
<b>Assets</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	2	-	-	5 332 613	5 332 613
Heritage assets	3	-	-	2 389 431	2 389 431
Intangible assets	4	-	-	5 818	5 818
		-	-	<b>7 727 862</b>	<b>7 727 862</b>
<b>Current Assets</b>					
Inventories	5	-	-	62 166	62 166
Investments	7	13 124 268	-	-	13 124 268
Receivables from exchange transactions	6	1 799	-	72 327	74 126
Cash and cash equivalents	8	540 301	-	-	540 301
		<b>13 666 368</b>	-	<b>134 493</b>	<b>13 800 861</b>
<b>Total Assets</b>		<b>13 666 368</b>	-	<b>7 862 355</b>	<b>21 528 723</b>
<b>Net Assets and liabilities</b>					
<b>Net Assets</b>					
Revaluation reserve		-	-	2 387 747	2 387 747
Accumulated surplus		-	-	9 018 127	9 018 127
		-	-	<b>11 405 874</b>	<b>11 405 874</b>
<b>Total Net Assets</b>		-	-	<b>11 405 874</b>	<b>11 405 874</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Unspent government grants and subsidies	12	-	-	9 742 381	9 742 381
<b>Current Liabilities</b>					
Payables from exchange transactions	10	-	159 290	-	159 290
Unspent government grants and subsidies	12	-	-	88 200	88 200
Employee benefit obligation	11	-	-	132 978	132 978
		-	<b>159 290</b>	<b>221 178</b>	<b>380 468</b>
<b>Total Liabilities</b>		-	<b>159 290</b>	<b>9 963 559</b>	<b>10 122 849</b>
<b>Total Net Assets and Liabilities</b>		-	<b>159 290</b>	<b>21 369 433</b>	<b>21 528 723</b>

Annual Financial Statements for the year ended 31 March 2023  
Detailed Income Statement

	<u>Notes</u>	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
<b>Revenue from non-exchange transactions</b>			
Government grants		12 027 200	13 897 062
Services in kind		296 786	210 188
Donations		140 550	383 185
	13	<u>12 464 536</u>	<u>14 490 435</u>
<b>Revenue from exchange transactions</b>			
Business venture		473 145	323 720
Courses		48 700	79 150
Entrance fees		1 338 345	883 561
Funding and marketing		18 227	9 681
Insurance claims		55 679	264 934
Interest received		236 606	405 499
Profit on sale of property, plant and equipment and intangibles		-	444
Sale of goods		89 939	70 635
Sundry income		67 145	1 446
		<u>2 327 786</u>	<u>2 039 070</u>
<b>Expenses (Refer to page 131)</b>		<u>(14 959 029)</u>	<u>(14 406 047)</u>
<b>(Deficit) / surplus for the year</b>		<u>(166 707)</u>	<u>2 123 458</u>

**Annual Financial Statements for the year ended 31 March 2023**  
**Detailed Income Statement**

<b>Notes</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b>R</b>	<b>R</b>
<b>Operational expenses</b>		
Advertising and marketing	151 153	158 489
Auditor's remuneration	595 118	475 049
Bank charges	52 150	47 968
Covid-19 expenses	5 946	16 606
Cleaning	82 039	72 120
Communications	12 321	12 351
Computer expenses	119 292	76 873
Consulting and professional fees	695 260	252 456
Courses	68 919	57 043
Depreciation, amortisation and impairments	566 417	500 485
Director's expenses – conferences and meetings	31 021	80 251
Educationalist	5 372	-
Employee costs	7 262 663	6 927 778
Entertainment	47 723	23 590
Exhibitions	14 856	17 474
Honorariums	253 172	251 708
Insurance	114 633	93 414
Lease rentals on operating lease	735 742	638 277
Loss on sale of assets and liabilities	437	1 430
Meetings and functions	806 017	590 005
Motor vehicle expenses	2 614	2 722
Municipal expenses	1 755 992	1 687 829
Other expenses	298 713	168 543
Postage	1 324	1 364
Printing and stationery	56 578	34 462
Purchase of inventory	52 180	52 789
Repairs and maintenance	235 406	820 693
Research costs	-	223 048
Security	527 065	859 334
Subscriptions	6 190	4 364
Telephone and fax	142 894	86 775
Training	21 221	40 937
Transport claims	234 517	126 091
Uniforms	4 084	3 729
	<b><u>14 959 029</u></b>	<b><u>14 406 047</u></b>

### 3. Materiality and Significance Framework

For the period ending 31 March 2023

#### 3.1 Background

In terms of Treasury Regulations (TR) 28.3: “For purposes of material [section 55 (2) of the PFMA] and significant [section 54 (2) of the PFMA], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.”

Public Entities are required to include the Materiality and Significance Framework in the Strategic Plan to be submitted to its Executive Authority [TR 30.1.3(e)]. In terms of Treasury Regulations 8.2.1, any material losses through criminal conduct and any irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statement of the public entity.

SAAS 320.03 defines materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.” Further guidance is drawn from SAAS 320.17 from a public sector perspective: “In an audit of financial statements in the public sector, the auditor’s assessment of materiality may be influenced by the public accountability of the audited entity, and the sensitivity of the entity’s accounts, activities and functions regarding matters of public interest.” The reference to “economic” decisions (SAAS 320.03 above) is therefore assessed as not being conclusive or wholly appropriate to a public entity such as the Afrikaanse Taalmuseum en -monument (ATM).

The Collins English Dictionary defines significance as the importance of something, usually because it will have an effect on a situation or shows something about a situation.

Materiality can be based on several financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely accepted in the accounting profession as a basis for calculating materiality.

General basis used in accounting profession	Acceptable percentage range	ATM applicability
Total Revenue	0.25% - 1%	Applicable; they are grants received, entrance fees received, donations and project funds, rent received and interest received
Surplus	1% - 2%	Applicable; they are excess of grants over operating and capital expenditure
Equity	2% - 5%	Not applicable
Total Assets	0.5% - 2%	Applicable; they are opening carrying value, revaluation surplus, additions and depreciation of assets

#### 3.2 Broad framework for the ATM

The ATM will be dealing with this framework under two main categories, namely quantitative and qualitative aspects.

##### 3.2.1 Materiality level

The ATM assessed the level of a material deviation as being 1% of the total revenue.

#### Motivation

It is recognised that different levels of materiality can be set for different classes of transactions. The ATM has, however, taken the approach of setting a materiality level that will be used for all classes of transactions.

#### Factors considered

In determining the said materiality value as 1% of the total expenditure, the ATM took into account factors that include:

#### Nature of the ATM's business

**Revenue:** Funding for the ATM primarily comprises grants received from the Department of Sport, Arts and Culture, self-generated income from tourist activities (entrance fees), memorabilia, rent received and interest earned on investments in deposit accounts, as well as donations for projects.

**Expenditure:** Given the nature of the ATM as an entity mandated to collect, conserve, exhibit, educate and research, preference is given to gross expenditure as a basis for defining the level of materiality.

#### Statutory requirements applicable to the ATM

- The ATM is an institution established under the Cultural Institutions Act, 119 of 1998.
- The ATM is listed as a PFMA Schedule 3A public entity.
- Council of the ATM is required to execute the mandate in terms of the Cultural Institutions Act, 119 of 1998.

#### The control and inherent risks associated with the ATM

In assessing the control risk, the ATM concluded that a materiality level of 0.5% of expenditure is appropriate and prudent. This assessment is based on the fact that a sound control environment is being maintained. In this regard, cognisance was taken of amongst others:

- ❖ Proper and appropriate governance structures have been established that include a Council, Audit Committee, Director, CFO and Internal Audit Function.
- ❖ The Director and CFO's positions have been created with specific risk-management responsibilities.
- ❖ An Audit Committee that closely monitors the control environment of the ATM was established.
- ❖ The function of internal audit is sourced with a firm of professional internal auditors.
- ❖ A three-year Internal Audit plan, based on annual risk assessments, that is being performed. This is annually reviewed and agreed on by the Audit Committee.

### 3.3 ATM's general approach to qualitative aspects

Materiality is not confined to the size of the entity and the elements of its financial statements. The ATM recognises that misstatements that are large, either individually or in the aggregate, "may affect a reasonable user's" judgement. Further, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

- ❖ New ventures that the ATM may enter into.
- ❖ Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof, owing to the knowledge thereof affecting the decision-making of the user of the financial statements.
- ❖ Any fraudulent or dishonest behaviour of an ATM officer or staff member.

- ❖ Any infringement of the ATM's agreed performance levels.
- ❖ Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations).
- ❖ Unauthorised, irregular, fruitless and wasteful expenditure.
- ❖ Items of a non-financial nature, which would impact the continued operation and deliverables of the Entity.

**3.4 Framework**

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

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

	accounting authority's behalf.	authority's annual report
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