



**National Museum**  
**Bloemfontein**

# **Annual Report**

**April 2016 - March 2017**

# **ANNUAL REPORT**

**APRIL 2016 - MARCH 2017**

**National Museum, Bloemfontein**

An agency of the Department of Arts and Culture

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# **PART A: GENERAL INFORMATION**



# 1

## NATIONAL MUSEUM'S GENERAL INFORMATION

The National Museum\* is a Declared Cultural Institution with framework autonomy which resorts under the Department of Arts and Culture and is governed by a Council. The Museum is a natural history, cultural history and art museum which systematically and selectively collects examples and information relevant to these fields over the whole spectrum of prehistory up to the present. It is its task to document, preserve, conserve, restore, make available, study and promote such items, specimens, examples, collections and information.

*\*Incorporating the satellites: First Raadsaal Museum; Florisbad Research Station; Freshford House Museum; Oliewenhuis Art Museum; Wagon Museum*



### NATIONAL MUSEUM, BLOEMFONTEIN

The National Museum in Bloemfontein was established in 1877 and initially its collections and displays consisted mainly of rarities from around the world. Subsequently the Museum has developed into an omnibus institution with international stature. Intensive research is being done and significant study collections have been assembled in the fields of acarology, arachnology, botany, entomology, herpetology, mammalogy, ornithology, palaeoecology, palaeontology, anthropology, archaeology, cultural history, rock art and fine arts. Education is a further core function of the Museum and is embedded in every Museum activity. Through its displays and programmes the Museum renders a public service for its diverse audiences, engaging them in enjoyable and enlightening experiences and enriching the learning opportunities of all individuals.

## **OLIEWENHUIS ART MUSEUM** (Satellite of the National Museum)

On 19 July 1985 the former State President, Mr P.W. Botha, handed Oliewenhuis to the National Museum to be developed into an art museum. Oliewenhuis was erected in 1941 as residence of the Governor-General of the Union of South Africa. It was also used by the State Presidents of the Republic of South Africa as residence when on official visits to Bloemfontein. Later, however, Oliewenhuis was no longer used and it was thus made available to the National Museum.

Several structural changes had to be made to develop Oliewenhuis into an art museum, which on completion was officially opened on 11 October 1989.

Oliewenhuis Art Museum collects exclusively South African art and its collection consists of paintings, sculpture and graphic art. The pride of the collection are the Pierneef paintings, especially the magnificent *Rustenburg Kloof*, and the paintings of Bloemfontein done by Thomas Baines in 1851, only five years after the establishment of the town. The Art Museum obtains artworks through donations and acquisitions. The City Council of Bloemfontein made important donations, which were first housed at the A.C. White Gallery, and Mrs Dora Scott donated the F.P. Scott Trust Collection. The latter includes 24 artworks of the Bloemfontein Group.



## **FLORISBAD QUATERNARY RESEARCH STATION** (Satellite of the National Museum)

Florisbad is an internationally important fossil locality which has produced an archaic modern human skull in addition to valuable archaeological and palaeontological material.

It is a key site for information not only on the physical development of modern humans, but also on their environment and subsistence behaviour.

In September 1912 an earthquake opened up a new spring at the Florisbad mineral spring, and fossil bones and stone artefacts were brought to the surface with the water. Robert Broom investigated the find and in 1913 published an article on the material.

The discoveries prompted further investigations in the 1920s and 1930s by Prof. T.F. Dreyer from the Grey University College in Bloemfontein. This culminated in the discovery of the Florisbad human cranium in 1932. Dr A.C. Hoffman, Director of the National Museum in Bloemfontein, carried out further work in 1952. In 1980 Florisbad was bought by the South African Government for research purposes and was placed under the administration of the National Museum, Bloemfontein.



**FRESHFORD HOUSE MUSEUM**  
*(Satellite of the National Museum)*

Freshford is one of the few houses of the upper middle class of the Edwardian period that still exists in Bloemfontein. The house was designed and built by the architect, John Edwin Harrison. Born and trained in England, Harrison immigrated to South Africa in 1894.

Freshford House was completed in 1897, i.e. during a transition between the Late Victorian and Edwardian periods. With its asymmetrical facade, unplastered red brick walls, bay windows, veranda with carved wood and galvanised iron roof with cast-iron finishes, Freshford House is a typical example of a residence during this period in Bloemfontein.

The house was acquired by the National Museum in 1982, restored to its former glory and was opened to the public in 1986.

**FIRST RAADSAAL MUSEUM**  
*(Satellite of the National Museum)*

The British Resident, Maj. H.D. Warden, built this typical South African pioneer's building in 1849. It was the first school building north of the Orange River. It served as a church until 1852 and it was used by the Legislative Council of the Orange River Sovereignty and, from 1854, by the Orange Free State Republic as Assembly Hall and offices. When the Assembly moved to larger premises in 1856, the building reverted to its use as a school, which it remained until 1877.

The little building was put to a different use once again when in that year it housed the newly established National Museum. It was vacated in 1915 when the Museum moved to its present premises, and it was proclaimed a National Monument in 1936. In 1975 the wheel had turned full circle when the old Raadsaal was once again vacated and transferred to the National Museum.





## **WAGON MUSEUM** *(Satellite of the National Museum)*

The Wagon Museum is situated on the same premises as the First Raadsaal Museum. It houses a collection of historical wagons and carriages, such as a spring wagon, Voortrekker ox wagon, transport wagon, stage coach, mule wagon, spider and Cape cart. In the exhibition area are various panels depicting the development of transport through the ages and the making of a wagon wheel. A miniature diorama gives the visitor an impression of a team of oxen in front of a Voortrekker ox wagon. An exhibit of modes of transport used by black people has recently been included in the Museum.





# 2

## ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management

### 3.1. Vision

To be known as the best heritage centre in Africa.

### 3.2. Mission

To provide heritage information, an enjoyable experience and an invaluable tourism resource to all people through quality research, conservation, education and exhibitions.

The Museum's functions are

- *Conservation:* To build and curate representative collections of natural science, human science and art objects which are consistent with the objectives and activities of the Museum.
- *Research:* To undertake and promote research in the approved disciplines of the Museum.
- *Education:* To disseminate information on nature, culture and art, through publications, exhibitions and a variety of educational programmes.
- *Tourism:* To provide an invaluable tourism resource in the central interior of South Africa.

### 3.3. Values

The National Museum is driven by the following values:

- 3.3.1 Excellence
- 3.3.2 Professionalism
- 3.3.3 Respect
- 3.3.4 Co-operation
- 3.3.5 Teamwork
- 3.3.6 Commitment & Passion
- 3.3.7 Innovation
- 3.3.8 Community empowerment

### 3.4. Strategic outcome orientated goals

<b>Oriented Goal 1</b>	Celebrating the diversity of South Africa's cultural and natural heritage and making this accessible to all.
<b>Goal Statement</b>	To preserve and promote an inclusive heritage through curation, conservation, research and exhibitions of heritage items, thereby contributing to nation building, social cohesion and access to heritage information by all South Africans.
<b>Link to government priorities</b>	An efficient, effective and development-orientated public service ( <b>Outcome 12</b> ); A diverse, socially cohesive society with a common national identity ( <b>Outcome 14 - Nation Building and National Identity; Social cohesion</b> ); Citizen participation - Access to information)
<b>Link to DAC focus areas</b>	Nation building through effective social cohesion programme implementation; A productive, diverse and inclusive ACH Sector (Development, preservation & promotion of arts, culture and heritage; Nation building and Social cohesion; improved access to information; African Advancement and enhanced international cooperation)
<b>Strategic objectives flowing from this goal</b>	Programme 2 (Strategic Objectives 2.1, 2.2, 2.4, 2.5, 2.6, 2.7, 2.8); Programme 3 (Strategic Objectives 3.2, 3.3, 3.4, 3.5, 3.6)

<b>Strategic Outcome Oriented Goal 2</b>	Providing quality basic education as well as opportunities for lifelong learning.
<b>Goal Statement</b>	To produce quality, informative curriculum-based educational programmes, outreach activities and materials, and to distribute and communicate these through presentation of exhibitions, lessons, guided tours, educator training workshops, via Mobile Museum trips and through regular media coverage.
<b>Link to government priorities</b>	Quality Basic Education ( <b>Outcome 1</b> )
<b>Link to DAC focus areas</b>	A professional and capacitated ACH Sector; A productive, diverse and inclusive ACH Sector; Nation building through effective social cohesion programme implementation (Skills development; Economic development; Improved basic education)
<b>Strategic objectives flowing from this goal</b>	Programme 3 (Strategic Objectives 3.3, 3.4, 3.5, 3.6)

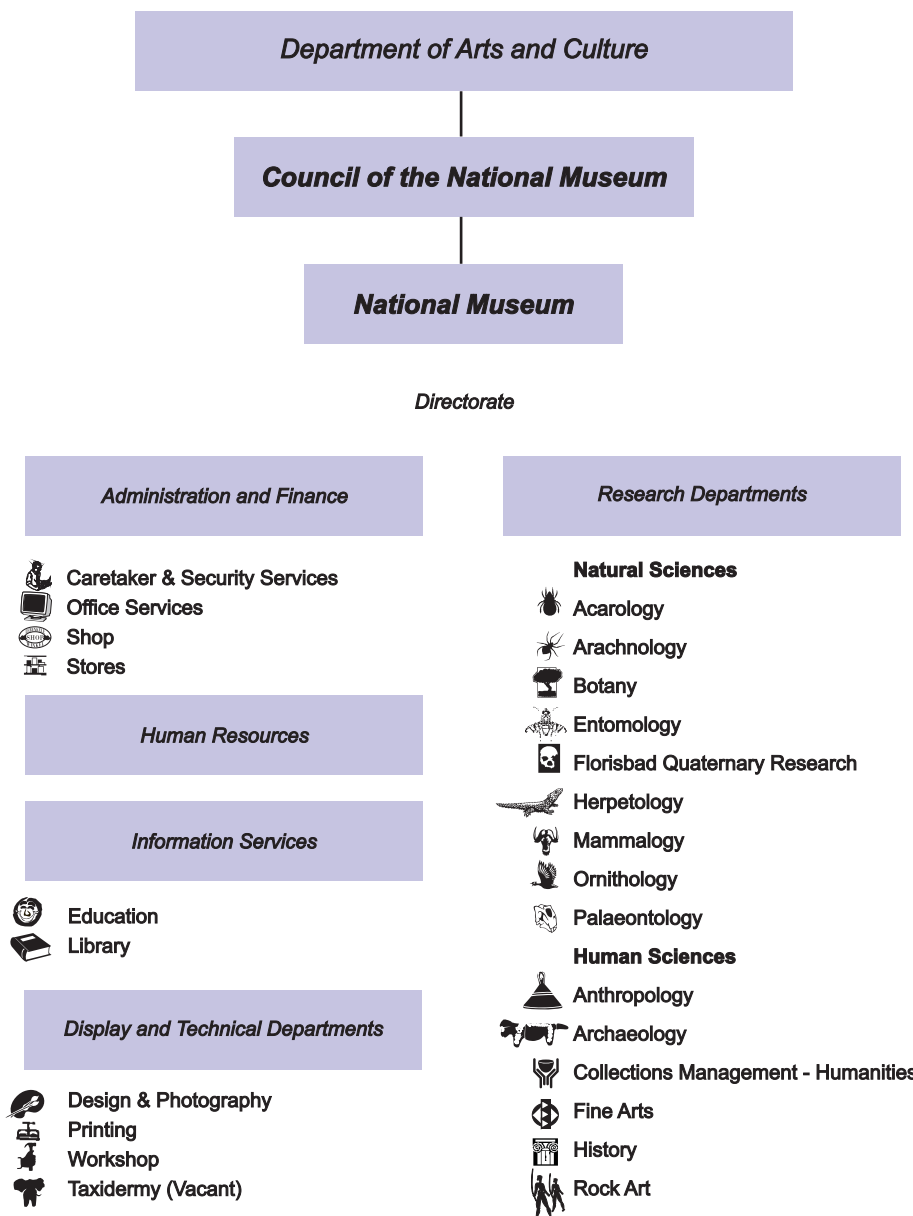
<b>Strategic Outcome Oriented Goal 3</b>	Providing (limited) heritage skills development and employment opportunities.
<b>Goal Statement</b>	Develop skills through workshop attendance, in-service training and mentorship programmes, leading to improved employment opportunities.
<b>Link to government priorities</b>	Decent employment through inclusive economic growth; economic upliftment ( <b>Outcome 4</b> )
<b>Link to DAC focus areas</b>	A professional and capacitated ACH Sector (Skills development; Economic development)
<b>Strategic objectives flowing from this goal</b>	Programme 2 (Strategic Objectives 2.3, 2.9)

<b>Strategic Outcome Oriented Goal 4</b>	Rural job creation linked to educational outreach, skills development and promotion of economic livelihoods through development of heritage tourism.
<b>Goal Statement</b>	Skills development, mentoring and support for heritage site guides from local communities to retain heritage information in situ, to empower South Africans and to facilitate access to economic benefit.
<b>Link to government priorities</b>	Vibrant, equitable and sustainable rural communities contributing towards food security for all; rural development ( <b>Outcome 7</b> ).
<b>Link to DAC focus areas</b>	Nation building through effective social cohesion programme implementation; A productive, diverse and inclusive ACH Sector (Development, preservation & promotion of arts, culture and heritage; Nation building and Social cohesion; Skills development; Economic development)
<b>Strategic objectives flowing from this goal</b>	Programme 3 (Strategic Objectives 3.4, 3.5, 3.6)

# 4 LEGISLATIVE AND OTHER MANDATES

The National Museum was established in terms of section 3 of the Cultural Institutions Act (Act 119 of 1998) and in terms of section 5 it is governed by a Council appointed by the Minister of Arts and Culture.

# 5 ORGANISATIONAL STRUCTURE



# 6 FOREWORD BY THE ACTING CHAIRPERSON OF THE EXECUTIVE COUNCIL

Council became a catalyst for change and good governance. It ensured that corporate governance centres around ethical and effective leadership rather than allowing narrow self-interest that tends to undermine the integrity of organisations.

The CFO tendered her resignation a month before the end of financial year. The timing placed a few internal processes at risk, including submitting annual financial statements outside the mandated time.

Good governance and business resilience imperatives required the use of forensic investigation to address several challenges. We trust that the forensic investigation outcomes will render it difficult for any employee to engage in any form of misconduct. We have ensured that we create a more balanced organisation which will provide value for all stakeholders, as well as better risk management.

Lack of transformation at both employee and procurement level almost tarnished the integrity of the National Museum. In January, we appointed a highly qualified deputy director who has been at the Museum for three years as a junior employee. Also, Council embarked in the process of appointing a CFO. Her brief time at the Museum has been transformative. We are delighted with the enthusiasm, vision and excitement that these talented experts have brought to the institution already. Dedicated management that included competent researchers acting at executive level, is in the process of addressing organisational challenges with confidence and determination.

We trust that 2017 heralds quality governance on the part of all employees and will help change National Museum's organisational behaviour that adopts integrated and collective thinking. We implore staff to embrace a culture of working together. Staff is expected to deepen the understanding of the imperative of personal responsibility and the notion of accountability. The survival and success of the National Museum requires a disciplined and harmonious workforce. Employees are expected to display a standard of excellence in their field of work. After all, failure is a choice and greatness is not reserved for the chosen few. We are all duty-bound to brighten the corner and bless the lives of those we serve. On behalf of Council, I thank you all for your intention to commit to the privilege and gift of being National Museum's employees.



Ms Afrika Msimang  
Acting Chairperson

Thank you for the collective efficiency in Council. We have shaped a new reality, not just to get results, but to transform the National Museum with a moral vision and uplifting purpose. Thank you fellow Council members for putting yourselves at the service of this iconic entity, in order to build a better organisation for all. A huge thank you for the generous and ongoing support from the Department of Arts and Culture.

Finally, we wish the researchers, together with all the talented assistants to continue doing work that will intrigue and delight us, drive innovation and generate revenue in the new financial year.

Warmly and best regards

A handwritten signature in black ink, appearing to read 'Afrika Msimang', written in a cursive style.

**Afrika Msimang**  
**Acting Chairperson of Council**  
**National Museum, Bloemfontein**

# 7

## DIRECTOR'S OVERVIEW

It is my pleasure to highlight some of the activities of the National Museum during the 2016/17 financial year; further details are provided in 'Overview of public entities performance' Part B performance information and elsewhere in the Annual Report.

The National Museum provides professional curation and conservation, research and education services relevant to heritage-based collections, of benefit to all communities served by the Museum. In the process, the Museum promotes increased awareness, a better understanding and a sense of national pride in the diverse cultural and natural heritage shared by all South Africans. To promote enjoyment of learning about this shared heritage the Museum offers numerous formal and informal activities, exhibitions and public outreach programmes. Essential to these activities is the professional support provided by management, administration and technical services, despite challenges encountered including the resignation of the Chief Financial Officer.

### **Curation and conservation of collections**

A total of 40 789 material 'units' (specimens, artefacts, objects, books, artworks, etc.) were added during the year to the diverse heritage collections managed by the Museum. A total of 6 conservation training opportunities were attended by collections management staff during the year. Fossil preparators continued with the Karoo Palaeontology mentorship programme under the expert guidance of Mr John Nyaphuli, South Africa's most experienced preparator, whom unfortunately retired during the same financial year. Wherever possible, standards of collection management were maintained, as reflected by the annual internal audit of collections. Adequate and appropriate space for storage of increasing numbers of collection items is an ongoing challenge.

### **Research**

Important international and national research collaborations have continued, particularly in the fields of Archaeology, Entomology, Herpetology, Oral History, Karoo and Quaternary Palaeontology and Mammalogy. Significant research outputs included 28 articles in peer-reviewed, accredited academic journals. Five National Museum scientists are rated by the National Research Foundation. Ten post-graduate students supervised and training of undergraduate students (e.g. in Oral History) continues. Museum staff members continue to be actively involved in providing critical professional services, through reviewing articles for specialist research journals, the examination of postgraduate theses and reviewing of funding applications for national and international funding bodies; these aspects acknowledge the professional standing of research staff.

### **Education and public programmes**

Diverse educational programmes offered by the National Museum Education Department and Oliewenhuis Art Museum included guided tours of exhibitions, curriculum-based lessons, workshops and outreach programmes. With support from the National Research Foundation's (NRF) African Origins Programme (AOP), the Museum's Karoo Palaeontology Department continued to present another successful Evolution Education Programme in the greater Bloemfontein / Mangaung area. The Programme also included an Educator Training Workshop presented by Museum staff. The Mobile Museum vehicle provided outreach programmes to 39 schools during the year, 13 of which were to previously disadvantaged schools, six of these being in rural areas.

Oliewenhuis Art Museum hosted twelve excellent art exhibitions and positive feedback continues to be received from exhibition curators and exhibiting artists regarding the professionalism of the Art Museum staff and the exceptional facilities provided.



## **Managerial support services**

Providing professional and efficient support to all staff is essential to create an enabling environment in which they can effectively carry out their work; such support is provided as a priority. In addition Effective governance and internal control measures remain a priority; appropriate structures and procedures have continued to function optimally to achieve desired outcomes in this regard.

## **Tourism**

The National Museum and its satellite museums represent significant tourism assets; the Museum however lacks the capacity to effectively market and promote these. The development of strategic partnerships with tourism authorities remains an ongoing priority in order to most appropriately tap the Museum's tourism potential, particularly in the central interior of South Africa.

## **Acknowledgements**

Sincere thanks and appreciation are extended to the Council of the National Museum, the Audit and Risk Committee and the dedicated staff members for their contributions to another successful year for our institution.



**Ms Lebogang Matlala**  
**Acting Director**  
**National Museum Bloemfontein**

## **PART B: PERFORMANCE INFORMATION**



# 1 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

## Statement of Responsibility for Performance Information for the year ended 31 March 2017

The Director is responsible for the preparation of the National Museum's performance information and for the judgements made in this information.

The Director is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the National Museum for the financial year ended 31 March 2017.

The National Museum performance information for the year ended 31 March 2017 have been examined by the external auditors and their report is presented on page 25 to 46.

The performance information is set out on page 25 to page 46 and was approved by the Council.



**Ms Lebogang Matlala**  
**Acting Director**  
**National Museum, Bloemfontein**

## 2 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor 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 67 of the Report of the Auditors Report, published as Part E: Financial Information.

## 3 OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

### 3.1. Service Delivery Environment

The National Museum provides professional services in the curation and conservation of heritage-based collections, in research and education, of benefit to a broad spectrum of the community. Outputs and standards have either been maintained or improved upon by the Museum. Where targets have not been achieved, measures will be considered in future to address these aspects. The Museum strives to address transformation, in a broad sense, across the range of its processes and activities, from policy development and recruitment, through to its collections, research, education and community outreach programmes. There is an ongoing emphasis on the important role the Museum must play in contributing to the transformation of the heritage sector.

#### **Curation and Conservation of Heritage Collections**

Despite ongoing concerns regarding inadequate accommodation for Museum's heritage collections, these continue to receive curatorial attention of a high standard as indicated by the outcome of the annual audit of collections undertaken by Museum staff. A total of 40 789 material 'units' (specimens, objects, site information, books, etc.) were added to the diverse natural history, cultural history and humanities collections managed by the Museum during the year.

Oliewenhuis Art Museum is committed to developing a representative collection of South African Art. During the year, 11 artworks in various media were added to the collection, including works by Dominic Tshabangu, Pat Mautloa, Gerrit Hattingh, Cedric Nunn, Philip Rikhotso, Johannes Maswanganye, Janine Allen and Owen Ndou.

Restoration and remedial conservation of artworks and items in the Museum library have been undertaken by specialist conservators. The training of Museum staff to undertake appropriate conservation techniques relevant to Museum collections is crucial; six conservation training opportunities were attended by staff and two training courses were presented to other heritage practitioners by Museum collections management staff. In-house development of appropriate skills continues.

## Research

Ongoing research on its collections positions the Museum both internationally and locally as an institution recognised for its research excellence. The National Museum Ethics Committee, comprising three representatives from the natural sciences and two from the human sciences, will continue to ensure that all Museum research undertaken complies with the highest ethical standards. Furthermore, ongoing research, as well as new research, particularly that involving oral history, enables the Museum to contribute to nation building and social cohesion, engendering the promotion, celebration and increased awareness of our shared heritage and to addressing the challenges facing biodiversity.

Research also serves as a vehicle by which heritage collections and the treasures contained therein are unlocked and made accessible and relevant to all people, through topical and relevant exhibitions, displays and educational and outreach programmes.

The Museum continues to contribute significantly to research and knowledge production; of the five research staff with National Research Foundation (NRF) rating, three have a B rating, which acknowledges considerable *international* recognition by research peers for the high quality and impact of their recent research outputs. Researchers produced 28 scientific / research publications and 39 semi-scientific / popular publications during the year and also contributed 17 presentations at national and international conferences and workshops. They also presented 10 academic and 33 popular lectures and were involved in collaborative projects with numerous researchers and research institutions both in South Africa and internationally.

Museum staff reviewed a total of 117 manuscripts for international and national scientific publications, research theses, scientific reports and researcher evaluations; this is evidence of the high regard in which Museum researchers are held in the research community. The research value of the Museum's collections is reflected by the number of requests for loans of collections material from researchers at other institutions; 91 loans of collection items were requested and provided during the year.

Numerous research projects in the natural and social sciences enable the Museum to execute fully its conservation, archival and inventory functions. Oral history research investigates and documents intangible heritage; an ongoing strategic research focus is the Museum's Batho Community History Project. The Museum's oral history programme enjoys collaboration both internationally, through the Thomas More University College, Mechelen, Belgium and locally via the Central University of Technology and the University of the Free State; this involves professional staff from all three institutions and the training of students from Thomas More University College and the University of the Free State.

## Education & Public Programmes

The National Museum and its satellite museums attracted a total of 202 903 visitors during the year; this included a significant percentage of school learners (66 335), the physically handicapped and the elderly - testimony to the popularity of the community-related and special programmes and exhibitions offered by the Museum. Educators and tertiary-level students also attended various programmes. Considering that Bloemfontein / Mangaung is not a recognised tourist destination, these visitor numbers are significant. This also illustrates strong linkages between the National Museum, its home city and region.

The Museum's Education Department, Oliewenhuis Art Museum and certain research departments have continued with various educational and public outreach programmes. In addition to the important curriculum-based lessons and guided tours offered by the National Museum and Oliewenhuis Art Museum, Education Department staff members give special attention to enlightening learners about museum-related careers. The specially equipped Mobile Museum vehicle has also been utilised to visit rural communities and schools. In conjunction with the National Research Foundation's (NRF) African Origins Programme (AOP), the Museum's Karoo Palaeontology Department has continued to present the successful Evolution Education Programme, presenting two workshops to educators from various schools in the greater Bloemfontein / Mangaung area on this theme.

Oliewenhuis Art Museum offers guided tours of the art collections and 'walkabouts' of hosted temporary exhibitions. A variety of art activities are also offered, aimed particularly at disadvantaged children, including holiday art workshops. Approximately 700 people of all ages attend art classes at the Art Museum each month. This supports the Art Museum's desire and mission to attract, educate and engage a larger and more diverse community.

Local artists, woodcarvers and art students are assisted by Oliewenhuis Art Museum to attend various workshops and art exhibition openings at the Museum. The Art Museum also continues to assist local woodcarvers by displaying their sculptures at the Museum, advertising these and facilitating sales thereof.

A number of well-attended temporary exhibitions were presented at the National Museum, its satellites and at public libraries. Oliewenhuis Art Museum hosted and curated a total of 12 excellent and well-supported temporary art exhibitions during the year, including *Aesthetic Cooperatives: A Polly Street retrospective, curated by Yolanda de Kock, which* celebrated the work of leading South African artists such as Dumeli Feni, Winston Saoli, Julian Motau, Cecil Skotness, Walter Battis, Fred Schimmel and Larry Scully.

Other exhibitions hosted include *Fragile Histories, Fugitive Lives*, a solo exhibition by Keith Dietrich; the *Performing Wo/Man* Group Exhibition curated by Derek Zietsman; *The Visionary Brusher Game*, a solo exhibition by Janine Allen and *From Crane Flies to Cameos*, a solo exhibition by local artist, Elrie Joubert. The 28<sup>th</sup> *Sophia Gray Lecture and Exhibition: Reductive Innovation in Architecture*, presented by Al Stratford was followed by the successful inaugural *Phatshoane Henney Attorneys New Breed Art Competition*. The *#AMANDLA! [Re]form, Debate, [Re]dress?* exhibition curated by Tshegofatso Seoka, Assistant Education Officer at Oliewenhuis Art Museum, included traditional 'Resistance Art' works by William Kentridge, Dumeli Feni, Julian Motau and Norman Catherine and more current artworks by artists such as Asanda Kupa, Ayanda Mabulu, Blessing Ngobeni, Michael Selekeane and Setlamorago Mashilo. The last exhibition of the year was *Paradisus (Deperditum)*, a solo travelling exhibition by Christiaan Diedericks.

Oliewenhuis continues to inclusively promote South African art locally and nationally, and the Art Museum prides itself as the preferred exhibition venue for many of South Africa's leading contemporary artists.

The National Museum is proud of its ongoing initiative to make the institution, its information and displays more accessible to persons with disabilities. A number of groups of visitors with disabilities from the local Society for the Blind and Association for Persons with Disabilities enjoyed this accessibility during specially guided tours of the exhibition areas.

The National Museum, mainly through the Batho Community History Project and Oliewenhuis Art Museum's programmes, undertakes a number of community outreach programmes. These include supporting various charities; as part of the Museum's 2016 Mandela Day initiative, funds were raised by the Museum and its staff to purchase items such as toiletries, washing powder, clothing, carpets and maize meal, to benefit Iphahamiseng Community Child Care Centre in Batho township, which cares for 60 destitute children.

### **Marketing**

The numerous and diverse activities of the National Museum and its satellites, especially Oliewenhuis Art Museum, enjoy exposure through various marketing activities. A total of 3 425 publicity items (TV, radio, newspapers, magazines, electronic and social media) relating to the activities of the Museum appeared in diverse media during the year.

The development of advertisements for the media, the production of newsletters, visitors' guides and tourism brochures, as well as banners and other materials for temporary exhibits, is undertaken using in-house technical expertise.

## **3.2 Organisational environment**

Vacancies in the Education Department and History Department (Oral History), and addressing training needs of new employees once the vacancies were filled, impacted slightly on achievement of certain targets during the year. The fewer numbers of oral history interviews conducted did not negatively on service delivery, as other aspects, such as transcription of prior year interviews continued. The vacancy in the Education Department necessitated staff sharing the extra responsibilities of presenting lessons to visiting schools; as such the impact of the vacant position on service delivery was minimised.

The resignation of the Chief Financial Officer (CFO) at the end of March 2017 and slight delays in filling this important position resulted in the need to request an extension for submission of the Annual Financial Statements and Annual Performance Report until 30 June 2017. The responsibilities of the CFO were assumed by the Deputy Director and Director in the interim until a new CFO was appointed, thus minimising the impact on service delivery. The requirement to implement GRAP 103 on Heritage Assets continues to present a significant challenge.

## **3.3. Key policy developments and legislative changes**

There were no significant changes to the National Museum's legislative and other mandates. The pending White Paper on Arts, Culture and Heritage, as well as the National Museums Policy, the draft versions of which are still under discussion, will doubtless impact on the Museum's operations.

<b>Strategic Outcome Oriented Goal 1</b>	Celebrating the diversity of South Africa's cultural and natural heritage and making this accessible to all.
<b>Goal Statement</b>	To preserve and promote an inclusive heritage through curation, conservation, research and exhibitions of heritage items, thereby contributing to nation building, social cohesion and access to heritage information by all South Africans.
<b>Link to government priorities</b>	An efficient, effective and development-orientated public service ( <b>Outcome 12</b> ); A diverse, socially cohesive society with a common national identity ( <b>Outcome 14 - Nation Building and National Identity; Social cohesion</b> ); Citizen participation - Access to information)
<b>Link to DAC focus areas</b>	Nation building through effective social cohesion programme implementation; A productive, diverse and inclusive ACH Sector (Development, preservation & promotion of arts, culture and heritage; Nation building and Social cohesion; improved access to information; African Advancement and enhanced international cooperation)
<b>Strategic objectives flowing from this goal</b>	Programme 2 (Strategic Objectives 2.1, 2.2, 2.4, 2.5, 2.6, 2.7, 2.8); Programme 3 (Strategic Objectives 3.2, 3.3, 3.4, 3.5, 3.6)

<b>Strategic Outcome Oriented Goal 2</b>	Providing quality basic education as well as opportunities for lifelong learning.
<b>Goal Statement</b>	To produce quality, informative curriculum-based educational programmes, outreach activities and materials, and to distribute and communicate these through presentation of exhibitions, lessons, guided tours, educator training workshops, via Mobile Museum trips and through regular media coverage.
<b>Link to government priorities</b>	Quality Basic Education ( <b>Outcome 1</b> )
<b>Link to DAC focus areas</b>	A professional and capacitated ACH Sector; A productive, diverse and inclusive ACH Sector; Nation building through effective social cohesion programme implementation (Skills development; Economic development; Improved basic education)
<b>Strategic objectives flowing from this goal</b>	Programme 3 (Strategic Objectives 3.3, 3.4, 3.5, 3.6)

<b>Strategic Outcome Oriented Goal 3</b>	Providing (limited) heritage skills development and employment opportunities.
<b>Goal Statement</b>	Develop skills through workshop attendance, in-service training and mentorship programmes, leading to improved employment opportunities.
<b>Link to government priorities</b>	Decent employment through inclusive economic growth; economic upliftment ( <b>Outcome 4</b> )
<b>Link to DAC focus areas</b>	A professional and capacitated ACH Sector (Skills development; Economic development)
<b>Strategic objectives flowing from this goal</b>	Programme 2 (Strategic Objectives 2.3, 2.9)



<b>Strategic Outcome Oriented Goal 4</b>	Rural job creation linked to educational outreach, skills development and promotion of economic livelihoods through development of heritage tourism.
<b>Goal Statement</b>	Skills development, mentoring and support for heritage site guides from local communities to retain heritage information in situ, to empower South Africans and to facilitate access to economic benefit.
<b>Link to government priorities</b>	Vibrant, equitable and sustainable rural communities contributing towards food security for all; rural development ( <b>Outcome 7</b> ).
<b>Link to DAC focus areas</b>	Nation building through effective social cohesion programme implementation; A productive, diverse and inclusive ACH Sector (Development, preservation & promotion of arts, culture and heritage; Nation building and Social cohesion; Skills development; Economic development)
<b>Strategic objectives flowing from this goal</b>	Programme 3 (Strategic Objectives 3.4, 3.5, 3.6)

As indicated in the detailed reporting on performance information by programme below, significant progress was made towards the achievement of the National Museum's strategic outcome oriented goals. Significant growth of the Museum's diverse heritage collections and caring for these to the highest standards possible, ongoing quality research undertaken on these collections, with resulting scientific and popular publications, as well as creating greater awareness and sense of pride in our shared heritage through educational programmes, outreach and exhibitions, have all contributed to celebrating the diversity of South Africa's cultural and natural heritage and making this accessible to all (Strategic Outcome Oriented Goal 1).

The Museum's extensive, curriculum-based educational and outreach programmes, as well as topical exhibitions and both popular and scientific presentations and publications by Museum researchers to diverse audiences during the year have effectively addressed the goal to provide quality basic education and opportunities for lifelong learning (Strategic Outcome Oriented Goal 2). Regular exposure given to the Museum and its diverse activities through the media has also made a significant contribution in this regard.

The attendance of workshops, conferences and specialised training opportunities, as well as in-house training and mentorships, have provided heritage skills development (Strategic Outcome Oriented Goal 3) for a number of Museum employees. Specialised training has also been provided by Museum curatorial staff to heritage practitioners employed elsewhere, thereby contributing to skills development and enhanced employment opportunities for these practitioners.

The involvement of the Museum in supporting development of heritage tourism, particularly in rural communities, is a long-term goal. Creating greater awareness of the intrinsic value of our heritage and the possibilities regarding possible careers in heritage and museums has however been promoted in an ongoing manner during the year through the Museum's education and outreach programmes, particularly those undertaken in rural communities using the Mobile Museum. These initiatives have partly contributed to Strategic Outcome Oriented Goal 4 (rural job creation linked to educational outreach, skills development and promotion of economic livelihoods).

# 4

## PERFORMANCE INFORMATION BY PROGRAMME

The information below summarises progress made towards achieving the National Museum's strategic objectives. Each section is headed by the relevant strategic objective, followed by summary information relevant to achievement of relevant targets.

Note: Numbering below relates specifically to the Programmes, Sub-programmes, Objectives and Performance Indicators for each Programme, as per the Museum's approved 2016/2017 Annual Performance Plan.

- 1. Programme 1: ADMINISTRATION
- 1.1 Sub-programme 1: Support Services

Programme purpose: To provide the necessary professional support to ensure the achievement of the Museum's primary objectives of carrying out quality research, expanding and managing diverse heritage collections and communicating to all, through educational programmes, exhibitions and publications, the importance of this diverse heritage to the South African nation.

Strategic objectives (numbering below relates specifically to Objectives and Performance Indicators for Programme 1):

- 1.1. To provide the necessary support for the Museum's key focus areas - research, collections development and management, and education.

*Programme performance indicators (numbering below relates specifically to Programme 1), planned targets and actual achievements*

1.1 To provide the necessary support for the Museum's key focus areas – research, collections development and management, and education					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
1.1.1 Unqualified audit	Unqualified audit report for 2014/2015 financial year	Unqualified audit report for 2015/2016 financial year	Qualified audit report for 2015/2016 financial year (due to non-compliance with requirements of GRAP 103 – valuation of Heritage assets)	Target not achieved.	Clarification on the way forward with implementation of valuation still sought from Department of Arts and Culture (DAC), Treasury, Auditor General – South Africa & the Accounting Standards Board. Although gazetted exemption from the measurement provision of GRAP 103 for the 2015/16 and 2016/17

1.1 To provide the necessary support for the Museum's key focus areas – research, collections development and management, and education					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
					financial years was granted to DAC entities by the Minister of Finance, this exemption was not accepted by the Auditor General – South Africa.

*Note: Numbering below relates specifically to the Programmes, Sub-programmes, Objectives and Performance Indicators for each Programme, as per the Museum's approved 2016/2017 Annual Performance Plan.*

## 2. PROGRAMME 2: BUSINESS DEVELOPMENT

### 2.1 Sub-Programme 1: Curation and Conservation of Collections

**Programme purpose:** To collect and conserve materials and objects of natural and cultural heritage relevant to the disciplines of the National Museum, which represent an important part of the collective national estate. In addition, to give attention to expanding collections where appropriate to include materials, objects and information to promote an enhanced sense of national pride in the diverse cultural and natural heritage shared by all South Africans.

**Strategic objectives** (numbering below relates specifically to Objectives and Performance Indicators for **Programme 2**):

- 2.1 To systematically build representative collections of natural history, cultural history and art.
- 2.2 To maintain high standards of conservation, curation and management of collections.
- 2.3 To build collections management capacity internally and in the broader museum sector.

**Programme performance indicators (numbering below relates specifically to Programme 2), planned targets and actual achievements**

2.1 To systematically build representative collections of natural history, cultural history and art					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.1.1. Objects / specimens ("material units") added to natural history,	83 456 specimens ("material units") added to natural history	12 000 specimens ("material units") added to natural	39 578 specimens ("material units") added to natural	Natural history specimens: 27 578 more than target. Achieved; target	It is difficult to accurately set targets, as opportunities to add heritage specimens

<b>2.1 To systematically build representative collections of natural history, cultural history and art</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
cultural history and art collections	collections by 31 March 2016.	history collections by 31 March 2017.	history collections by 31 March 2017.	far exceeded.	and objects vary and are often controlled by external factors.
	1 692 objects ("material units") added to cultural history collections by 31 March 2016.	1 800 objects ("material units") added to cultural history collections by 31 March 2017.	1 211 objects ("material units") added to cultural history collections by 31 March 2017.	Cultural history objects: 589 less than target. Target partially achieved.	It is difficult to accurately set targets, as opportunities to add heritage specimens and objects vary and are often controlled by external factors.
	21 objects ("material units") added to art collections by 31 March 2016.	R150 000 spent on art collections by 31 March 2017.	An amount of R144 765 was spent on artworks by 31 March 2017.	R5 235 less than target was spent on artworks. Target partially achieved.	Availability and cost of appropriate artworks influence artworks added to the collection and the cost thereof.
		Purchase 800 artworks for National Art Bank (NAB) collections by 31 March 2017.	No artworks purchased for National Art Bank (NAB) collections by 31 March 2017.	Target not achieved.	Due to initial delays in appointment of the Project Manager, delays have been experienced in the implementation of the Art Bank project. Artworks will be purchased later in 2017/18 financial year. Following review by Project Manager, annual target deemed unrealistic; reduced to 400 artworks for 2017/2018.
2.1.2. Collections Policy reviewed	Collections Policy (as well as component departmental policies) reviewed by 31 March 2016.	Collections Policy reviewed annually, by 31 March.	Collections Policy (as well as component departmental policies) reviewed by 31 March	Target achieved.	None

<b>2.1 To systematically build representative collections of natural history, cultural history and art</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.1.3. Annual collections audit completed	Annual collections audit successfully completed by 31 March 2016.	Complete annual collections audit by 31 March 2017.	Annual collections audit successfully completed by 31 March 2017. Report submitted to Management.	Target achieved.	None
<b>2.2 To maintain high standards of conservation, curation and management of collections</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.2.1. Annual review of procedures for conservation, curation and management of collections	Procedures for conservation, curation and management of collections reviewed by 31 March 2016 (as part of annual collections audit).	Procedures for conservation, curation and management of collections reviewed annually by 31 March.	Procedures for conservation, curation and management of collections reviewed by 31 March 2017 (as part of successful annual collections audit).	Target achieved.	None
2.2.2. Compliance with procedures for conservation, curation and management of collections during annual collections audit	An average of 83% compliance with required procedures for conservation, curation and management of collections was achieved during the 2015 audit of collections.	85% compliance with procedures for conservation, curation and management of collections during the annual audit of collections.	An average of 84% compliance with required procedures for conservation, curation and management of collections was achieved during the 2016 audit of collections.	Average compliance with procedures 1% lower than target; standards of conservation, curation and management of certain collections slightly below high standard set as benchmark; rigorous internal process followed. Target partially achieved.	Areas of concern include digitization, maintaining hard copies of catalogues and off -site storage of backups; these need to be addressed to improve compliance. Training of collections management staff ongoing; request to DAC for improved storage facilities, via UAMP, ongoing.
2.2.3. Motivation for additional storage facilities submitted to Department of Arts and	Updated User Asset Management Plan (UAMP), including motivation for additional storage facilities,	Motivation for additional storage facilities submitted to DAC annually by 31 August.	Updated User Asset Management Plan (UAMP), including motivation for additional storage	Target achieved.	None

<b>2.2 To maintain high standards of conservation, curation and management of collections</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
Culture (DAC) annually	was submitted to DAC in July 2015. User Specified Accommodation Needs (extra storage facilities) submitted to		facilities, was submitted to DAC on 30 June 2016.		
<b>2.3 To build collections management capacity internally and in the broader museum sector</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.3.1. Training attended by Museum conservators / collections managers	A total of 16 conservators / collections managers attended specialist collections training opportunities by 31 March 2016.	16 conservation / collections management training opportunities per year.	A total of 6 conservation / collections management training opportunities were attended by 31 March 2017.	10 fewer conservation / collections management training opportunities attended than target. Target not achieved.	This depends on opportunities available for training in specific fields of expertise; such opportunities may not be available or may be limited in any given year.
2.3.2. Collections management training material produced and presented	No 3-day collections management training course was presented by 31 March 2016.	One 3-day collections management training course prepared and presented by 31 March 2017.	Two 4-day collections management training courses were presented by Museum staff by 31 March 2017. Informal discussions were held on possible opportunities to present this course at other museums during 2017/18.	One more training course presented than target. Target achieved.	An opportunity arose to present an additional collections management training course to heritage practitioners. This represents an important service provided and contribution to the development of specialised skills by the Museum and its staff.
2.3.3. Interns and heritage practitioners trained through collections management courses offered by Museum staff	Total of 9 interns (2 full-time (Palaeontology, Entomology); 7 part-time (Florisbad, Oliewenhuis Art Museum)) received training to 31 March 2016.	One full-time internship and four 2-month internships by 31 March 2017.	3 interns were trained to 31 March 2017: 1 full-time (Entomology), 2 part-time (Oliewenhuis Art Museum; Oral History).	2 fewer part-time interns received training than target. Target partially achieved.	Certain opportunities and availability of interns arise at short notice, and cannot be planned for long in advance. It was unfortunately not possible to offer training to the number of interns targeted during the year.

## 2.2 Sub-Programme 2: Research and Information Management

Programme purpose: To undertake research to produce high quality results relating to the various research disciplines of the National Museum and to communicate the relevance and meaning of these results, including contributing data to the debate on climate change, to as broad an audience as possible. Research programmes will incorporate aspects relevant to promoting a greater awareness of the importance and role of previously marginalized communities in contributing to South Africa as a nation.

**Strategic objectives** (numbering below relates specifically to Objectives and Performance Indicators for **Programme 2**):

- 2.4. To undertake research of an internationally accepted standard relevant to the various disciplines of the National Museum, in keeping with its mission and functions.
- 2.5. To produce and communicate high quality research results.
- 2.6. To produce scientific and popular in-house publications to disseminate knowledge.
- 2.7. To foster internal, national and international research co-operation.
- 2.8. To provide relevant research expertise.
- 2.9. To build research capacity.

***Programme performance indicators (numbering below relates specifically to Programme 2), planned targets and actual achievements***

2.4 To undertake research of an internationally accepted standard relevant to the various disciplines of the National Museum, in keeping with its mission and functions					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.4.1 Annual review of progress on research projects undertaken	Progress on 88 of a total of 117 research projects (75%) by 31 March 2016.	Progress on 60% of total number of research projects by 31 March 2017.	Progress on 93 of a total of 116 research projects (80%) by 31 March 2017.	Progress on 20% more research projects than the target set. Target achieved.	Research staff were able to show progress for a greater percentage of research projects than anticipated. This is partly due to factors beyond the control of researchers, such as work undertaken by research collaborators.

2.4 To undertake research of an internationally accepted standard relevant to the various disciplines of the National Museum, in keeping with its mission and functions

Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.4.2. Achievement of NRF rating by museum scientists	5 NRF rated scientists as at 31 March 2016.	6 NRF rated museum scientists at 31 March 2017.	5 NRF rated scientists as at 31 March 2017.	1 fewer NRF rated scientists than target. Target partially achieved.	An additional research scientist applied for rating, but was not successful. Despite this, researchers are encouraged to apply for evaluation and rating.
2.4.3 Ethical clearance obtained for all new registered research projects	Ethical clearance certificates issued for all new research projects (n=16) during the year confirmed at 31 March 2016.	Ethical clearance obtained for all new registered research projects confirmed annually, by 31 March 2017.	Since there were no new research project registrations processed during the year, no ethical clearance certificates were issued.	Target achieved.	None

2.5 To produce and communicate high quality research results

Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.5.1. Research articles published in scientific journals	29 research articles published in peer-reviewed journals to 31 March 2016.	30 publications in peer-reviewed journals per annum	28 research articles published in peer-reviewed journals to 31 March 2017.	2 research articles less than target. Partially achieved.	A number of external factors beyond the control of authors, such as delays in the editorial process, affect the production of research publications.



2.5 To produce and communicate high quality research results					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.5.2. Articles published in popular media	59 popular articles published to 31 March 2016.	35 popular articles published per annum	39 popular articles published to 31 March 2017.	4 popular articles more than the target were published. Achieved; target exceeded.	It is difficult to determine the number of appropriate opportunities leading to the production of popular articles by Museum staff. Popularising research is an important responsibility of the Museum and its staff.
2.5.3. Popular lectures presented	48 popular lectures presented to 31 March 2016.	35 popular lectures presented per annum	33 popular lectures presented to 31 March 2017.	2 fewer popular lectures than the target were presented. Target partially achieved.	It is difficult to determine the number of available opportunities for presentation of popular lectures by speakers. This depends entirely on requests received to do so.
2.6 To produce scientific and popular in-house publications to disseminate knowledge					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
2.6.1. <i>Culna</i> (the Museum's popular magazine) produced	<i>Culna</i> 70 (2015) published during 3rd quarter (Nov/Dec 2015)	Keep to agreed production deadlines for <i>Culna</i> (1 issue per year)	<i>Culna</i> 71 (2016) published online during December 2016.	Target achieved.	
2.6.2. <i>Indago</i> (the Museum's research journal; formerly <i>Navorsinge van die Nasionale Museum</i> ) produced	3 issues of <i>Navorsinge van die Nasionale Museum</i> were published during the year ending 31 March 2016.	Keep to agreed production deadlines for <i>Indago</i> (formerly <i>Navorsinge van die Nasionale Museum</i> ) (6 issues per year).	0 issues of <i>Navorsinge van die Nasionale Museum</i> were published during the year ending 31 March 2017.	6 issues less than the target for the year were published. Target not achieved.	The number of issues published in any given year depends entirely on the submission of research manuscripts by authors, some of which are external to the Museum. There is thus limited control over the number of

<b>2.6 To produce scientific and popular in-house publications to disseminate knowledge</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
					issues published. At 31 March 2017, four issues were nearing completion for printing. Delays in production also resulted from staff needing to be trained in relevant design / layout software and from the length of some articles (one 80 pages).
<b>2.7 To foster internal, national and international research co-operation</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.7.1. Annual review of progress on collaborative projects undertaken	There was progress on 55 of a total of 71 collaborative research projects (77%) by 31 March 2016.	Progress on 60% of total number of collaborative projects by 31 March 2017.	There was progress on 69 of a total of 77 collaborative research projects (90%) by 31 March 2017.	Progress on collaborative research projects was 30% higher than the target. Target achieved; significantly exceeded.	Research staff were able to show progress on a higher percentage of collaborative research projects than anticipated. This is due to additional collaborative projects being undertaken and to additional work being done by collaborating researchers.
2.7.2. New collaborative projects established	A total of 2 new collaborative research projects were established by 31 March 2016.	4 new collaborative research projects established by 31 March 2017.	A total of 6 new collaborative research projects were established by 31 March 2017.	2 more new collaborative research projects were established than the target. Target achieved.	Slightly more opportunities arose to establish collaborative projects than anticipated. This depends entirely on researchers and opportunities for new collaborative research.

<b>2.7 To foster internal, national and international research co-operation</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.7.3. Conference / workshop presentations given	20 conference / workshop presentations were given by 31 March 2016.	30 conference / workshop presentations per annum	17 conference / workshop presentations were given by 31 March 2017.	13 fewer conference / workshop presentations were given than the target. Target partially achieved.	Fewer opportunities were available for Museum staff to give presentations at conferences and workshops during the year. Due to serious health issues, a senior researcher was unable to attend a number of conferences and do presentations.
2.7.4. Lectures / practicals presented to students	16 academic lectures / practicals were presented to 31 March 2016.	20 lectures / practicals presented to students per annum	10 academic lectures / practicals were presented to students by 31 March 2017.	10 fewer academic lectures / practicals were presented than the target. Target not achieved.	It is difficult to predict the number of opportunities to present academic lectures / practicals in any particular year. This depends entirely on requests received by research
2.7.5. Loans of collection material	A total of 58 new incoming or outgoing loans of collection material were processed during the year ending 31 March 2016.	30 new incoming or outgoing loans of collection material annually.	A total of 91 new incoming or outgoing loans of collection material were processed during the year ending 31 March 2017.	61 more loans of collection material than the target amount. Achieved; target significantly exceeded.	It is difficult to determine requests of loans of research material before these are received. This represents an essential service provided by the Museum
<b>2.8 To provide relevant research expertise</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.8.1 CRM, EIA, biomonitoring and Site Reports	20 CRM, EIA, biomonitoring and Site Reports produced as at 31 March 2016.	20 CRM, EIA, biomonitoring and Site Reports produced by 31 March 2017.	22 CRM, EIA, biomonitoring and Site Reports produced as at 31 March 2017.	2 more reports than target. Achieved; target slightly exceeded.	This depends on requests for reports, and opportunities to undertake assessments, both of which rely on external factors.

<b>2.8 To provide relevant research expertise</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.8.2. Reviews of research articles, proposals, reports and management plans	200 reviews of research articles, reports, proposals, theses and management plans were undertaken by 31 March 2016.	50 reviews of research articles, reports, proposals and management plans by 31 March 2017.	117 reviews of research articles, reports, proposals, theses and management plans were undertaken by 31 March 2017.	67 more reviews than the target were undertaken. Achieved; target significantly exceeded.	Significantly more opportunities presented themselves for reviews of research articles, reports, proposals, theses and management plans. This depends on requests for reviews, which rely entirely on external factors (e.g. journal editors).
2.8.3. Professional staff serving on committees of professional bodies	14 professional staff serving on committees of professional bodies to 31 March 2016.	8 professional staff serving on committees of professional bodies to March 2017.	13 professional staff serving on committees of professional bodies to 31 March 2017.	5 more staff than target serving on committees of professional bodies. Target achieved.	Additional opportunities presented themselves for professional staff to serve on committees of professional bodies.
<b>2.9 To build research capacity</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
2.9.1 Training of interns	A total of 4 interns underwent training during the year ending 31 March 2016.	2 interns to undergo training in research departments to 31 March 2017.	2 interns underwent training in research departments (Entomology, Oral History) during the year ending 31 March 2017.	Target achieved.	None
2.9.2. Attendance of conferences and research meetings by professional staff	29 opportunities to attend research conferences & workshops by research staff to 31 March 2016.	Total of 40 conferences / research meetings attended by research staff to 31 March 2017.	32 opportunities to attend research conferences & workshops by research staff to 31 March 2017.	8 fewer opportunities than target to attend research conferences & workshops by research staff. Target partially achieved.	This aspect depends on the availability of relevant conferences & workshops from one year to the next. One senior researcher has been critically ill and would have attended a

2.9 To build research capacity					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
					number of conferences during the year.
2.9.3. Supervision of post-graduate students	Supervision was provided for 12 post-graduate students to 31 March 2016.	4 post-graduate students supervised annually	Supervision was provided for 10 post-graduate students to 31 March 2017.	6 more post-graduate students than target were supervised by Museum researchers. Achieved; target significantly exceeded.	Additional opportunities for supervision of post-graduate students presented themselves.

*Note: Numbering below relates specifically to the Programmes, Sub-programmes, Objectives and Performance Indicators for each Programme, as per the Museum's approved 2016/2017 Annual Performance Plan.*

### 3. PROGRAMME 3: PUBLIC ENGAGEMENT

#### 3.1 Sub-Programme 1: Marketing

Programme purpose: To promote a greater awareness and better understanding of South Africa's diverse cultural and natural heritage through relevant formal and informal activities and exhibitions.

**Strategic objectives** (numbering below relates specifically to Objectives and Performance Indicators for Programme 3):

- 3.1. To promote quality, informative educational programmes, materials, activities, and objectives.
- 3.2. To provide an enhanced visitor experience.
- 3.3. To develop permanent and temporary exhibitions to showcase the Museum's diverse natural and cultural heritage and art collections.

**Programme performance indicators (numbering below relates specifically to Programme 3), planned targets and actual achievements**

3.1 To promote quality, informative educational programmes, materials, activities, and objectives					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
3.1.1. Regular media coverage obtained	Total of 4 053 publicity items in media to 31 March 2016.	A total of 350 media items per year	Total of 3 425 publicity items in media to 31 March 2017.	3 075 more media items than target. Achieved; target significantly exceeded.	Opportunities for exposure of Museum activities in electronic / social media have increased significantly. More opportunities for media exposure were utilised.
3.2 To provide an enhanced visitor experience					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
3.2.1. Visitor numbers increased	Total of 206 748 visitors to the National Museum and its satellites from	220 000 visitors to the National Museum and its satellites	Total of 202 903 visitors to the National Museum and	17 097 fewer visitors than target. Target partially achieved.	It is very difficult to predict the number of people visiting the Museum in a given year. Lower

<b>3.2 To provide an enhanced visitor experience</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
	1 April 2015 to 31 March 2016.	during 2016/2017.	its satellites from 1 April 2016 to 31 March 2017.		visitor numbers than expected could have resulted partly from appointment and training needs of new Education Department staff.
3.2.2. Marketing products produced	Marketing products produced for all new exhibitions (13) to 31 March 2016.	Marketing products produced for <u>al new</u> exhibitions	Marketing products produced for all new exhibitions (23) to 31 March 2017.	Target achieved.	
<b>3.3 To develop permanent and temporary exhibitions to showcase the Museum's diverse natural and cultural heritage and art collections</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
3.3.1 Annual review of rolling 10-year permanent exhibition plan	Rolling 10-year permanent exhibition plan was reviewed by 31 March 2016, with necessary amendments made.	Rolling 10-year permanent exhibition plan reviewed annually by 31 March.	Rolling 10-year permanent exhibition plan was reviewed by 31 March 2017; with necessary amendments incorporated into plan.	Target achieved.	
3.3.2. Temporary exhibitions (internal) developed and hosted	3 internal temporary exhibitions were hosted during the year to 31 March 2016.	4 temporary exhibitions developed and hosted per year (internal).	10 internal temporary exhibitions were hosted during the year to 31 March 2017.	6 more temporary exhibitions were hosted than planned. Achieved; target exceeded.	Opportunities arose for the National Museum to host additional internal temporary exhibitions.
3.3.3. Temporary exhibitions (external) developed and hosted	4 external temporary exhibitions were hosted during the year to 31 March 2016.	2 temporary exhibitions developed and installed per year (external).	6 external temporary exhibitions were hosted during the year to 31 March 2017.	4 more external temporary exhibitions were hosted than target. Achieved; target exceeded.	Opportunities arose for the National Museum to host additional external temporary exhibitions.

<b>3.3 To develop permanent and temporary exhibitions to showcase the Museum's diverse natural and cultural heritage and art collections</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
3.3.4. Temporary art exhibitions hosted at Oliewenhuis Art Museum	A total of 10 temporary art exhibitions were hosted to 31 March 2016 at Oliewenhuis Art Museum.	10 temporary art exhibitions hosted per year (Oliewenhuis Art Museum).	A total of 12 temporary art exhibitions were hosted to 31 March 2017 at Oliewenhuis Art Museum.	Target achieved; slightly exceeded.	Opportunities arose for Oliewenhuis Art Museum to host additional temporary exhibitions.
3.3.5. National Art Bank temporary exhibitions hosted	New indicator as from 2016/2017	1 National Art Bank temporary exhibition hosted per year.	The National Art Bank launch exhibition has been delayed and is scheduled to take place in September 2017.	Target not achieved.	The National Art Bank launch exhibition has been delayed due to various operational issues and is scheduled to take place in September 2017.
3.3.6. Text for displays produced in 3 languages (English, Afrikaans, Sesotho)	Multilingual (3 languages) text in various formats was provided for 2 of the 3 internal temporary exhibitions developed and hosted during the year ending 31 March 2016. As all arrangements made and materials provided for the third internal temporary exhibition were undertaken by an external service provider (Dept of Sport), multilingual text was not provided for this exhibition (beyond Museum's control).	Multilingual (3 languages) text in various formats provided in all new temporary exhibitions (internal).	Multilingual (3 languages) text in various formats was provided for 9 of the 10 internal temporary exhibitions developed and hosted during the year ending 31 March 2017. The 10th exhibition was an international exhibition undertaken in collaboration with Dutch colleagues, responsible for the exhibition text, which was in English only. This was beyond Museum control.	Target achieved.	None



## Sub-Programme 2: Public Educational Programmes

Programme purpose: To provide informative and enjoyable educational experiences through relevant formal and informal activities and public outreach programmes, thereby contributing to promoting a greater awareness and better understanding of South Africa's diverse cultural and natural heritage.

***Strategic objectives*** (numbering below relates specifically to Objectives and Performance Indicators for **Programme 3**):

- 3.4. To produce quality, informative educational programmes, materials and activities, and to communicate these.
- 3.5. To address social responsibility and transformation through targeted educational and outreach activities.
- 3.6. To use oral history techniques to enlighten Museum audiences regarding previously marginalized Bloemfontein / Mangaung communities.

***Programme performance indicators (numbering below relates specifically to Programme 3), planned targets and actual achievements***

<b>3.4 To produce quality, informative educational programmes, materials and activities, and to communicate these</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
3.4.1 Educational materials reviewed and updated	Current educational materials were reviewed, with less than 50% of these updated by 31 March 2016.	Current educational materials reviewed, with 50% of these updated by March 2017.	Current educational materials were reviewed, with 44% of these updated by 31 March 2017.	6% fewer educational materials updated than target. Target partially achieved.	There has been ongoing improvement in the quality and standard of educational lessons prepared for presentation to learners during the year. With this improvement, fewer need to be updated and improved upon. The 50% target will thus need to be amended in future.
3.4.2. Educational materials distributed	66 educational booklets distributed to 31 March 2016.	300 educational booklets distributed each year.	884 educational booklets distributed to 31 March 2017.	584 items more than target. Target achieved; significantly exceeded.	Numbers of books distributed depends on opportunities to do so. A number of additional opportunities arose, allowing for the distribution of a higher number of booklets.

<b>3.4 To produce quality, informative educational programmes, materials and activities, and to communicate these</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
3.4.3. Numbers of lessons & guided tours presented	588 educational lessons & guided tours presented to 31 March 2016.	500 lessons & guided tours presented per annum	587 educational lessons & guided tours presented to 31 March 2017.	87 items more than target. Target achieved; exceeded.	Additional opportunities arose to present more lessons & guided tours than planned, particularly at Oliewenhuis Art Museum.
3.4.4. Educator training workshops presented	1 educator training workshop presented to 31 March 2016.	5 educator training workshops presented per annum.	2 educator training workshops presented to 31 March 2017.	3 fewer educator training workshops than target. Target not achieved.	The Museum's Education Department staff members need to liaise with provincial Education officials to facilitate educator workshops. The Educator training workshops during 2016/2017 were run by one of the Museum's palaeontologists, as part of the Evolution Education Programme.
3.4.5. Development of public outreach programmes	Participation in 2 public education projects to 31 March 2016.	Participation in 2 public educational projects (e.g. funded by SAASTA) by March 2017.	Participation in 1 public education project to 31 March 2017.	Target partially achieved.	Due to a very full programme, it was possible to host only 1 public education project during the year.
3.4.6. Mobile Museum trips undertaken	29 Mobile Museum trips undertaken to 31 March 2016, including 6 to rural areas.	20 Mobile Museum trips undertaken (at least 8 to rural areas) by March 2017.	39 Mobile Museum trips undertaken to 31 March 2017, including 13 to rural areas.	19 more trips than target and 6 more than target to rural areas. Target achieved; exceeded.	The Museum was able to undertake a significant number of extra Mobile Museum trips, as well as more than planned to rural areas. This is an important and essential service that the Museum provides.

<b>3.5 To address social responsibility and transformation through targeted educational and outreach activities</b>					
<b>Programme Performance Indicator</b>	<b>Actual Achievement 2015/2016</b>	<b>Planned Target 2016/2017</b>	<b>Actual Achievement 2016/2017</b>	<b>Deviation from planned target to Actual Achievement for 2016/2017</b>	<b>Comment on deviations</b>
3.5.1. Youth development, temporary employment and training provided	Training and temporary employment provided for 5 tourism students, acting as Assistant Museum Guides to March 2016. SAASTA funding obtained for 2015 National Science Week activities.	Training and temporary employment provided for 4 tourism students, acting as Assistant Museum Guides to March 2017. Continue funding partnership with Department of Science and Technology (SAASTA).	Training and temporary employment provided for 3 tourism students, acting as Assistant Museum Guides to March 2017. SAASTA funding obtained for National Science Week 2016 activities, which included supporting the Assistant Guides.	1 less student trained and employed than target. Target partially achieved.	Due to a number of the students used previously finding permanent work, it was difficult to find others to replace them. Museum's Education Department to liaise with relevant officials at UFS and CUT to attract additional students to assist.
3.5.2. Holiday art workshops hosted	20 holiday workshops presented during the year ending 31 March 2016, with a total of 194 participants.	10 holiday art workshops held per annum, each accommodating 10 participants.	12 holiday workshops presented during the year ending 31 March 2017, with a total of 117 participants.	2 more holiday workshops presented and 17 more participants than target. Achieved; target slightly exceeded.	Opportunities arose to present a few additional workshops, attracting slightly more children.
3.5.3. Annual charity event hosted at the Museum	Charity event for 35 children hosted at Oliewenhuis Art Museum on 17 March 2016.	Annual charity event hosted, involving 25 children.	A fundraising project to benefit Iphahamiseng Community Child Care Centre in Batho was the Museum's 2016 Mandela Day project. Donations such as toiletries, washing powder, clothing, carpets and maize meal	Target achieved; 35 more children benefitted than target.	It is difficult to determine numbers of participants in such a charity event. The Museum was happy to be able to contribute to this charity and to accommodate additional children.

3.5 To address social responsibility and transformation through targeted educational and outreach activities					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
			collected by the Museum and its staff members, were handed over to the Care Centre on 22 July 2016. 60 children were involved and benefitted.		
3.5.4. Previously disadvantaged schools visited by Museum Education Department	25 previously disadvantaged schools visited by Education Department staff by 31 March 2016.	25 previously disadvantaged schools visited by Education Department staff by 31 March 2017.	29 previously disadvantaged schools visited by Education Department staff by 31 March 2017.	4 more previously disadvantaged schools than target were visited. Target achieved; slightly exceeded.	A few additional opportunities were created to allow the Education Department to visit a slightly higher number of schools than planned. There are many schools that do not have the financial resources to visit the Museum, so it is essential that the Museum visits such schools.
3.5.5. Living heritage events hosted	2 living heritage events hosted to 31 March 2016.	2 living heritage events hosted to 31 March 2017.	2 living heritage events were hosted to 31 March 2017.	Target achieved.	
3.5.6. Improved access to exhibitions provided for physically challenged visitors.	Improved access was unfortunately not provided to any new exhibitions by 31 March 2016.	Improved access to 2 new exhibitions provided for physically challenged visitors by 31 March 2017.	Improved access to 2 exhibitions was provided for physically challenged visitors by 31 March 2017.	Target achieved.	

3.6 To use oral history techniques to enlighten Museum audiences regarding previously marginalized Bloemfontein / Mangaung communities					
Programme Performance Indicator	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
3.6.1. Batho residents interviewed	11 Batho residents interviewed to 31 March 2016.	10 Batho residents interviewed by 31 March 2017.	1 Batho resident was interviewed by 31 March 2017.	9 fewer residents interviewed than target. Target not achieved.	Target not achieved due mainly to vacant oral history position, which has now been filled. The new incumbent also required the necessary training.
3.6.2. Publications on Batho produced	Article entitled "A garden is not a garden without a hedge: the story of the Segoe family's Batho garden" was published <i>Culna</i> 70: 11-13 (November / December 2015).	5 <sup>th</sup> publication on Batho produced by 31 March 2017.	The article " 'No liquor for me, I only take tea' The Story of the IOTT foundation stone in the Batho exhibition" was published in <i>Culna</i> 71: 10-11 (November / December 2016).	Target achieved.	

### Strategy to overcome areas of under performance

The Museum's Deputy Director is primarily responsible for addressing reporting on achievement against predetermined objectives. Having a senior manager dedicated to this aspect of the Museum's work has resulted in significant improvement of all processes involved. Ongoing improvement in project planning is necessary to address under-performance. There were no changes to the planned targets as approved in the 2016/2017 Annual Performance Plan.

### Linking performance with budgets

The links between the Museum's budget and its core programmes are indicated in the table below:

Programme / activity / objective	2016/2017			2015/2016		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration: Support Services (excluding staff costs)	2 908	2 523	385	3 271	1 951	1 320
Business Development:	3 198	3 221	(23)	4 279	5 542	(1 263)

Programme / activity / objective	2016/2017			2015/2016		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research and Information Management, Curation and Conservation of Collections (excluding staff costs)						
Public Engagement: Marketing, Public Educational Programmes (excluding staff costs)	370	377	(7)	370	356	14
<b>Total</b>	<b>6 476</b>	<b>6 121</b>	<b>355</b>	<b>7 920</b>	<b>7 849</b>	<b>71</b>

A total of 95% of the actual budget in all programmes was spent in 2016/17; the budget has thus assisted the Museum in delivering important services to the diverse communities it serves. The successful achievement of 35 of the Museum's total of 55 targets (63%), with a further 13 very nearly achieved (giving a combined total of 48 targets (87%)) in the Programmes as detailed above, is also indicative of this. The remaining 7 targets were not achieved. The majority of targets relate to Programme 2 (Business Development: Research and Information Management; Business Development: Curation and Conservation of Collections) and Programme 3 (Public Engagement: Marketing; Public Engagement: Public Educational Programmes); without budget it would not have been possible to achieve these targets.

## 5. Revenue collection

Details of the Museum's revenue collection budget vs actuals are reflected in the table below:

Sources of revenue	2016/2017			2015/2016		
	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
Transfers and subsidies received	45 630	51 687	(6 057)	43 333	47 583	(4 250)
Sale of goods and services and other income	397	5 288	(4 891)	385	5 767	(5 382)
Interest received	1 200	1 899	(699)	700	1 353	(653)
<b>Total</b>	<b>47 227</b>	<b>58 874</b>	<b>(11 647)</b>	<b>44 418</b>	<b>54 703</b>	<b>(10 285)</b>

The Museum's revenue comprises mainly the subsidy from the Department of Arts and Culture, the sale of goods in the Museum's Shop, the rental from The Terrace Restaurant and professional services rendered. The Museum is not a revenue generating institution due to the nature of its services and offerings; despite this, it managed to collect more than its targeted revenue. The over collection was as a result of an additional grant received for expenses paid by the Department of Arts and Culture on behalf of the National Museum for municipal charges and operational lease expenses as well as additional research funding received from external parties not initially budgeted for.

## 6. Capital investment

Details of the capital grant balances from the previous two years are shown in the table below:

Infrastructure projects	2016/2017				2015/2016			
	Opening Balance	Amounts received during the period	Amounts spent during the period	Closing Balance	Opening balance	Amounts received during the period	Amounts spent during the period	Closing Balance
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Capital Grant received	8 773	535	(1 926)	7 382	8 249	524	-	8 773
<b>Total</b>	<b>8 773</b>	<b>535</b>	<b>(1 926)</b>	<b>7 382</b>	<b>8 249</b>	<b>524</b>	<b>-</b>	<b>8 773</b>

The National Museum received capital grant allocations from the Department of Arts and Culture (DAC) to be used solely for capital works projects identified for the National Museum. The buildings are not controlled by the Museum (but by the Department of Public Works) and thus are not the Museum's assets. In line with GRAP 17, the capital works expenses were therefore not capitalised. During 2016/17, R1 926 000 of the total grant allocation was spent on two capital projects (the installation of an emergency generator, and the installation of a custom-built dust extraction system servicing the fossil preparation laboratories (Karoo Palaeontology Department) and the Museum Workshop), which were successfully completed.

A project involving repairs to the roof of the main Museum complex is currently in progress. Following a needs assessment undertaken by the Department of Public Works (DPW) and a preliminary estimate of costs, DPW informed the Museum that funds were not available at the time to continue with the project. The Museum thus approached DAC for capital funding, which was duly allocated to this project and transferred to the Museum. Before work could commence, DPW indicated that funding would indeed be made available.

Due to challenges with service delivery by DPW, with no guarantees that the project would materialise, and that funding for the project would not again be made available by DAC in the near future to the Museum, DAC Facilities Management advised that the Museum retain the funds until such time that it was clear that DPW was indeed moving forward with the project. The only progress with the project to date has been the appointment of some of the consultants by DPW. For the reasons stated above, the Museum will thus retain the funds allocated to this project until such time that DPW has shown significant progress. This is done with the knowledge and support of DAC Facilities Management.

# PART C: GOVERNANCE





# 1

## INTRODUCTION

The National Museum strives to be committed to sound corporate governance and is primarily guided by generally accepted corporate governance practices, as well as Corporate Governance in the public sector. These seek to ensure that the Museum's mandate is fulfilled with due consideration to responsive decision making, accountability, effective and ethical leadership, as well as fairness and transparency whilst monitoring performance and compliance with statutory requirements.

# 2

## EXECUTIVE AUTHORITY

Report Description	Date Submitted	Issues raised by Executive Authority
Fourth quarter Performance report 2015/16	30 April 2016	None
Annual Performance PLAN 2017/18	29 January 2017	None
First Quarter Performance report 2016/17	10 August 2016	Late submission
Annual report 2015/16	5 <sup>th</sup> September 2016	Late Submission
Shareholders compact	18 March 2016	None
Second quarter Performance report 2016/17	31 October 2016	None
Third Quarter Performance report 2016/17	10 February 2017	Late submission

# 3

## THE ACCOUNTING AUTHORITY

In terms of PFMA, Council is the Accounting Authority of the National Museum. Council is the focal point of governance and retains full and effective control over the National Museum. Council exercises its fiduciary duties and responsibilities of the Accounting Authority in accordance with the PFMA. The roles and responsibilities of Council are set out in the Council Charter.

Council consist of independent Non-Executive Members appointed by the Minister of Arts and Culture. These Members are independent because they are not in the appointment of the National Museum, involved in a day to day running of the Museum, and are not advisors nor material suppliers of the Museum. The Director for the Museum is by virtue of his office a member of Council and his roles and responsibilities and those of the Chairperson of Council are separate in line with best practise.

### 3.1 Council Charter

The Council Charter regulates how the Council Members discharge their responsibilities according to the principles of good governance. The Charter aims to ensure that all Council Members understand their duties and responsibilities as well as the laws, regulations and best practices governing their conduct. The Council Charter was reviewed during the year under review to ensure compliance with best practices.

- Council conducted its affairs and discharged its duties and responsibilities in accordance with its charter. The summary of Council's responsibilities during the period under review are as follows:
  - Provided strategic direction and leadership to the National Museum and took responsibility for adoption The National Museum's Strategic plan;
  - Approved the National Museum's Budget and monitored the implementation thereof;
  - Oversee the preparation of the annual financial statements and approved them for issue to the Auditor General of South Africa for audit;
  - Defined levels of delegation for specific matters with appropriate authority delegated;
  - Monitored compliance with laws and regulations;
  - Established and approved Councils terms of reference

Name	Designation	Date appointed	Date resigned	Qualifications	Competencies	Other Committees	No. of Meetings attended
Dr L. Dondolo	Chairperson	01/09/2015 Leave of absence granted by the Minister from 01/08/2016-30/06/2017	12/06/2017	B.A., M.A., Ph.D.	<ul style="list-style-type: none"> <li>Teaching</li> <li>Research</li> <li>Finance</li> <li>Policy Formulation</li> <li>Project Management</li> <li>Strategic Management</li> </ul>	None	0
Ms A. Msimang	Vice-Chairperson Acting Chairperson from 01/08/2016	01/09/2015	n/a	B.A. (Hons.), M.A.	<ul style="list-style-type: none"> <li>Specialist political economy &amp; sustainable community development.</li> <li>Journalism</li> <li>Fraud prevention research</li> <li>Development studies</li> <li>Project management</li> <li>Monitoring and evaluation</li> <li>Strategy and policy analysis</li> </ul>	None	5
Dr L. Jacobson	Member Acting Vice - Chairperson from 01/08/2016	01/05/2012 Reappointed on 01/09/2015	n/a	B.A., B.A. (Hons.), Ph.D.	<ul style="list-style-type: none"> <li>Archaeological Researcher, Heritage site management</li> <li>Heritage Consultant</li> <li>Publisher</li> </ul>	Audit and Risk Committee	10
Ms A. Makwetla	Member	01/09/2015	17/01/2017	B.A. (Social Work).	<ul style="list-style-type: none"> <li>Fundraising</li> <li>Entrepreneurship</li> <li>Community Involvement</li> <li>Corporate Governance</li> <li>NGO networks and resource mobilization</li> <li>Corporate Governance</li> <li>NGO networks and resource mobilization</li> </ul>	None	1

Name	Designation	Date appointed	Date resigned	Qualifications	Competencies	Other Committees	No. of Meetings attended
Mr M.G. Kgarume	Member	01/09/2015	n/a	Pr. Teach. Cert., SEC and SEC Dip., B.Sc., MBA.	<ul style="list-style-type: none"> <li>• Finance Management</li> <li>• Policy development</li> <li>• Governance</li> <li>• Teaching</li> <li>• Management</li> <li>• Leadership</li> <li>• Community development</li> </ul>	None	6
Dr D.R.N. Morris	Member	01/09/2015	n/a	B.A., M.A. cum laude, Ph.D.	<ul style="list-style-type: none"> <li>• Research</li> <li>• Publisher</li> <li>• Editor</li> </ul>	None	5
Ms J.G. Ritchie	Member	01/09/2015	n/a	Dip. Clothing Design, Garment Construction & Manufacturing, Dip. Business Management, Dip. Public Relations.	<ul style="list-style-type: none"> <li>• Fundraising (First qualified Assessor of Fundraising training in South Africa)</li> </ul>	None	6
Ms L.A.K. Robinson	Member	01/09/2015	n/a	B.A. (Architecture).	<ul style="list-style-type: none"> <li>• Heritage conservation</li> <li>• Management and policy development</li> <li>• Restoration, rehabilitation and development of business plans for significant heritage buildings.</li> </ul>	None	5

Name	Designation	Date appointed	Date resigned	Qualifications	Competencies	Other Committees	No. of Meetings attended
Mr S.L. Mohapi	Member	01/04/2014 Reappointed on 01/09/2015	n/a	LL.M (Environmental Law), LL.B.	<ul style="list-style-type: none"> <li>• Law (Commercial and Civil Litigation)</li> <li>• Research</li> <li>• Communication Skills</li> </ul>	Audit and Risk Committee	3

### 3.3 Council Committee

Council only has one committee i.e. the Audit and Risk Committee and the committee and it has Terms of Reference that set out roles and responsibilities, compositions, meeting requirements and authority. To ensure that the Terms of Reference of the Committee remain appropriate and comply with best practice it is reviewed and approved annually. The Chairperson of the Audit Committees and Risk Committee present his reports, which summarise the activities of the committee, to Council. All Audit and Risk Committee meetings were held before the Council meetings to ensure that all critical issues discussed at the Audit Committee are brought timeously to the attention of the Council.

### 3.4 Remuneration of board members

Remuneration of Council members is determined by National Treasury and below was the total remuneration received during the current reporting year:

#	Name	Remuneration R'000
1	Ms AM Msimang, (Acting-Chairperson)	22
2	Dr L Jacobson	5
3	Mr MG Kgarume	18
4	Ms MA Makwetla, (resigned January 2017)	2
5	Adv S Mohapi	6
6	Dr DRN Morris	3
7	Ms JG Richie	13
8	Ms LAK Robinson	14

## 4 RISK MANAGEMENT

The Public Finance Management Act, 1999 (Act No,1 of 1999 as amended by Act No. 29 of 1999) requires National Museum to ensure it has maintains effective, efficient and transparent systems of financial ,risk management and internal control.

The National Museum risks were continuously identified, assessed, evaluated, mitigated, monitored and reviewed. As each risk was identified it was allocated to a relevant person in the respective Department responsible for the day-to-day management thereof and recorded in a risk register that contains the descriptions, causes, controls in place, assessments and mitigating actions of all risks identified. The identification was both at an operational and strategic levels and regular assessments were performed to determine the effectiveness of the risk management and to identify emerging risks.

# 5 INTERNAL CONTROL UNIT

The National Museum did not have any internal control unit.

# 6 INTERNAL AUDIT AND AUDIT COMMITTEES

## 6.1 Objectives of Internal audit

The objectives of internal audit is to provide an independent, objective assurance and consulting activities designed to add value and improve operations of the Museum. This independent roles was contracted to Fourie & Fouchee on the 3<sup>rd</sup> of March 2015 for a period of three years

## 6.2 Key Activities of Internal Audit

Risk based strategic approach which takes into account the results of the formal risk assessment conducted by management and facilitated by the Internal Audit Unit was used to develop a risk based internal audit plan. Below is a summary of internal audit work undertaken during the current financial year based on the approved annual internal audit plan:

Name of Report	Status	Internal audit opinion
Report 1 : Supply chain Management	Report not finalised	No management responses were received , hence the report was not finalised
Report 2: Governance Council	Report not finalised	No management responses were received , hence the report was not finalised
Report 3: Charters	Issued	Optimum
Report 4: Laws and regulations	Issued	Optimum
Report 5: Supply Chain Management	Report not finalised	No management resp onses were received , hence the report was not finalised
Report 6: Insurance	Issued	Optimum
Report 7: Policies and Procedures	Report not finalised	No management responses were received , hence the report was not finalised
Report 8: Predetermined objectives	Issued	Good
Report 9: Supply Chain Management	Report not finalised	No management responses were received , hence the report was not finalised
Report 10: Predetermined Objectives Quarterly reports	Issued	Optimum

Name of Report	Status	Internal audit opinion
Report 12: Infrastructure and maintenance	Report not finalised	No management responses were received , hence the report was not finalised
Report 13: Supply chain Management	Report not finalised	No management responses were received , hence the report was not finalised
Report 18: Health and Safety	Report not finalised	No management responses were received , hence the report was not finalised
Report 15: Marketing	Report not finalised	No management responses were received , hence the report was not finalised
Report 16: Contingency plan	Report not finalised	No management responses were received , hence the report was not finalised
Report 17: Exhibitions and Collections	Report not finalised	No management responses were received , hence the report was not finalised

Legends of the above internal audit opinion	
<b>Optimum</b>	No control deficiencies were noted and/or items identified are of a housekeeping nature and , if addressed, would further strengthen the overall control environment. Controls in place are both efficient and effective.
<b>Good</b>	An adequate control framework is in place but improvements are needed in certain key control activities
<b>Adequate</b>	Identified weaknesses may result in a material exposure within the organization if not timely addressed.
<b>Inadequate</b>	The control environment is extremely poor and urgent management attention is required to address the situation.
<b>Weak</b>	Unacceptable situation, urgent Executive management intervention is required



The table below discloses relevant information on the audit committee members

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	DATE APPOINTED	NO. OF MEETINGS ATTENDED
Mr J.J. Grobbelaar	CA (SA)	External	01/01/2013	4
Mrs C.D. Flemming	CA (SA)	External	04/03/2016	3 (Tele-conference)
Dr L. Jacobson	B.A., B.A. (Hons.), Ph.D.	External (Council member)	01/02/2013	4
Ms L. Mphutlane	CA (SA)	External	04/03/2016	2
Mr S.L. Mohapi	LL.M (Environmental Law), LL.B.	External (Council member)	01/02/2015	0

## 7 COMPLIANCE WITH LAWS AND REGULATIONS

The National Museum has developed policies and procedures aligned to laws and regulations that governs the industry in which the Museum operates, in order to ensure compliance. The policies and procedures were reviewed and approved by council. The National Museum complied with laws and regulations and no material non-compliance was identified by the AGSA during the audit.

## 8 FRAUD AND CORRUPTION

The National Museum developed a fraud prevention plan in 2015/16 Financial year, however due to capacity constraints the plan was never implemented. The Museum's staff are however aware and makes use of the National Fraud hotline. The cases reported through the hotlines were followed up and council acted promptly to resolve the cases.

## 9 MINIMISING CONFLICT OF INTEREST

Service providers depending on the threshold as determined in the Museum's Supply Chain Management Policy, are required to declare their interest and knowledge of Museum's officials that are or could be involved in the respective procurement process in a form of SBD4 form in accordance with National Treasury Practise Note 7 of 2009/2010.

## 10 CODE OF CONDUCT

The National Museum, Bloemfontein, as a public entity and museum, subscribes to both the Code of Conduct for Public Servants and the International Council of Museums (ICOM) Code of Ethics for Museums. The reason for adopting these two Codes is to help Museum employees to understand the standards of personal and professional behaviour required to enable the Museum to fulfil its public mandate in terms of the Cultural Institutions Act of 1998 and the Public Service Act of 1994.

## 11 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Museum installed dust extractor fans at Paleontology and Workshop Department. Furthermore staff went for the annual practical fire arm training as required by Article 21 of firearms Control Act as well as a two day first aid and fire training, to ensure that they are capacitated and know how to respond in cases of fires and emergencies. Council instituted a forensic audit on the process in appointing the service provider for dust extraction systems.

## 12 SOCIAL RESPONSIBILITY

The museum has a social responsibility to the community it serves and advance nation building and social cohesion through outreach programs, exhibitions and education on our natural and cultural heritage.

Below are the projects that were undertaken by the Museum during the financial year:

- The Batho community history project still undertakes a number of outreach programmes. One such programme is the Batho Vegetable Gardens project which is aimed at educating the community to grow their own vegetables, handing out brochures and vegetable seed. Unfortunately, due to strict water restrictions instigated by the municipality in Manguang, this project has scaled down a bit, but brochures were still handed out;
- The Vêrlander exhibition was hosted at the National Museum in collaboration with Dutch researchers, celebrating the cultural heritage of indigenous communities of Khoekhoe descent in Southern Africa. The project documents the stories of the 19th century chiefs, the founding fathers of the Griqua people, Mier Basters, Oorlam Nama and 'Regshande' Koranna. The exhibition comprised of 63 portraits of the descendents of these chiefs;
- The education department presented several outreach lessons mostly to previously disadvantaged school in the greater Manguang region. The mobile museum, equipped with various artefacts and specimens from all museum departments, visited several previously disadvantaged schools and rural areas, educating learners and the community in natural and cultural history. Several temporal exhibitions have been hosted at community libraries. The education

department is regularly invited to contribute to careers expos in the Free State, including Qwa-Qwa and to host holiday programmes in community libraries;

- The museum celebrates Mandela Day each year, by donating items to an annually selected charity organization. For current financial year the museum supported the Iphahamiseng Community Child Care Centre in Batho, which provides a safe haven for abandoned and destitute children. The museum donated used clothing, toiletries washing powder and maize meal;
- On 24 September 2016 the museum celebrated Heritage day, and for this year the focus was on our food heritage. Elderly from two retirement homes in Bloemfontein, Bayswater Village Home for the Aged and Boikhuco Old Age Home in Bochabela, were our guests. Five invited guest speakers gave presentations on various topics related to South Africa's food culture, after which traditional 'vetkoek's' were served;
- At Oliewenhuis Art Museum, Heritage Day was celebrated by hosting learners from two schools (Sentraal Primary School and Rutanang Primary School), introducing them to a selection of indigenous games, Volkspele and traditional African dances. The aim for this celebration was to promote social cohesion and nation building through cultural and sporting platforms where the sporting codes originate in South Africa's rich history:
- The Aurora alcohol and drug centre's vision is to help and rehabilitate children that are struggling with alcohol and drug abuse. In collaboration with the centre's Social Worker, Oliewenhuis Art Museum was involved with the centre's Arts Awareness and Positive Development Programme, in which the children at the centre got exposed to different therapeutic and art related programs;
- International Museum Day was celebrated with Tjhabelang School. Through educational worksheets, developed by Oliewenhuis Art Museum, children were taught how to look at an artwork, what materials were used to create the artwork and the message the artist wanted to convey;
- Oliewenhuis Art Museum continued to assist and promote local artists and the New Breed Art Competition for Free State artists in collaboration with Phatsoanne and Henney Attorneys which created opportunities for local artists to showcase their artworks in a professional environment.

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

#### Audit Committee and attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Audit Committee Charter four meetings were held during the current year, i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and one meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	DATE APPOINTED	NO. OF MEETINGS ATTENDED
Mr J.J. Grobbelaar	CA (SA)	External	01/01/2013	4
Mrs C.D. Flemming	CA (SA)	External	04/03/2016	3 (Tele-conference)
Dr L. Jacobson	B.A., B.A. (Hons.), Ph.D.	External (Council member)	01/02/2013	4
Ms L. Mphutlane	CA (SA)	External	04/03/2016	2

The Audit Committee noted that the Director attended all the four scheduled Audit and Risk Committee meetings. The Members of the Audit and Risk Committee met with the Management of the Museum and Internal Audit, collectively to address risks and challenges facing the Museum.

#### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

## The Effectiveness of Internal Control

Management is responsible for the organisation's system of internal controls. 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 prevent and detect misstatement and losses. Nothing has come to the attention of Management and the Audit and Risk Committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

During the year under review, internal auditors reported instances of non-compliance or weakness in internal controls but not in detail. The Audit and Risk Committee could not provide reasonable assurance or comment on the adequacy of management responses because they were not provided to internal audit and hence not presented to audit committee.

## Auditor's Report

The Museum received a qualified audit report for the year ending 31 March 2017. The qualification was due to the following:

*“The public entity did not measure its heritage assets at cost or fair value in accordance with GRAP 103, Heritage assets. As disclosed in note 33 to the financial statements, the public entity was granted exemption from measuring its heritage assets in terms of the requirements of the standard. I am unable to accept the exemption, as it was not granted for the purpose of achieving fair presentation. I was unable to determine the impact of the non-measurement on this value, as it was impracticable to do so.”*

## Evaluation of Financial Statements

*The Audit and Risk Committee has*

- Reviewed and discussed the audited Annual Financial Statements and audit report to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management report and Management's response thereto.

The Audit and Risk Committee notes the Auditor General's conclusion on the Annual Financial Statement. The Committee is of the opinion that the audited financial statement should be accepted and read together with the report of the Auditor General.



**Mr JJ Grobbelaar**  
**Chairperson of the Audit and Risk Committee**  
**National Museum, Bloemfontein**

# PART D: HUMAN RESOURCE MANAGEMENT



# 1 INTRODUCTION

The National Museum like any organization in the country is experiencing challenges in attracting and retaining skills needed to achieve its strategic objectives. In the last year in particular, this problem was exacerbated by the fact that the organizational structure did not cater for some of the critical positions, the design of the organisation structure was not in a way that allows succession planning to be implemented and the budget was not sufficient to enable the museum to fill all vacant positions, let alone recognition of a union which in one way or the other would influence salary increments. Weaknesses were further identified in the current performance management system.

These resulted in resolution taken for urgent implementation of the following:

- Redesign of the current organisational structure and job grading;
- Design and implement an adequate performance management system;
- Perform annual skills audit on competencies of all staff; and
- Consider recognition of union.

## 2 HUMAN RESOURCE OVERSIGHT STATISTICS

### 2.1 Total Employee Cost

Total Expenditure	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R')
51 045	35 141	69%	132	387

### 2.2 Personnel Cost per Management 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)
Management	2 958	6%	3	986

### 2.3 Performance Rewards

Programme	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Management	136	2 958	5%

### 2.4 Overall reasons for terminations

Reason	Number	% of total no of staff leaving
Resignations	9	56%
Retirement	3	19%
Expiry of contract	4	25%

## 2.5 Overall reasons for terminations

Level	Employment at beginning of period	Appointment	Total at the end of the period
<b>Management</b>	2	1	5%

## 2.6 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(R'000)
35 141	45	0.12%	4	11



# PART E: FINANCIAL INFORMATION



# 1 STATEMENT OF RESPONSIBILITY

## **Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2017**

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

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

In my opinion, the financial statements fairly reflect the operations of the public entity for the financial year ended 31 March 2017

The external auditors are engaged to express an independent opinion on the AFS of the public entity.

The annual financial statements of the National Museum for the year ended 31 March 2017 have been audited by the external auditors and their report is presented on page 67.

The Annual Financial Statements of the public entity set out on page 75 to page 153 have been approved.



**Ms Lebogang Matlala**  
**ACTING DIRECTOR**  
**(National Museum, Bloemfontein)**



**Ms Afrika Msimang**  
**ACTING CHAIRPERSON OF THE BOARD**  
**(National Museum, Bloemfontein)**

## 2 REPORT OF THE ACCOUNTING AUTHORITY

The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the Council to ensure that the National Museum, Bloemfontein (National Museum) keeps full and proper records of its financial affairs. The Annual Financial Statements should fairly present the state of affairs of the National Museum, its financial results and its financial position at the end of the year in terms of Generally Recognised Accounting Practice (GRAP).

The Annual Financial Statements are the responsibility of the Council. The Auditor-General, South Africa is responsible for independently auditing and reporting on the Annual Financial Statements. The Office of the Auditor-General has audited the National Museum's financial statements and the report appears on page 67.

The Council has received the National Museum's budgets and cash flow forecasts for the year ended 31 March 2017. The remuneration and allowances for the Council, Director Chief Financial Officer and Deputy Director were disclosed in note 16 to the Annual Financial Statements. On the basis of the review, and in view of the current financial position, the Council has every reason to believe that the National Museum will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the Annual Financial Statements.

The National Museum receives subsidy from the National Department of Arts and Culture. Revenue from subsidy equals 90% (2016: 89%) of total revenue. The National Museum thus relies significantly on the subsidy received from the National Department of Arts and Culture.

The Council sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management, where possible, that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The entity maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition.
- The maintenance of proper accounting records and the reliability of financial information used within the National Museum or for publication.

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as these are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control, therefore, aims to provide reasonable assurance with respect to the reliability of financial information and the presentation of Annual Financial Statements. However, because of changes in conditions, the effectiveness of internal financial controls may vary over time.

In the opinion of the Council, based on the information available to date, the Annual Financial Statements fairly present the financial position of the National Museum at 31 March 2017 and the results of its operations and cash flow information for the year.

The Annual Financial Statements for the year ended 31 March 2017, set out on pages 75-153 were submitted for auditing on 30 June 2017 and approved by the Council in terms of section 51(1)(f) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended and are signed on its behalf by:



**Ms A. Msimang**  
**Acting Chairperson of Council**

# 2 REPORT OF THE EXTERNAL AUDITOR

## Report of the auditor-general to Parliament on the National Museum, Bloemfontein

### Report on the audit of financial statements

#### Qualified opinion

1. I have audited the financial statements of the National Museum Bloemfontein set out on pages 75 - 153 which comprise statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget information with 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 National Museum as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practices and the requirements of the Public Finance Management Act (PFMA)

#### Basis for qualified opinion

##### Heritage Assets

3. The Museum did not measure its heritage assets at cost or fair value in accordance with GRAP 103, *Heritage assets*. As disclosed in note 32 to the financial statements, the Museum was granted exemption from measuring its heritage assets in terms of the requirements of the standard. I am unable to accept the exemption, as it was not granted for the purpose of achieving fair presentation. I was unable to determine the impact of the non-measurement on this value, as it was impracticable to do so.
4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
5. I am independent of the National Museum Bloemfontein in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Responsibilities of Accounting Authority for preparation of financial statements**

7. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Recognised Accounting Practices and the requirements of the Public Finance Management Act (Act 1 of 1999) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the accounting authority is responsible for assessing the National Museum's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the museum or to cease operations, or has no realistic alternative but to do so.

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

9. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

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

### **Introduction and scope**

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

presented in the annual performance report of the museum for the year ended 31 March 2017:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 2 – Business Development	26 – 37
Programme 3 – Public Engagement	37 – 44

14. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- ┆ Business Development
  - ┆ Public Engagement.

#### **Other matters**

16. I draw attention to the matters below:

Achievement of planned targets

Refer to the annual performance report on pages 25 to 46 for information on the achievement of planned targets for the year and explanations provided for the underachievement of a significant number of targets.

#### **Report on audit of compliance with legislation**

##### **Introduction and scope**

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

Annual financial statements

19. Financial statements were not submitted for auditing within two months after the end of financial year, as required by section 55(1)(c)(i) of the PFMA.

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected which resulted in the financial statements receiving a qualified audit opinion.

#### Strategic planning and performance management

21. The Quarterly Reports were not submitted within 30 days after the end of the quarter as required by section 26 of the Treasury Regulations.

#### Other information

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

#### Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the included in this report.
26. Management did not value heritage assets as required by GRAP103. Management considered it impractical for the entity to perform the valuation and are of the opinion that it is not possible to measure accurately and reliably the value of heritage assets held by the entity.

## Other reports

27. We draw attention to the following engagements conducted that have or could potentially have an impact on the matters reported on the entity's financial-, performance- and compliance related matters .The report noted do not form part of our opinion on the financial statements or our findings on the reported performance information or compliance with legislation.
28. The National Museum Council approved the forensic investigation on alleged irregularities, however the process was not yet finalised prior to the date of this report.

*Auditor - General*

Bloemfontein  
31 August 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*





# **ANNUAL FINANCIAL STATEMENTS**

**NATIONAL MUSEUM, BLOEMFONTEIN  
31 MARCH 2017**

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## GENERAL INFORMATION

Director:	<b>Mr R.J. Nuttall</b>
Auditors:	<b>Auditor-General, South Africa</b>
Bankers:	<b>ABSA Bank</b>
Attorneys:	<b>Phatshoane Henney Inc</b>
Registered office:	<b>36 Aliwal Street Bloemfontein 9301</b>
Postal address:	<b>PO Box 266 Bloemfontein 9300</b>
Accounting period:	<b>1 April 2016 - 31 March 2017</b>

## APPROVAL

The financial statements for the year ended 31 March 2017 as set out on pages 75 to 153 were approved by the Council on 30 June 2017 and signed on their behalf.



**Ms Afrika Msimang**  
**Acting Chairperson of Council**  
National Museum, Bloemfontein

**NATIONAL MUSEUM, BLOEMFONTEIN - STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2017**

(in thousands of rands)

	Notes	2017 R'000	2016 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	46 075	37 039
Trade and other receivables from non-exchange transactions	3	612	912
Trade and other receivables from exchange transactions	3	912	1 531
Inventories	4	85	77
		<b>47 684</b>	<b>39 559</b>
<b>Non-current assets</b>			
Retirement benefit asset	5	15 673	22 669
Property, plant and equipment	6	9 621	6 961
Heritage assets	33	-	-
		<b>25 294</b>	<b>29 630</b>
<b>Total assets</b>		<b>72 978</b>	<b>69 189</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	8	3 145	2 610
Trade and other payables from non-exchange transactions - Refunds	8	-	-
Deferred income	9	13 740	12 091
<b>Non-current liabilities</b>			
Retirement benefit obligations	5	29 148	35 371
<b>Total liabilities</b>		<b>46 033</b>	<b>50 072</b>
<b>Net assets/(liabilities)</b>		<b>26 945</b>	<b>19 117</b>
<b>NET ASSETS</b>			
Reserves	10	2 114	1 886
Accumulated surplus/(deficit)	10	24 831	17 231
<b>Total net assets/(liabilities)</b>		<b>26 945</b>	<b>19 117</b>

**NATIONAL MUSEUM, BLOEMFONTEIN - STATEMENT OF FINANCIAL PERFORMANCE  
AS AT 31 MARCH 2017**

(in thousands of rands)

	<b>Notes</b>	<b>2017 R'000</b>	<b>2016 R'000</b>
<b>REVENUE</b>			
<b><i>Revenue from Non-Exchange Transactions</i></b>			
Transfers and subsidies received	11	<b>51 687</b>	47 583
Local and foreign aid assistance received	12	<b>4 162</b>	4 171
Gifts, sponsorships and donations received	13	<b>62</b>	125
<b><i>Revenue from Exchange Transactions</i></b>			
Rental income	14	<b>314</b>	325
Trading revenue	14	<b>382</b>	299
Professional services rendered	14	<b>647</b>	847
<b>TOTAL REVENUE</b>		<b>57 254</b>	53 350
<b>EXPENSES</b>			
Administrative expenses	15	<b>(2 523)</b>	(1 951)
Staff costs	16	<b>(35 141)</b>	(31 149)
Marketing costs	17	<b>( 377)</b>	( 356)
Audit fees	18	<b>( 955)</b>	( 830)
Project expenses	19	<b>( 78)</b>	( 137)
Other operating expenses	20	<b>(10 515)</b>	(10 725)
Depreciation	7	<b>(1 698)</b>	(1 214)
<b>TOTAL EXPENSES</b>		<b>(51 287)</b>	(46 362)
<b>SURPLUS FROM OPERATIONS</b>		<b>5 967</b>	6 988
Gains/(Losses) on sale of property, plant and equipment	21	<b>( 38)</b>	( 1)
Interest received	22	<b>1 899</b>	1 353
<b>SURPLUS FOR THE YEAR</b>		<b>7 828</b>	8 340

**NATIONAL MUSEUM, BLOEMFONTEIN - STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>Note</b>	<b>2017</b> <b>R'000</b>	2016 R'000
<b>Accumulated Surplus/(Deficit)</b>			
Balance as at 1 April		17 231	8 987
Net surplus/(deficit) for the year		7 828	8 340
Transfers (to)/from reserves		(228)	(96)
Balance as at 31 March	10	<u>24 831</u>	<u>17 231</u>
<b>Reserves</b>			
Balance as at 1 April		1 886	1 790
Transfers (to)/from accumulated surplus/(deficit)		228	96
Balance as at 31 March	10	<u>2 114</u>	<u>1 886</u>
<b>Total Equity</b>			
Balance as at 1 April		19 117	10 777
Net surplus/(deficit) for the year		7 828	8 340
Net transfers (to)/from reserves		-	-
Balance as at 31 March		<u>26 945</u>	<u>19 117</u>

**NATIONAL MUSEUM, BLOEMFONTEIN - CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>Notes</b>	<b>2017 R'000</b>	<b>2016 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Grants		51 687	47 583
Interest received		1 899	1 353
Other receipts		8 135	7 204
<b>Payments</b>			
Employee costs		(34 237)	(32 567)
Suppliers		(14 052)	(14 001)
<b>Net cash flows from / (used in) operating activities</b>	25	<b>13 432</b>	<b>9 572</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(4 399)	(2 351)
Proceeds from property, plant and equipment		2	2
<b>Net cash flows from / (used in) investing activities</b>	26	<b>(4 397)</b>	<b>(2 349)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash flows from / (used in) financing activities</b>		-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>9 035</b>	<b>7 223</b>
Cash and cash equivalents at beginning of year	2	37 039	29 816
<b>Cash and cash equivalents at end of year</b>		<b>46 074</b>	<b>37 039</b>

**NATIONAL MUSEUM, BLOEMFONTEIN - STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**  
(in thousands of rands)

	Approved budget (Cash basis) R'000	Adjustments R'000	Final budget (Cash basis) R'000	Actual amounts on comparable basis R'000	Difference between final budget and actual R'000
<b>RECEIPTS</b>					
Transfers and subsidies received	45 630	-	45 630	51 687	(6 057)
Interest	700	500	1 200	1 899	(699)
Other income	397	-	397	5 530	(5 133)
Reserves carried over	-	2 622	2 622	2 622	2 622
<b>TOTAL RECEIPTS</b>	<b>46 727</b>	<b>3 122</b>	<b>49 849</b>	<b>59 116</b>	<b>(9 267)</b>
<b>PAYMENTS</b>					
Administrative expenses	(2 861)	(47)	(2 908)	(2 523)	(385)
Staff costs	(35 330)	(17)	(35 347)	(35 141)	(206)
Audit fees	(1 098)	117	(981)	(955)	(26)
Other operating expenses	(4 938)	(3 625)	(8 563)	(8 270)	(293)
Capital expenditure	(1 000)	450	(550)	(4 399)	3 849
Reserves (Post retirement liability)	(1 500)	-	(1 500)	-	(1 500)
<b>TOTAL PAYMENTS</b>	<b>(46 727)</b>	<b>(3 122)</b>	<b>(49 849)</b>	<b>(51 288)</b>	<b>1 439</b>
<b>SURPLUS FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 828</b>	<b>(7 828)</b>

Additional grant regarding expenses paid by DAC on behalf of the Museum.  
Higher cash reserves, generating higher interest.  
External funding received.  
Own generated income carried over from previous year.  
Own generated income carried over from previous year.  
Vacancies not filled and increase in post retirement not as high as estimated. R5m actuarial loss included.  
Received credit on 2013/2014 external audit fee & Internal audit (outsourced) worked performed after year end.  
Included in this line are: (i) expenses related to external funding received that were not budgeted for (ii) municipal charges and operating leases paid by DAC on behalf of the Museum was not included in the budget.  
Capital expenditure related to external funding received that were not budgeted for.  
Reserves to address post retirement liability.

**NOTE: Refer to note 34 for the reconciliation between actual amounts above with the surplus in the Statement of Financial Performance.**



## 1 Accounting policies

### 1.1 Reporting entity

These Financial Statements are for the National Museum, Bloemfontein.

The National Museum was established in terms of section 3 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), and in terms of section 5 it is governed by a Council appointed by the Minister of Arts and Culture.

The National Museum is a Schedule 3A public entity as per the Public Finance Management Act, Act No. 1 of 1999.

The National Department of Arts and Culture is the controlling entity of the National Museum.

The National Museum is trading in the Republic of South Africa.

### 1.2 Basis of preparation

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 following standards or improvements of GRAP and or amendments thereto were effective and implemented during the year under review.

*The impact of these standards was evaluated and the necessary changes were made to the Financial Statements.*

GRAP 5: Borrowing costs

*The standard had no effect on the entity as the entity currently does not have borrowing costs.*

GRAP 100: Discontinued operations

*This standard had no effect on the reporting entity as this standard is not currently applicable to the entity.*

GRAP 105: Transfers of functions between entities under common control

*This GRAP standard will have no effect in future on the reporting entity as the entity does not have different entities.*

GRAP 106: Transfers of functions between entities not under common control

*This GRAP standard will have no effect in future on the reporting entity as the entity does not have different entities.*

GRAP 107: Mergers

*This GRAP standard will have no effect in future on the reporting entity as the entity does not consider any mergers.*

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

The following standards of GRAP have been **issued**, but were **not yet effective** on the date of issuance of the institution's Financial Statements:

GRAP 20: Related party disclosures

*This GRAP standard will have no significant impact on the entity.*

### **1.2 Basis of preparation (continued)**

GRAP 32: Service Concession Arrangements: Grantor

*This GRAP standard will have no effect in future on the reporting entity as this standard is not applicable to the entity.*

GRAP 108: Statutory Receivables

*This GRAP standard will have no significant impact on the entity.*

IGRAP 17: Service Concession Arrangements where a grantor controls a significant residual interest in an asset

*This GRAP standard will have no effect in future on the reporting entity as the entity does not have different entities.*

The following standards of GRAP have been **approved**, but entities are **not required to apply** these:

GRAP 18: Segment reporting

*This GRAP standard will have no effect in future on the reporting entity as the entity does not have segments.*

The Financial Statements have been prepared under the historical cost convention unless stated otherwise.

### **1.3 Presentation currency**

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

### **1.4 Going concern assumption**

The Financial Statements have been prepared on the assumption that the entity is a going concern and will continue to operate and meet its statutory obligations for at least the next 12 months.

Funds were obtained and used in accordance with a legally adopted budget.

### **1.5 Comparative figures**

When the presentation or classification of items in the Financial Statements is amended, prior period comparative amounts are also restated and reclassified. The nature and reason for the reclassification will be disclosed.

Where accounting errors relating to prior periods have been identified in the current year, the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

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

### **1.6 Budget information**

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

### **1.7 Critical accounting estimates and judgements in applying accounting policies**

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

#### **Judgements**

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

#### **Estimates**

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities at date of Financial Position as well as the reported revenue and expenses for the year.

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

#### **Provisions**

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in the future to settle the provision management considers the weighted average possibility of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are of a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor of each of these outcomes will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

#### **Post retirement benefit liabilities**

The costs of the benefits and the present value of the post retirement benefit liabilities depend on a number of factors that are determined by an actuarial valuation using a number of assumptions.

These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is hugely sensitive to changes in these assumptions.

Any changes in these assumptions will impact the charge to the Performance Statement and the Position Statement.

All assumptions are reviewed at each reporting date.

#### **Asset lives and residual values**

Assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

In reassessing asset lives, factors such as technological innovation, extent of usage and maintenance requirements are taken into account.

Residual value assessments consider the current market value for similar assets that were already of the age and condition expected at the end of the asset's life should it be disposed of.

### **Receivables**

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to balances in the portfolio and scaled to the estimated loss emergence period.

### **Impairment testing**

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

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

The museum reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as inflation and interest.

### **Value in use of non-cash generating assets**

The museum 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 dependant on the availability of data and the nature of the impairment.

### **Effective interest rate**

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

### **Allowance for impairment**

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

### **1.8 Property, plant and equipment**

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

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

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

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the museum. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are depreciated separately over their useful lives. Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

#### **Subsequent measurement**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent to initial recognition, certain classes of property, plant and equipment are measured using the revaluation model. Application of the revaluation model results in carrying classes of property, plant and equipment at re-valued amounts. Depreciation for these classes of property, plant and equipment is adjusted proportionately for the revaluation increases and decreases upon revaluation of the items of property, plant and equipment. Revaluation increases / decreases are recognised in the revaluation reserve within the Statement of Changes in Net Assets. Where the revaluation model is applied, it is done so consistently for the entire class of assets. Currently no classes of property, plant and equipment are measured using the revaluation model.

### **Subsequent expenditure**

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

### **Depreciation**

All property, plant and equipment are shown at cost less depreciation. All repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred. Depreciation is calculated on a straight-line method to write-off the cost of each asset to its residual value over its estimated useful life. Depreciation will be ceased in the case where the residual value of the assets is higher than the carrying value of the assets.

Depreciation is calculated over the assets' estimated useful lives, which were as follows on 1 April 2015:

Vehicles: 4 - 18 years

Computer and electronic equipment: 3 - 10 years

Equipment: 5 - 10 years

Furniture and fittings: 5 - 10 years

Fixtures: 10 - 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

### **Impairments**

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

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

### **Derecognition**

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

The following assets are not recorded in the Statement of Financial Position:

Land and buildings made available to the National Museum in terms of section 9 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998).

(Buildings owned by the Department of Public Works are made available to the National Museum in order to perform its functions.)

### **1.9 Heritage assets**

An item is recognised as a heritage asset in terms of GRAP 103 when:

- It meets the definition of an asset;
- It meets the definition of a heritage asset;
- It is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- Its cost or fair value can be measured reliably.

A Heritage asset is an asset which have cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An Heritage asset is derecognised when it is disposed of or when no future economic benefits or service potential is expected.

Any gain or loss is recognised in surplus or deficit.

Heritage assets are initially measured at cost, unless the heritage assets were obtained through a non-exchange transaction, then it will be measured at fair value at date of acquisition.

Heritage assets are subsequently measured according to the Cost model:

After recognition as an asset, a class of heritage assets shall be carried at its cost less any accumulated impairment losses.

Heritage assets are not depreciated due to the uncertainty regarding their estimated useful lives.

### **1.10 Inventory**

#### **Initial recognition and measurement**

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially measured at cost. Inventories are stated at the lower of average cost and net realisable value. 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.

#### **Subsequent measurement**

Inventories, consisting of consumable stores and the shop is determined on the basis of the average cost method and includes transport and handling costs.

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

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

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

### **Derecognition**

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

#### **1.11 Trade receivables from exchange transactions**

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

Trade receivables are initially recognised at the present value of the consideration to be received in future for services that have been rendered and invoiced as formally agreed with the customers.

Trade receivables are subsequently measured at fair value using the amortised cost, using the effective interest method.

Trade receivables are evaluated annually for impairment.

Receivables with no stated interest rates are measured at the original invoice amount and discounting is only done when the terms are not market related.

#### **1.12 Cash and cash equivalents**

Cash and cash equivalents include cash-in-hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 24 hours. For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash-on-hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 24 hours.

#### **1.13 Trade and other payables from exchange transactions**

Trade and other payables are initially recognised at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced as formally agreed with the supplier.

Trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Trade and other payables are evaluated annually for impairment.

Payables with no stated interest rates are measured at the original invoice amount and discounting is only done when the terms are not market related.

#### **1.14 Deferred income related to revenue from non-exchange transactions**

Deferred income is recognised when the conditions were not met regarding revenue from non-exchange transactions, with conditions linked to this revenue and the obligation exists to return the revenue to the transferor.

Deferred income is transferred to revenue when the conditions are fulfilled and no further obligation to return the revenue to the transferor exists.



### **1.15 Provisions**

Provisions are measured at the present value of the current obligation that exists at year end. Provisions are recognised when the institution has a present legal or constructive obligation as a result of past events, when it is probable that an outflow will be required to settle, and when a reliable estimate of the amount of the obligation can be made.

### **1.16 Employee benefits**

#### **Short term employee benefits**

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

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

#### **Post-employment benefits**

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

#### **Defined benefit plans**

Pursuant to the museum's obligation to fund the post-employment benefits provided through a defined benefit plan, the museum recognises a defined benefit obligation or asset with reference to the fund's financial position. To the extent that the future benefits payable under the fund exceeds the value of assets held to finance those benefits, the museum recognises as defined benefit obligation. To the extent that the value of plan assets exceeds the future benefits payable by the fund the museum recognises as defined benefit asset. Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the museum nor can they be paid directly to the museum.

The defined benefit asset or obligation is recognised as the net difference between the value of the plan assets and plan liabilities and also taking past service cost into consideration.

Plan assets included in the defined benefit plan assets and liabilities recognised are measured at their fair values. Fair value is based in market price information and in the case of quoted securities is the published bid price. The value of any defined benefit asset recognised is limited to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The plan liabilities are measured at the present value of the future benefits payable. This present value of the plan liabilities is determined through actuarial valuation techniques. The museum operates a defined benefits pension plan, which requires contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan, using the projected unit credit method. Actuarial valuations are conducted on an annual basis by independent actuaries for each plan. Actuarial gains and losses are recognised in full in the Statement of Financial Performance in the year that they occur.

The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested, immediately following the introduction of, or changes to, a pension plan, past service cost are recognised immediately.

### **1.17 Recognition of revenue**

#### **Revenue from exchange transactions**

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

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

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

Revenue comprises the invoiced value for the sale of goods and services net of rebates and discounts. Revenue is recognised on the accrual basis.

Interest income is recognised on a time proportion basis, taking account of the principal amount outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

Rental income comprises the invoiced value for the rent of facilities. This revenue is recognised on the accrual basis.

#### **Revenue from non-exchange transactions**

Professional services rendered comprise the invoiced value for the services rendered. This revenue is recognised on the accrual basis.

Government subsidies received are accounted for in the period to which they applied.

Government grants will only be recognised when there is reasonable assurance that the institution will comply with the conditions attached to these, and the grants will be received.

Local and foreign aid assistance is recognised as it is received and only when there is reasonable assurance that the institution will comply with the conditions attached to such assistance and the amounts will be received.

Gifts, donations and sponsorships are recognised as these are received and only when there is reasonable assurance that the institution will comply with the conditions attached to these, and the amounts will be received.

### **1.18 Irregular, fruitless and wasteful expenditure**

#### **Irregular expenditure**

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the annual financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **Fruitless and wasteful expenditure**

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

#### **Recovery of irregular, fruitless and wasteful expenditure**

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

### **1.19 Related parties**

The museum has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

(a) A person or a close member of that person's family is related to the reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the management of the entity or its controlling entity.

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the entity and any one or more related parties, and those transactions were not within:

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

## **1.20 Leases**

### **The Museum as lessee**

#### **Recognition**

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

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

The determination of whether an arrangement is, or contains, a lease is based on the is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

#### **Measurement**

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

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

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

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

### **Derecognition**

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

### **The Museum as a lessor**

#### **Recognition**

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

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

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

#### **Measurement**

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

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

### **Derecognition**

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

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

### **1.21 Taxes**

The entity is exempt from taxation in terms of section 10(1)(cA)(i) of the Income Tax Act. Donations made to or by the entity are exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act.

The entity is exempt from payment of Estate Duty in terms of section 4(h) of the Estate Duty Act no. 45 of 1995.

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

### **1.22 Post reporting date events**

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

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

The museum will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.

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

## **1.23 Reserves**

### **Transformation Funds**

These funds were received from the Department of Arts and Culture to utilise for specific projects as per pre-approved budget.

Income and expenses are recognised in the Statement of Financial Performance in the year these occur. At the end of the year the income and expenses are transferred to reserves.

### **Oliewenhuis Artwork Purchase Fund**

This fund was established from the sale of an artwork. The interest may be utilised to purchase artworks produced by South African artists.

Income and expenses are recognised in the Statement of Financial Performance in the year these occur. At the end of the year the income and expenses are transferred to reserves.

### **National Lottery for Archaeology Hall**

These funds were received from the National Lottery Distribution Trust Fund to utilise for a specific project as per pre-approved budget.

Income and expenses are recognised in the Statement of Financial Performance in the year these occur. At the end of the year the income and expenses are transferred to reserves.

### **Friends of Oliewenhuis and Fractal**

These funds were established to support the art activities of Oliewenhuis Art Museum; to help with the expansion of the art collection of Oliewenhuis Art Museum; and to make Oliewenhuis Art Museum known to the public and to stimulate the involvement of the community in Oliewenhuis Art Museum.

Income and expenses are recognised in the Statement of Financial Performance in the year these occur. At the end of the year the income and expenses are transferred to reserves.

## **1.24 Financial instruments**

### **Initial recognition**

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

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

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

### **Initial measurement of financial assets and financial liabilities**

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

### **Subsequent measurement of financial assets and financial liabilities**

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

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

#### **Financial instruments at fair value**

- Derivatives
- Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract
- Instruments held for trading
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.

-An investment in a residual interest for which fair value can be measured reliably.

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

#### **Financial instruments at amortised cost**

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



### **Financial instruments at cost**

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

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

### **Concessionary loans**

The part of the concessionary loan that is a social benefit or non-exchange revenue is determined as the difference between the fair value of the loan and the loan proceeds, either paid or received.

After initial recognition, the museum measures concessionary loans in accordance with the subsequent measurement criteria set out for all financial instruments.

### **Gains and losses**

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

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

### **Investments at amortised cost**

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

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

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

### **Cash and cash equivalents**

Cash and cash equivalents are measured at amortised cost.

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

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

### **Trade and other receivables**

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

Bad debt are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

**Trade and other payables**

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

**Impairment and uncollectability of financial assets**

The museum assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

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

Financial assets measured at amortised cost:

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

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

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

**Financial assets measured at cost:**

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

## **Derecognition**

### **Financial assets**

The museum derecognises financial assets using trade date accounting.

The museum derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the museum transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

The museum despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the museum derecognises the asset; and recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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

### **Financial liabilities**

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

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions.

### **1.25 Non-current assets held for sale and disposal groups**

#### **Recognition**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

#### **Measurement**

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

#### **Derecognition**

Non-current assets and disposal groups held for sale are derecognised upon disposal of the item or where no further economic benefits or service potential is expected to flow from the asset or disposal group. Gain / losses that result from the derecognition of non-current assets or disposal groups held for sale are recognised in surplus / deficit in the period of the derecognition.

### **1.26 Impairment of cash-generating assets**

Cash-generating assets are those assets held by the museum 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 museum assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the museum estimates the recoverable amount of the asset.

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

### **Value in use**

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

When estimating the value in use of an asset, the museum estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the museum 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 cash flow estimates have not been adjusted.

### **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 museum 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 museum 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 museum 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 prior to estimation of the recoverable amount of the cash-generating unit.

### **Reversal of impairment loss**

The museum 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 museum 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.

### **1.27 Impairment of non-cash-generating assets**

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

#### **Identification**

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

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

Irrespective of whether there is any indication of impairment, the museum 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 on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the museum 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 museum 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 museum estimates the recoverable service amount of that asset.

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

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

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

### **1.28 Provisions and contingencies**

Provisions are recognised when: the museum has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and a reliable estimate can be made of the obligation.

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

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

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

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

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.



A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating expenditure.

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

A constructive obligation to restructure arises only when the museum has a detailed formal plan for the restructuring, identifying at least: the activity/operating unit or part of a activity/operating unit concerned; the principal locations affected; the location, function, and approximate number of employees who will be compensated for services being terminated; the expenditures that will be undertaken; and when the plan will be implemented; and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both: necessarily entailed by the restructuring; and not associated with the ongoing activities of the museum.

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

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

Contingent assets and contingent liabilities are not recognised.

### **1.29 Offsetting**

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

### **1.30 Borrowing costs**

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

### **1.31 Surplus or deficit**

#### **Gains and losses**

Gains and losses arising from fair value adjustments on investments and loans, and from the disposal of assets, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Cash and cash equivalents</b>		
Cash at bank	<b>107</b>	206
Short-term bank deposits	<b>45 957</b>	36 824
Cash in hand	<b>11</b>	9
<b>Total</b>	<b>46 075</b>	37 039

For the purposes of the Cash Flow Statement:  
Cash and cash equivalents at the beginning of  
the year.

<b>37 039</b>	29 816
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**Trade and other receivables from non-  
exchange transactions**

Transfers not yet received	<b>612</b>	912
Other receivables	-	-
<b>Total</b>	<b>612</b>	912

Refer to note 35 for detail of the transfers not yet  
received.

**Trade and other receivables from exchange  
transactions**

Trade receivables	<b>408</b>	372
Creditors with debit balances	<b>228</b>	766
Other receivables	<b>276</b>	393
<b>Total</b>	<b>912</b>	1 531

Trade receivables are non-interest bearing and  
are generally on 30 day terms.

The ageing of the trade receivables that are past  
due but not impaired is as follows:

30 days	<b>17</b>	1 058
60 days	<b>40</b>	-
90 days	<b>9</b>	44
120 + days	<b>323</b>	182
	<b>389</b>	1 284

No receivables are held as collateral or given as  
security.

**Inventories**

Store	<b>24</b>	18
Shop	<b>61</b>	59
<b>Total</b>	<b>85</b>	77

Inventories were evaluated for impairment, but no  
adjustments were necessary.

No inventory was pledged as security.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**5 Retirement benefit obligations**

Statement of Financial Position obligations for:

Pension benefits	<b>(15 673)</b>	(22 669)
Post-employment medical benefits	<b>29 148</b>	35 371
<b>Total</b>	<b>13 475</b>	12 702

Statement of Financial Performance charge for:

Pension benefits	<b>10 729</b>	1 634
Post-employment medical benefits	<b>(5 440)</b>	2 740
<b>Total</b>	<b>5 289</b>	4 374

**Pension benefits**

The entity operates two pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The entity has both defined benefit and defined contribution plans. All employees are members of one of these funds.

For the defined contribution plan, the entity pays fixed contributions into a trustee-administered fund. The entity will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The amount recognised in the Statement of Financial Position was determined as follows:

Present value of funded obligation	<b>86 226</b>	75 526
Fair value of plan assets	<b>(101 899)</b>	(98 195)
	<b>(15 673)</b>	(22 669)

The amounts recognised in the Statement of Financial Performance are as follows:

Interest cost	<b>7 571</b>	6 138
Current service cost	<b>2 220</b>	2 443
Expected return on plan assets	<b>(9 753)</b>	(7 863)
Actuarial (gain) / loss for the period	<b>12 251</b>	916
<b>Total included in staff costs (note 16)</b>	<b>12 289</b>	1 634

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**5 Retirement benefit obligations (continued)**

**Pension benefits (continued)**

Movement in assets recognised in the Statement  
of Financial Position:

Beginning of the year	<b>(22 669)</b>	(19 178)
Total expense as above	<b>12 289</b>	1 634
Contributions paid	<b>(5 293)</b>	(5 125)
End of the year	<b>(15 673)</b>	(22 669)

Present value of the defined benefit obligations at  
year-end for the following years:

2012/2013	58 457
2013/2014	66 744
2014/2015	73 979
2015/2016	75 526
2016/2017	86 226

Fair value of the plan assets at year-end for the  
following years:

2012/2013	66 600
2013/2014	80 339
2014/2015	93 157
2015/2016	98 195
2016/2017	101 899

Surplus/(deficit) in the plan at year-end for the  
following years:

2012/2013	8 143
2013/2014	13 595
2014/2015	19 178
2015/2016	22 669
2016/2017	15 673

Experience adjustments:

Actuarial gains/(losses)

In respect of present value of obligations	1 434
In respect of present value of plan assets	(13 723)

The employer's best estimate of contributions  
expected to be paid to the plan during 2017/2018  
amounts to R 5 762 000.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**5 Retirement benefit obligations (continued)**

**Pension benefits (continued)**

Expected return on plan assets:

The expected return on assets is based on an average balanced portfolio. The short term tactical investment positions (since these can be amended over time) as well as the effect of recent market movements on the current investment distribution (since these can change on a daily basis) was ignored. The expected long term real return is 4%, calculated as follows:

*Equity:*

% of portfolio	<b>70%</b>	70%
Real return	<b>4.5%</b>	4.5%
Weighted return	<b>3.1%</b>	3.1%

*Bonds:*

% of portfolio	<b>30%</b>	30%
Real return	<b>3.0%</b>	3.0%
Weighted return	<b>0.9%</b>	0.9%

*Total*

% of portfolio	<b>100%</b>	100%
Weighted return	<b>4.0%</b>	4.0%

Adding this to inflation gives the expected investment return as indicated above.

The principal actuarial assumptions used were:

Discount rate	<b>9.80%</b>	9.91%
General inflation	<b>7.34%</b>	7.87%
Expected rate of return on assets	<b>11.87%</b>	11.87%
Expected future salary increases	<b>8.34%</b>	8.87%

The difference between the yield on a fixed interest government bond and the yield on an index linked government bond will give an indication of the inflation expectation in the market. For this purpose the actuary made use of the yields on the R209 fixed interest government bonds (9.91% p.a.) and the R202 index linked government bonds (1.90% p.a.). Inflation rate of 7.87% p.a. has therefore been assumed in the valuation basis.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**5 Retirement benefit obligations (continued)**

**Pension benefits (continued)**

Since the valuation of the Pension Fund rely on many actuarial assumptions, it is important to illustrate how the results change under various alternative assumptions.

*Discount rate*

Central assumption: 9.80% (2016: 9.91%)

% change due to 1% decrease	<b>3.3%</b>	2.6%
-----------------------------	-------------	------

% change due to 1% increase	<b>-2.6%</b>	-2.0%
-----------------------------	--------------	-------

*Salary inflation: 7.34 % (2016: 7.87%)*

% change due to 1% decrease	<b>-2.4%</b>	-1.9%
-----------------------------	--------------	-------

% change due to 1% increase	<b>3.0%</b>	2.4%
-----------------------------	-------------	------

*Post-retirement mortality (actual table is PA(90))*

% change due to PA(90)+1	<b>-1.0%</b>	-0.8%
--------------------------	--------------	-------

% change due to PA(90)-1	<b>1.0%</b>	0.8%
--------------------------	-------------	------

**Post-employment medical benefits**

The entity provides for subsidies in respect of continuation of member health care costs. Employees have the option to join any of the available plans of the Bestmed medical aid scheme. In terms of the subsidy policy the employer subsidises 66% of the required monthly subscriptions for employees in service at 31 December 2007. Employees appointed after 1 January 2008 do not qualify for health care benefits after retirement. Continuation members who retired before 30 June 1992 receive a 100% subsidy in retirement. The entitlement to these benefits is dependent upon the employee remaining in service until retirement age.

The amounts recognised in the Statement of Financial Performance are as follows:

Interest cost	<b>3 630</b>	2 936
Current service cost	<b>1 000</b>	975
Actuarial (gain) / loss for the period	<b>(10 070)</b>	(1 171)
<b>Total included in staff costs (note 16)</b>	<b>(5 440)</b>	2 740

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>5 Retirement benefit obligations (continued)</b>		
<b>Post-employment medical benefits (continued)</b>		
Movement in liability recognised in the Statement of Financial Position:		
Beginning of the year	<b>35 371</b>	33 429
Total expense as above	<b>(5 440)</b>	2 740
Contributions paid	<b>(783)</b>	(798)
End of the year	<b>29 148</b>	35 371
Present value of the defined benefit obligations at year-end for the following years:		
2012/2013	28 123	
2013/2014	29 464	
2014/2015	33 429	
2015/2016	35 371	
2016/2017	29 148	
The post-employment medical benefit obligation has no plan assets and therefore also no surplus/deficit in the plan.		
Experience adjustments:		
In respect of present value of obligations	(10 070)	
In respect of present value of plan assets	-	
The employer's best estimate of contributions expected to be paid to the plan during 2016/2017 amounts to R 861 000		
The principal actuarial assumptions used were:		
Discount rate	<b>9.46%</b>	10.40%
Health Care Cost Inflation	<b>9.27%</b>	10.00%
Expected retirement age	<b>65</b>	65
Membership discontinued	<b>0%</b>	0%



**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**5 Retirement benefit obligations (continued)**

**Post-employment medical benefits (continued)**

The recalculated liability to show the effect of a one percentage point decrease or increase in the rate of health care cost inflation is as follows:

*Accrued liability*

Central assumption: 9.27% (2016: 10%)	<b>29 148</b>	35 371
1% decrease in health care cost inflation	<b>25 164</b>	30 029
% change due to 1% decrease in health care cost inflation	<b>-13.7%</b>	-15.1%
1% increase in health care cost inflation	<b>34 006</b>	42 101
% change due to 1% increase in health care cost inflation	<b>16.7%</b>	19.0%
<i>Current Service + Interest cost</i>		
Central assumption: 9.27% (2016: 10%)	<b>3 575</b>	4 630
1% decrease in health care cost inflation	<b>3 048</b>	3 869
% change due to 1% decrease in health care cost inflation	<b>-14.7%</b>	-16.4%
1% increase in health care cost inflation	<b>4 222</b>	5 601
% change due to 1% increase in health care cost inflation	<b>18.1%</b>	21.0%

**6 Property, plant and equipment**

**Equipment**

Opening net carrying amount	<b>1 786</b>	1 265
Gross carrying amount	<b>3 118</b>	2 311
Accumulated depreciation	<b>(1 332)</b>	(1 046)
Additions	<b>714</b>	811
Transfers - gross carrying amount	-	-
Transfers - accumulated depreciation	-	-
Disposals - gross carrying amount	<b>(1)</b>	(4)
Disposals - accumulated depreciation	<b>1</b>	4
Depreciation charge	<b>(382)</b>	(290)
<b>Net carrying amount 31 March</b>	<b>2 118</b>	1 786
Gross carrying amount	<b>3 831</b>	3 118
Accumulated depreciation	<b>(1 713)</b>	(1 332)

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>6 Property, plant and equipment (continued)</b>		
<b>Vehicles</b>		
Opening net carrying amount	1 613	1 849
Gross carrying amount	3 142	3 141
Accumulated depreciation	(1 529)	(1 292)
Additions	-	1
Disposals - gross carrying amount	-	-
Disposals - accumulated depreciation	-	-
Depreciation charge	(191)	(237)
<b>Net carrying amount 31 March</b>	<b>1 422</b>	1 613
Gross carrying amount	3 142	3 142
Accumulated depreciation	(1 720)	(1 529)
<b>Computer and electronic equipment</b>		
Opening net carrying amount	832	678
Gross carrying amount	2 797	2 498
Accumulated depreciation	(1 965)	(1 820)
Additions	255	400
Disposals - gross carrying amount	(109)	(101)
Disposals - accumulated depreciation	71	98
Depreciation charge	(237)	(243)
<b>Net carrying amount 31 March</b>	<b>812</b>	832
Gross carrying amount	2 943	2 797
Accumulated depreciation	(2 131)	(1 965)
<b>Office furniture and fittings</b>		
Opening net carrying amount	1 129	887
Gross carrying amount	3 271	2 801
Accumulated depreciation	(2 142)	(1 914)
Additions	217	487
Transfers - gross carrying amount	-	-
Transfers - accumulated depreciation	-	-
Disposals - gross carrying amount	(22)	(17)
Disposals - accumulated depreciation	19	17
Depreciation charge	(290)	(245)
<b>Net carrying amount 31 March</b>	<b>1 053</b>	1 129
Gross carrying amount	3 466	3 271
Accumulated depreciation	(2 413)	(2 142)

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>6 Property, plant and equipment (continued)</b>		
<b>Fixtures</b>		
Opening net carrying amount	1 601	1 148
Gross carrying amount	<b>2 160</b>	1 508
Accumulated depreciation	<b>(559)</b>	(360)
Additions	<b>3 213</b>	652
Disposals - gross carrying amount	-	-
Disposals - accumulated depreciation	-	-
Depreciation charge	<b>(598)</b>	(199)
<b>Net carrying amount 31 March</b>	<b>4 216</b>	1 601
Gross carrying amount	<b>5 373</b>	2 160
Accumulated depreciation	<b>(1 157)</b>	(559)
<b>Total property, plant and equipment</b>		
Opening net carrying amount	<b>6 961</b>	5 827
Gross carrying amount	<b>14 488</b>	12 259
Accumulated depreciation	<b>(7 527)</b>	(6 432)
Additions	<b>4 399</b>	2 351
Disposals - gross carrying amount	<b>(132)</b>	(122)
Disposals - accumulated depreciation	<b>91</b>	119
Depreciation charge	<b>(1 698)</b>	(1 214)
<b>Net carrying amount 31 March</b>	<b>9 621</b>	6 961
Gross carrying amount	<b>18 755</b>	14 488
Accumulated depreciation	<b>(9 134)</b>	(7 527)

The following significant judgements and estimations were made by management regarding property, plant and equipment:

**Residual values and useful lives of fixed assets**

Residual values and useful lives of fixed assets are evaluated at each year-end.

Accounts affected:

Depreciation	<b>1 698</b>	1 214
Accumulated depreciation	<b>9 134</b>	8 622

**Impairment of fixed assets**

Impairment of fixed assets is evaluated at each year-end. No indication of impairment was found. No property, plant and equipment was pledged as security.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>7 Depreciation</b>		
Fixtures	(598)	(199)
Equipment	(382)	(290)
Vehicles	(191)	(237)
Computer and electronic equipment	(237)	(243)
Office furniture and fittings	(290)	(245)
<b>Total</b>	<b>(1 698)</b>	<b>(1 214)</b>

**8 Trade and other payables from exchange transactions**

Trade payables	121	167
Debtors with credit balances	65	46
Accruals	2 959	2 397
<b>Total</b>	<b>3 145</b>	<b>2 610</b>

**Trade and other payables from non-exchange transactions - Refunds**

NRF (Refunds due to conditions not met)	-	-
---	---	---

Payables' carrying value approximates its fair value.

All trade payables were paid within 30 days after year end.

**9 Deferred income: Income from non-exchange transactions subject to conditions**

ICRBM4 Conference 2010	5	5
JRS Biodiversity Foundation Project		-
Palaeontological Scientific Trust (PAST)	62	39
South African National Biodiversity Institute (SANBI)	96	96
Centre of Excellence in Palaeosciences (CoE)	409	-
Department of Arts and Culture (National Art Bank)	5 786	3 178
Department of Arts and Culture (Capital Allocation)	7 382	8 773
	<b>13 740</b>	<b>12 091</b>

Refer to note 35 for detail of the transfers received but conditions not yet met.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>10 Accumulated deficit and reserves</b>		
<b>Accumulated deficit</b>		
Balance as at 1 April	17 231	8 987
Net surplus / (deficit) for the year	7 828	8 340
Transfers to reserves	(228)	(96)
Balance as at 31 March	<b>24 831</b>	17 231
<b>Other reserves</b>		
Balance as at 1 April	1 886	1 790
Transfers to / (from) reserves	228	96
Balance as at 31 March	<b>2 114</b>	1 886
<b>Reserves comprise the following funds:</b>		
<b>Transformation Funds</b>		
Net movement during the year:	<b>90</b>	73
Balance as at 1 April	1 189	1 116
- Income	90	73
- Expenditure	-	-
Balance as at 31 March	<b>1 279</b>	1 189
<b>Oliewenhuis Artwork Purchase Fund</b>		
Net movement during the year:	<b>50</b>	40
Balance as at 1 April	648	608
- Income	50	40
- Expenditure	-	-
Balance as at 31 March	<b>698</b>	648
<b>National Lottery for Archaeology Hall</b>		
Net movement during the year:	-	(6)
Balance as at 1 April	-	6
- Income	-	-
- Expenditure	-	(6)
Balance as at 31 March	-	-
<b>Friends of Oliewenhuis</b>		
Net movement during the year:	<b>84</b>	(28)
Balance as at 1 April	27	55
- Income	122	14
- Expenditure	(38)	(42)
Balance as at 31 March	<b>111</b>	27

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	2017 R'000	2016 R'000
<b>10 Accumulated deficit and reserves (continued)</b>		
<b>Other reserves</b>		
<b>Fractal</b>		
Net movement during the year:	4	11
Balance as at 1 April	22	11
- Income	13	17
- Expenditure	(9)	(6)
Balance as at 31 March	26	22
<b>Total Reserves as at 31 March</b>	<b>2 114</b>	<b>1 886</b>

**Revenue**

**Revenue from Non-Exchange Transactions**

**11 Transfers and subsidies received**

National Department of Arts and Culture

- Annual subsidy	45 630	43 333
- Payments on behalf of National Museum	6 057	4 233
- Other transfers - National Art Bank	-	17

**Total**

<b>51 687</b>	<b>47 583</b>
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**Other assistance:**

**Department of Public Works**

Land and buildings are made available to the National Museum in terms of section 9 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), in order for the National Museum to perform its functions.

No lease agreement exists between the National Museum and the Department of Public Works (DPW). The National Museum does not pay rent to DPW for the use of the buildings.

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

**12 Local and foreign aid assistance received**

**Local aid received:**

NRF: Natural History Collections Funding	1 319	1 114
NRF: African Origins Platform	1 576	1 225
NRF: Incentive funding	280	240
NRF: African Origins Technical Skills	270	240
Total carried forward to next page	<b>3 445</b>	<b>2 819</b>

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Revenue (continued)</b>		
<b>12 Local and foreign aid assistance received</b>		
<b>(continued)</b>		
<b>Local aid received:</b>		
Total carried over from previous page	<b>3 445</b>	2 819
NRF: Professional Development Programme	-	220
NRF: Competitive programme for rated researchers	-	-
NRF: Small grants and biodiversity surveys	<b>49</b>	51
PAST: J Codron: Post-Doc bursary	-	80
PAST: D Codron: <i>Louise Scott Conference</i>	-	-
PAST: J Botha-Brink: Research	-	-
PAST: D Codron: Research	-	57
PAST: S Holt: Bursary	<b>36</b>	1
PAST: J Botha-Brink: Mentorship Programme	-	60
SANBI: Small grants and biodiversity surveys	-	4
DST/NRF Centre of Excellence in Palaeosciences	<b>632</b>	80
Visual Arts Network of South Africa (VANSA)	-	28
<b>Foreign aid received:</b>		
Vlaamse Interuniversitaire Raad (VLIR)	-	-
JRS Biodiversity Foundation	-	771
<b>Total</b>	<b>4 162</b>	4 171

Refer to note 35 for detail of the amounts received and spent during the financial periods and the conditions linked to this funding.

**13 Gifts, donations and sponsorships received**

**Local:**

SAASTA - National Science Week 2015	<b>54</b>	112
Various minor sponsorships	<b>8</b>	13
<b>Total</b>	<b>62</b>	125

Various sponsorships were received during the current financial period. No unfulfilled conditions are attached to these sponsorships.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Revenue from Exchange Transactions</b>		
<b>14 Other income</b>		
Rental Income	<b>314</b>	325
- Long-term lease "The Terrace"	<b>254</b>	241
- Ad hoc rental of the Reservoir	<b>60</b>	84
Trading revenue	<b>382</b>	299
- Museum shop	<b>204</b>	230
- Other	<b>178</b>	69
Bad debts recovered	-	-
Professional services rendered	<b>647</b>	847
<b>Total</b>	<b>1 343</b>	1 471
<b>Expenditure</b>		
<b>15 Administrative expenses</b>		
Bad debts	-	-
Information technology	<b>205</b>	160
Insurance	<b>474</b>	400
Security	<b>526</b>	384
Subsistence and travel	<b>272</b>	137
Telephone	<b>111</b>	123
Office expenses	<b>935</b>	747
	<b>2 523</b>	1 951
<b>16 Staff costs</b>		
Wages and salaries	<b>25 652</b>	24 266
- Basic salaries	<b>20 778</b>	19 641
- Performance awards	<b>(39)</b>	220
- Periodic payments	<b>1 906</b>	1 682
- Other non-pensionable allowance	<b>1 876</b>	1 867
- Leave payments	<b>351</b>	159
- Overtime pay	<b>780</b>	697
Social contributions (employer's contributions)	<b>2 640</b>	2 509
- Medical	<b>2 414</b>	2 292
- UIF	<b>184</b>	175
- Other salary related costs	<b>42</b>	42
Pension fund expenses	<b>12 289</b>	1 634
- Current service cost	<b>2 220</b>	2 443
- Interest cost	<b>7 571</b>	6 138
- Expected return on plan assets	<b>(9 753)</b>	(7 863)
- Actuarial (gain) / loss for the period	<b>12 251</b>	916
Other long-term employee benefits	<b>(5 440)</b>	2 740
<b>Total</b>	<b>35 141</b>	31 149



**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**Expenditure (continued)**

**16 Staff costs (continued)**

**Senior management emoluments (included above)**

Mr RJ Nuttall: Director

**1 367**                      1 281

- Salary

**815**                      768

- Bonuses and performance payments

**4**                                      42

- Expense allowances

**42**                                      130

- Pension contributions

**192**                                      341

- Other benefits

**314**                                      854

Ms H Smit: Chief Financial Officer

**1 006**                      854

- Salary

**732**                                      56

- Bonuses and performance payments

**83**                                      123

- Pension contributions

**119**                                      2

- Other benefits

**72**                                      514

Mrs P Lerotholi: Deputy Director (appointed February 2017)

**585**                                      514

- Salary

**427**                                      374

- Bonuses and performance payments

**49**                                      35

- Pension contributions

**95**                                      69

- Other benefits

**14**                                      36

**Total**

**2 958**                      2 649

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Expenditure (continued)</b>		
<b>16 Staff costs (continued)</b>		
<b>Emoluments to Council</b>		
<b>Fees for services (sitting allowances)</b>		
<b>Council members - Term ended 31 May 2015</b>		
Atkinson, D (Chairperson)	-	1
Jacobson, L (Vice-Chairperson)	-	2
Boshoff, W	-	1
Flemming, C	-	3
Mohapi, S	-	1
Ranchod, K	-	1
Sirayi, M	-	1
Smith, R	-	-
Vawda, H	-	1
<b>Council members - Term commenced from     1 September 2015</b>		
Dondolo, L (Chairperson)	-	6
Msimang, AM (Vice-Chairperson)	<b>22</b>	5
Jacobson, L	<b>5</b>	7
Kgarume, MG	<b>18</b>	5
Makwetla, MA (resigned January 2017)	<b>2</b>	2
Mohapi, S	<b>6</b>	5
Morris, DRN	<b>3</b>	-
Ritchie, JG	<b>13</b>	2
Robinson, LAK	<b>14</b>	-
	<b>83</b>	43
	<hr/> <hr/>	<hr/> <hr/>
<b>17 Marketing costs</b>		
Advertising	<b>33</b>	13
Functions (exhibition openings and other)	<b>199</b>	178
General marketing	<b>145</b>	165
<b>Total</b>	<b>377</b>	356
	<hr/> <hr/>	<hr/> <hr/>
<b>18 Audit fees</b>		
Statutory Audit	<b>759</b>	548
Internal Audit	<b>196</b>	282
<b>Total</b>	<b>955</b>	830
	<hr/> <hr/>	<hr/> <hr/>
<b>19 Project expenses</b>		
Printing costs	<b>78</b>	137
	<hr/> <hr/>	<hr/> <hr/>

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>Expenditure (continued)</b>		
<b>20 Other operating expenses</b>		
Municipal charges	<b>3 944</b>	2 843
Operating leases	<b>2 113</b>	1 390
Staff training and development	<b>45</b>	49
Consultants, contractors and special services	<b>210</b>	116
Equipment items expensed as per entity policy	<b>115</b>	64
Maintenance, repairs and running costs		
- Property and buildings	<b>347</b>	472
- Machinery and equipment	-	-
- Other maintenance, repairs and running costs	<b>75</b>	54
Entertainment expenses	<b>43</b>	32
Unauthorised expenditure	-	-
Fruitless and wasteful expenditure	-	(11)
Other:		
Cost of Sales	<b>160</b>	174
- Opening stock	<b>77</b>	82
- Museum shop purchases	<b>168</b>	169
- Less closing stock	<b>(85)</b>	(77)
Operations - Departments	<b>3 463</b>	5 542
<b>Total</b>	<b>10 515</b>	10 725
<p>The museum is paying consultants according to the prescribe rates.</p>		
<b>21 Gains/(Losses) on disposal of property, plant and equipment</b>		
Gains from the disposal of property, plant and equipment	<b>(38)</b>	-
Losses from the sale of minor assets	-	(1)
<b>Total</b>	<b>(38)</b>	(1)
<b>22 Interest received</b>		
Interest received	<b>1 899</b>	1 353

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

<b>2017</b>	2016
<b>R'000</b>	R'000

**23 Operating lease - Rent received**

The National Museum leases the restaurant at Oliewenhuis Art Museum in terms of an operating lease agreement. The current contract expires on 30 September 2017. Rent is payable per month with an annual increase equivalent to the inflation rate as on 1 October of each year. The contingent rent that was recognised as revenue during the year amounted to R5 874. The following represent the future minimum lease payments in terms of the operating lease agreement:

Up to 1 year	<b>130</b>	247
1 to 5 years	-	123
More than 5 years	-	-
	<b>130</b>	<b>370</b>

**Operating leases - Paid**

The Department of Public Works leases several buildings on behalf of the Department of Arts and Culture in order to make buildings available to the National Museum in terms of section 9 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), in order for the National Museum to perform its functions.

No lease agreement exists between the National Museum and the Department of Public Works (DPW). The National Museum does not pay rent to DPW for the use of the buildings.

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

**24 Financial instruments**

**Financial risk management**

The National Museum's revenue and operating cash flows are substantially independent of changes in market interest rates.

**Credit risk**

Receivables consist of a widespread customer base in diversified industries and geographic locations. The Museum has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>24 Financial instruments (continued)</b>		
Financial assets which expose the economic entity to credit risk at year-end were as follows:		
Trade and other receivables from non-exchange transactions	<b>612</b>	912
Trade and other receivables from exchange transactions	<b>912</b>	1 531
Cash and cash equivalents	<b>46 075</b>	37 039
These balances represent the maximum exposure to credit risk.		
<b>Liquidity risk</b>		
Liquidity risk is the risk that the economic entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.		
The following reflects the Museum's exposure to liquidity risk from financial liabilities:		
<b>Settled not later than one year</b>		
Trade and other payables from exchange transactions	<b>3 145</b>	2 610
Trade and other payables from non-exchange transactions - Refunds	-	-
<b>Settled between 1 - 5 years</b>		
Trade and other payables from exchange transactions	-	-
Trade and other payables from non-exchange transactions - Refunds	-	-
Deferred income	-	-
<b>Interest rate risk</b>		
As the National Museum has no significant interest-bearing assets, the Museum's income and operating cash flows are substantially independent of changes in market interest rates.		
<b>Financial assets</b>		
<b>Trade and other receivables from non-exchange transactions</b>		
At amortised cost	<b>612</b>	912
<b>Trade and other receivables from exchange transactions</b>		
At amortised cost	<b>912</b>	1 531
<b>Cash and cash equivalents</b>		
At amortised cost	<b>46 075</b>	37 039
<b>Total Financial assets at amortised cost</b>	<b>47 599</b>	39 482

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	<b>2017</b>	2016
	<b>R'000</b>	R'000
<b>24 Financial instruments (continued)</b>		
<b>Financial liabilities</b>		
<b>Trade and other payables from exchange transactions</b>		
At amortised cost	3 145	2 610
<b>Trade and other payables from non-exchange transactions - Refunds</b>		
At amortised cost	-	-
<b>Total Financial liabilities at amortised cost</b>	<b>3 145</b>	<b>2 610</b>
<b>Cash flow</b>		
<b>25 Reconciliation of net cash flows from operating activities to surplus / (deficit)</b>		
Surplus / (deficit) for the year	7 828	8 340
Non-cash movements:		
- Depreciation	1 698	1 214
- Increase in post-retirement benefit liabilities	773	(1 549)
- Gains and losses from sale of fixed assets	38	1
- Decrease / (increase) in inventories	(8)	5
- Decrease / (increase) in receivables	919	(1 521)
- Increase / (decrease) in payables	535	124
- Increase / (decrease) in deferred income	1 649	2 958
<b>Net cash flows from / (used in) operating activities</b>	<b>13 432</b>	<b>9 572</b>
<b>26 Net cash flows from / (used in) investing activities</b>		
Purchase of property, plant and equipment	(4 399)	(2 351)
Proceeds from the sale of property, plant and equipment	3	2
	<b>(4 396)</b>	<b>(2 349)</b>

**Other**

**27 Events after the Statement of Financial Position date**

No material events, that have an impact on the Financial Statements, have occurred.

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

<b>2017</b>	2016
<b>R'000</b>	R'000

**28 Going concern**

The National Museum receives subsidy from the National Department of Arts and Culture. Revenue from subsidy equals 89% (2015: 90%) of total revenue. The National Museum thus relies significantly on the subsidy received from the National Department of Arts and Culture.

**Reason and action plan:**

The grant allocation for the next 3 years was confirmed. Therefore there is no indication that the National Museum will not receive subsidy from the National Department of Arts and Culture.

**29 Related party transactions**

In order to comply with IPSAS 20 the following related party transactions are disclosed:

**National Department of Arts and Culture**

The National Department of Arts and Culture is the controlling entity of the National Museum.

Transfers and subsidies received

<b>51 687</b>	47 583
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Included in these amounts are payments that the National Department of Arts and Culture made on behalf of the National Museum in respect of Municipal and Operating lease expenditure.

**Department of Public Works**

Land and buildings are made available to the National Museum in terms of section 9 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), in order for the National Museum to perform its functions.

No lease agreement exists between the National Museum and the Department of Public Works. The National Museum does not pay rent for the use of the buildings.

No amounts are due to the related parties.

**30 Irregular expenditure**

**30.1 Reconciliation of irregular expenditure**

Opening balance	<b>1 838</b>	1 838
Add: Irregular expenditure - relating to prior year	-	-
Add: Irregular expenditure - relating to current year	-	-
Less: Amounts condoned	-	-
Less: Amounts not recoverable (not condoned)	-	-
<b>Irregular expenditure awaiting condonation</b>	<b>1 838</b>	1 838

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

<b>2017</b>	2016
<b>R'000</b>	R'000

**30 Irregular expenditure (continued)**

**30.1 Reconciliation of irregular expenditure  
(continued)**

**Analysis of awaiting condonation per age  
classification**

Current year	-	-
Prior years	<b>1 838</b>	1 838
<b>Total</b>	<b>1 838</b>	<b>1 838</b>

**30.2 Details of irregular expenditure**

The irregular expenditure for the current and prior financial year is due to non-compliance with Treasury regulations 16A6.3(b) and PPPFA Sec 21(1)(a) with regards to the preference point system (80/20) for all transactions between R30 000 and R1 000 000 during the April 2012 till March 2014 financial years.

The Museum did obtain the required 3 quotes and other necessary procurement documentation, but did not document the selection process. The Museum always selected the lowest quote.

The Museum did apply the 80/20 point system for all transactions above R30 000 but did not document the point system and the deviations, when applicable. Therefore no proof could be submitted to the auditors and therefore it is classified as non-compliance that resulted in irregular expenditure.

Irregular expenditure	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**30.3 Details of irregular expenditure condoned**

Condoned by Council	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**30.3 Details of irregular expenditure condoned**

No Condonation by Council during the year under review.



**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**30 Irregular expenditure (continued)**

**30.4 Details of irregular expenditures under investigation**

**Irregular expenditure: Non-compliance**

The Museum did obtain the required 3 quotes and other necessary procurement documentation, but did not document the selection process. The Museum always selected the lowest quote.

The Museum did apply the 80/20 point system for all transactions above R30 000 but did not document the point system and the deviations, when applicable. Therefore no proof could be submitted to the auditors and therefore it is classified as non-compliance that resulted in irregular expenditure.

The entity disclosed the impact of the non-compliance for the 2012/2013 and 2013/2014 financial year.

The investigation is still in progress and will be submitted to Council for condonement as soon as the investigation is completed.

**31 Fruitless and wasteful expenditure**

This fruitless and wasteful expenditure was due to interest on the late payment of the Auditor-General's audit fee. Late payment was made as the Museum was listed by the Department of Arts and Culture to pay only audit fees up to 1% of expenditure, however the Auditor-General could not claim the excess of 1% of the audit fee from Treasury and the Museum was therefore required to pay the outstanding account.

Fruitless and wasteful expenditure as per note 20	-	(11)
Opening balance	-	11
Fruitless and wasteful expenditure: Interest	-	3
Interest written-off by Auditor-General South Africa	-	(14)
Approval to write-off the interest	-	-
Closing balance	-	-

2017

2016

### 32 Heritage Assets

According to GRAP 103 entities are required to record and measure heritage assets for reporting periods beginning or after 1 April 2014.

Subsequently, the Minister of Finance, in terms of section 92 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), gave exemption to all public entities listed in Schedule 3 to the Act in respect of initial measurement and subsequent measurement. (Government Gazette, 4 March 2016, National Treasury Notice 97 of 2016.)

Period of exemption: 2015/2016, 2016/2017

Due to the significant number of items in the collections, the lack of guidance on implementation of the Standard, the vague criteria in the Standard and the significant cost implication for valuing the assets at initial recognition, the Museum was not able to measure the heritage assets as required by the Standard.

For the current and comparative disclosure periods only the number of collection items per Collection are disclosed.

Heritage assets may not be disposed off, unless written approval is obtained from the Minister of Arts and Culture. No other restrictions on title of the Museum to the heritage assets exists.

No heritage assets were pledged as security for liabilities.

No contractual commitments for acquisition, maintenance and restoration were entered into.

No heritage assets are held for disposal.

The following are collections that are regarded as heritage assets and the fair value of the items in these collections will be measurable.

	Number of items	Number of items
<b>Art Collection</b>		
Opening balance of collection	1 437	1 416
Additions to collection	11	21
Loss of collection	-	-
Closing balance of collection	<u>1 448</u>	<u>1 437</u>

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
<b>32 Heritage Assets (continued)</b>		
<b>Book Collection</b>		
Opening balance of collection	13 265	12 473
Additions to collection	829	792
Loss of collection	-	-
Closing balance of collection	<u>14 094</u>	<u>13 265</u>

**Collection items**

One of the main objectives of the Museum is the collection, conservation and curation of heritage items for research and educational purposes.

The following are collections that are regarded as heritage assets, but do not meet the recognition criteria due to the fact that the fair value of these items cannot be measured reliably.

**Natural Sciences**

**Acarology: Soil mites**

*Each database entry (i.e. sample) is regarded as an item, although a sample may consist of a variable number of individuals.*

Opening balance of collection	4 632	4 617
Additions to collection	-	15
Loss of collection	-	-
Closing balance of collection	<u>4 632</u>	<u>4 632</u>

**Arachnology: Spiders**

Opening balance of collection	17 190	16 940
Additions to collection	18	250
Loss of collection	-	-
Closing balance of collection	<u>17 208</u>	<u>17 190</u>

**Arachnology: Opiliones**

Opening balance of collection	740	721
Additions to collection	4	19
Loss of collection	-	-
Closing balance of collection	<u>744</u>	<u>740</u>

**Arachnology: Acari**

Opening balance of collection	1 050	1 050
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>1 050</u>	<u>1 050</u>

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
<b>32 Collection items (continued)</b>		
<b>Arachnology: Scorpiones</b>		
Opening balance of collection	490	489
Additions to collection	1	1
Loss of collection	-	-
Closing balance of collection	<u>491</u>	490
<b>Arachnology: Pseudoscorpiones</b>		
Opening balance of collection	246	201
Additions to collection	32	45
Loss of collection	-	-
Closing balance of collection	<u>278</u>	246
<b>Arachnology: Solifugae</b>		
Opening balance of collection	570	570
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>570</u>	570
<b>Arachnology: Other</b>		
Opening balance of collection	1	-
Additions to collection	-	1
Loss of collection	-	-
Closing balance of collection	<u>1</u>	1
<b>Mammalogy: Mammals</b>		
Opening balance of collection	13 841	13 488
Additions to collection	108	353
Loss of collection	-	-
Closing balance of collection	<u>13 949</u>	13 841
<b>Ornithology: Birds</b>		
Opening balance of collection	14 696	14 160
Additions to collection	437	536
Loss of collection	-	-
Closing balance of collection	<u>15 133</u>	14 696
<b>Palaeontology: Fossils, Rocks and Minerals</b>		
Opening balance of collection	4 115	4 053
Additions to collection	48	62
Loss of collection	-	-
Closing balance of collection	<u>4 163</u>	4 115
<b>Herpetology: Reptiles</b>		
Opening balance of collection	11 540	11 172
Additions to collection	17	368
Loss of collection	-	-
Closing balance of collection	<u>11 557</u>	11 540

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
<b>32 Collection items (continued)</b>		
<b>Herpetology: Amphibians</b>		
Opening balance of collection	8 094	8 042
Additions to collection	45	52
Loss of collection	-	-
Closing balance of collection	<u>8 139</u>	<u>8 094</u>
<b>Botany: Plants</b>		
Opening balance of collection	28 025	27 588
Additions to collection	203	437
Loss of collection	-	-
Closing balance of collection	<u>28 228</u>	<u>28 025</u>
<b>Entomology: Insects</b>		
Opening balance of collection	383 361	302 162
Additions to collection	38 665	81 199
Loss of collection	-	-
Closing balance of collection	<u>422 026</u>	<u>383 361</u>
<b>Florisbad: Large Mammal Comparative Osteological</b>		
Opening balance of collection	3 958	3 840
Additions to collection	-	118
Loss of collection	-	-
Closing balance of collection	<u>3 958</u>	<u>3 958</u>
<b>Florisbad: Human Osteological</b>		
Opening balance of collection	532	532
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>532</u>	<u>532</u>
<b>Human Sciences</b>		
<b>Archaeology: Archaeological Artefacts</b>		
Opening balance of collection	74 838	74 838
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>74 838</u>	<u>74 838</u>
<b>Anthropology</b>		
Opening balance of collection	4 108	4 108
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>4 108</u>	<u>4 108</u>

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
<b>32 Collection items (continued)</b>		
<b>History: Documents</b>		
Opening balance of collection	1 276	1 275
Additions to collection	1	1
Loss of collection	-	-
Closing balance of collection	<u>1 277</u>	<u>1 276</u>
<b>History: Photographs</b>		
Opening balance of collection	8 052	8 052
Additions to collection	14	-
Loss of collection	-	-
Closing balance of collection	<u>8 066</u>	<u>8 052</u>
<b>History: Objects</b>		
Opening balance of collection	10 283	10 263
Additions to collection	13	20
Loss of collection	-	-
Closing balance of collection	<u>10 296</u>	<u>10 283</u>
<b>History: Textiles</b>		
Opening balance of collection	7 307	7 304
Additions to collection	5	3
Loss of collection	-	-
Closing balance of collection	<u>7 312</u>	<u>7 307</u>
<b>History: Numismatic</b>		
Opening balance of collection	3 829	3 829
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>3 829</u>	<u>3 829</u>
<b>History: Weapons</b>		
Opening balance of collection	282	282
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>282</u>	<u>282</u>
<b>Rock Art Sites</b>		
Opening balance of collection	1 673	1 646
Additions to collection	17	27
Loss of collection	-	-
Closing balance of collection	<u>1 690</u>	<u>1 673</u>
<b>Rock Art: Slides</b>		
Opening balance of collection	18 705	18 705
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>18 705</u>	<u>18 705</u>

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
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	2017	2016
<b>32 Collection items (continued)</b>		
<b>Rock Art: Photographs</b>		
Opening balance of collection	834	834
Additions to collection	328	-
Loss of collection	-	-
Closing balance of collection	<u>1 162</u>	<u>834</u>
<b>Rock Art: Tracings &amp; Redrawings</b>		
Opening balance of collection	1 667	1 655
Additions to collection	4	12
Loss of collection	-	-
Closing balance of collection	<u>1 671</u>	<u>1 667</u>
<b>Rock Art: Historic Copies</b>		
Opening balance of collection	6	6
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>6</u>	<u>6</u>
<b>Rock Art: Digital images</b>		
Opening balance of collection	10 630	9 793
Additions to collection	-	837
Loss of collection	-	-
Closing balance of collection	<u>10 630</u>	<u>10 630</u>
<b>Rock Art: Removals (Rocks)</b>		
Opening balance of collection	25	25
Additions to collection	-	-
Loss of collection	-	-
Closing balance of collection	<u>25</u>	<u>25</u>
<b>TOTAL NUMBER OF HERITAGE ASSETS</b>		
Opening balance of collection	651 297	566 129
Additions to collection	40 800	85 169
Closing balance of collection	<u>692 097</u>	<u>651 298</u>

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
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(in thousands of rands)

2017	2016
R'000	R'000

**33 Reconciliation between actual amounts on a comparable basis presented in the Statement of Comparison of Budget and Actual amounts with the surplus / (deficit) in the Statement of Financial Performance**

The budget is approved on a cash basis by economical classification. The approved budget covers the fiscal period 1 April 2015 to 31 March 2016.

The budget and accounting bases differ. The Financial Statements are prepared on the accrual basis and by economical classification.

The Museum's main source of income is subsidy from the National Department of Arts and Culture.

**Reasons for material variances between the approved and final budget:**

1. The increase in interest is due to surplus funds that were transferred to investments in order to address the post retirement liability (higher interest is earned on investments than on the current and call accounts).
2. The increases in capital expenditure were due to the increase in interest in order to replace old assets.

**Reconciliation of surplus per the Statement of Performance to the surplus/(deficit) per the budget.**

Net surplus per the Statement of Financial Performance	7 828
Adjusted for:	
Increase / (decrease) in post retirement benefit obligation	(6 223)
Increase in post retirement benefit asset	6 996
Capital expenditure	(4 399)
Decrease / (increase) in inventories	(8)
Decrease / (increase) in receivables	919
Increase / (decrease) in payables	535
Increase / (decrease) in deferred income	1 649
Depreciation	1 698
Loss on disposal of assets	38
Increase in investments in order to decrease accumulated deficit	(9 033)
Net surplus / (deficit) per budget	<u><u>-</u></u>



**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

(in thousands of rands)

	2017 R'000	2016 R'000
<b>33 Reconciliation of surplus/(deficit) to cash generated/(utilised) in operations</b>		
<b>Operating activities</b>		
<b>Revenue</b>		
Grants	51 687	47 583
Interest received	1 899	1 353
Other receipts	5 530	5 767
Adjusted for basis differences:		
Increase / (decrease) in deferred income	1 649	2 958
Decrease/(increase) in receivables	919	(1 521)
As per Cash Flow Statement	<b>61 684</b>	56 140
<b>Expenses</b>		
Employee costs	(35 141)	(31 149)
Expenditure	(16 146)	(15 213)
Adjusted for:		
Increase / (decrease) in post-retirement benefit liabilities	773	(1 549)
Decrease / (increase) in inventories	(8)	5
Increase / (decrease) in payables	535	124
Depreciation	1 698	1 214
As per Cash Flow Statement	<b>(48 289)</b>	(46 568)
<b>Net cash flows from / (utilised) operating activities</b>	<b>13 395</b>	9 572
<b>Reconciliation of surplus/(deficit) to cash generated/(utilised) in operations</b>		
<b>Investing activities</b>		
Adjusted for basis differences:		
Purchase of property, plant and equipment	(4 399)	(2 351)
Proceeds from property, plant and equipment	3	2
<b>Net cash flows from / (used in) investing activities</b>	<b>(4 396)</b>	(2 349)
<b>Increase/(decrease) in cash flow</b>	<b>8 999</b>	7 223

**NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS  
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(in thousands of rands)

**2017**                      2016  
**R'000**                      R'000

**34 Prior period error**

Under note 23, Operating lease - Rent received, the future minimum lease payments were incorrectly disclosed. The impact of this is shown below:

	<b>2016 Restated</b>	<b>2016 previously reported</b>
Up to 1 year	<b>247</b>	123
1 to 5 years	<b>123</b>	-
More than 5 years	-	-
	<b>370</b>	123

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017						2015/2016			
	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000
<p><b>Description of grant</b></p> <p><b>National Department of Arts and Culture: Capital allocation</b>  <b>Purpose:</b> To fund capital expenditure as per business plans submitted.  <b>Conditions of the grant:</b> The grant and income earned on the grant are only for the purpose stated and must be spent in accordance with the budget. Any unspent funds must be returned to the Department.                      All conditions were not yet met as the project is ongoing.</p>	8 773	535	(1 926)	7 382	-	8 249	524	-	8 773	-
<p><b>NRF: African Origins Platform - Research: Dr J Botha-Brink</b>  <b>Purpose:</b> This strategy provides direction on a holistic approach towards the development of palaeosciences and related disciplines. This strategy addresses issues of public engagement, human resources, challenges faced by universities and museums as research institutions and repositories for collections, and the legal landscape and tourism development in palaeosciences.  <b>Conditions of the grant:</b> The Grant funding must be used solely for the finally approved research proposal as submitted by the Grant holder, within the grant period. Title of research: "Gorgonopsian therapsids and the end-Permian mass extinction".</p>	-	218	(218)	-	3	-	94	(94)	-	-

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017						2015/2016			
	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000
<p><b>Description of grant</b></p> <p>Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p>										
<p><b>NRF: African Origins Platform - Research: Dr JS Brink</b></p> <p><b>Purpose:</b> This strategy provides direction on a holistic approach towards the development of palaeosciences and related disciplines. This strategy addresses issues of public engagement, human resources, challenges faced by universities and museums as research institutions and repositories for collections, and the legal landscape and tourism development in palaeosciences.</p> <p><b>Conditions of the grant:</b> The Grant funding must be used solely for the finally approved research proposal as submitted by the Grant holder, within the grant period. Title of research: "Early and Middle Pleistocene evolution of large mammal faunas and modern landscapes in Southern Africa". Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p>	-	242	(242)	-	-	-	157	(157)	-	57

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017							2015/2016		
	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>Description of grant</b></p> <p><b>NRF: African Origins Platform: Dr CM Codron</b>  <b>Purpose:</b> This strategy provides direction on a holistic approach towards the development of palaeosciences and related disciplines. This strategy addresses issues of public engagement, human resources, challenges faced by universities and museums as research institutions and repositories for collections, and the legal landscape and tourism development in palaeosciences.  <b>Conditions of the grant:</b> The Grant funding must be used solely for the equipment as per the finally approved research proposal as submitted by the Grant holder, within the grant period. Title of research: "A conceptual model for interpreting variability in isotope niche breadths of fossil populations."  Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p>	-	368	(368)	-	84	-	214	(214)	-	260



NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017								2015/2016		
	Description of grant	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>NRF: Incentive funding for rated researchers:</b>  <b>Dr DM Codron</b>  <i>Purpose: Encourage researchers to attain an NRF rating, maintain their rating and reach higher rating levels.</i>  <b>Conditions of the grant:</b> Grant holders may use funds allocated as research related operating costs for supplementation of grant holder-linked awards. Expenses are claimed on a monthly basis as these expenses occur. All conditions were met.</p>	-	40	(40)	-	22	-	40	(40)	-	-	-
<p><b>NRF: Foundational Biodiversity Information Programme (IBSG) - Small grants and Biodiversity surveys: B Makhubo</b>  <i>Purpose: The primary focus of the Programme is to generate, mobilize, co-ordinate and make accessible foundational biodiversity knowledge in line with the needs of society.</i>  <b>Conditions of the grant:</b> The Grant funding must be used solely for the finally approved research proposal as submitted by the Grant holder, within the grant period. Title of research: "Phylogenetics of the <i>Pachydactylus capensis</i> species complex."                      Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p>	-	49	(49)	-	-	-	51	(51)	-	-	-

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017						2015/2016			
	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>Description of grant</b></p> <p><b>NRF: Incentive funding for rated researchers:</b>  <b>Dr J Botha-Brink</b>  <b>Purpose:</b> Encourage researchers to attain an NRF rating, maintain their rating and reach higher rating levels.  <b>Conditions of the grant:</b> Grant holders may use funds allocated as research related operating costs for supplementation of grant holder-linked awards.                      Expenses are claimed on a monthly basis as these expenses occur. All conditions were met.</p> <p><b>NRF: Natural History Collections Funding Instrument</b>  <b>Purpose:</b> To assist institutions to improve the storage of natural history collections, training in collection management and digitisation of collections data.  <b>Conditions of the grant:</b> The Grant funding must be used solely as per the finally approved proposal and budget as submitted by the Grant holder, within the grant period.                      Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p>	-	80	(80)	-	-	-	80	(80)	-	-
	-	1 319	(1 319)	-	-	-	1 114	(1 114)	-	526







NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017				2015/2016				
	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000
<p><b>Description of grant</b></p> <p><b>NRF: African Origins Platform - : Dr J Botha-Brink</b></p> <p><b>Purpose:</b> This strategy provides direction on a holistic approach towards the development of palaeosciences and related disciplines. This strategy addresses issues of public engagement, human resources, challenges faced by universities and museums as research institutions and repositories for collections, and the legal landscape and tourism development in palaeosciences.</p> <p><b>Conditions of the grant:</b> The Grant funding must be used solely for the finally approved research proposal as submitted by the Grant holder, within the grant period. Title of research: Vertebrate Life History Variation during the Permo-Triassic Mass Extinction.</p> <p>Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p>		800	(800)		503		760	(760)	54

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017							2015/2016		
	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>Description of grant</b></p> <p><b>NRF: Professional Development Programme: Dr J Botha-Brink</b>  <i>Purpose: Is aimed at creating an opportunity for research institutions such as science councils, national research facilities and museums to attract, retain and train young scientists at doctoral and postdoctoral level within their strategic research programmes and projects.</i></p> <p><b>Conditions of the grant:</b> Doctoral candidates must be registered for full-time study at a recognised South African university. The amounts paid are towards studies and living expenses. The scholarship-holder must be a South African citizen. Expenses are claimed on a monthly basis as these expenses occur. All conditions were met, however expenses for the period January - March of each year are recorded as amounts receivable as these expenses can only be claimed as from April each year.</p> <p><b>PAST: Louis Scott Conference: Dr DM Codron</b>  <i>Purpose: To assist in research, education and outreach in the origin sciences.</i>  <b>Conditions of the grant:</b> Utilise the grant for the Louis Scott Conference during July 2014. All conditions were met.</p>				-	-	-	220	(220)	-	-

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017							2015/2016			
	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000	Opening balance R '000	Amounts received during the period R '000	Amounts spent during the period R '000	Closing balance R '000	Amounts receivable R '000	
											Amounts receivable R '000
<b>Description of grant</b>  <b>PAST: Research: Dr J Botha-Brink</b> <i>Purpose: To assist in research, education and outreach in the origin sciences.</i> <b>Conditions of the grant:</b> <i>Utilise the grant for outreach and education of origin sciences. All conditions were met.</i>  <b>PAST: Post-Doc Support: Dr DM Codron</b> <i>Purpose: To assist in research, education and outreach in the origin sciences.</i> <b>Conditions of the grant:</b> <i>Research with the following topic: "Modeling ungulate diet-habitat relationships through comparisons of ungulate and vegetation stable isotope trends across West, East and Southern African Savannah." All conditions were met.</i>											
<b>PAST: Research: Dr DM Codron</b> <i>Purpose: To assist in research, education and outreach in the origin sciences.</i> <b>Conditions of the grant:</b> <i>Research with the following topic: "Do biotic interactions lead to an ideal-free distribution of trophic states within living and fossil mammal populations?" All conditions were met.</i>						1		(1)			

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017								2015/2016	
	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>Description of grant</b></p> <p><b>PAST: Post-Doc Support: Dr J Codron</b>  <i>Purpose: To assist in research, education and outreach in the origin sciences.</i>  <b>Conditions of the grant:</b> The bursary is only as per the application. Unspent funds must be returned.                      All conditions were met.</p> <p><b>DST/NRF Centre of Excellence in Palaeosciences: Dr J Brink</b>  <i>Purpose: To provide funding (from NRF) for research, bursaries and projects regarding Palaeosciences.</i>  <b>Conditions of the grant:</b> The grant is only for the purpose stated and must be spent in accordance with the budget submitted with the proposal. Any unspent funds must be returned to the Centre.                      All conditions were met.</p> <p><b>DST/NRF Centre of Excellence in Palaeosciences: Dr J Botha-Brink</b>  <i>Purpose: To provide funding (from NRF) for research, bursaries and projects regarding Palaeosciences.</i>  <b>Conditions of the grant:</b> The grant is only for the purpose stated and must be spent in accordance with the budget submitted with the proposal. Any unspent funds must be returned to the Centre.                      All conditions were met.</p>		700	(433)	267	-	-	80	(80)	-	-
		130	(35)	95	-	60	-	(60)	-	-

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017								2015/2016	
	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<b>Description of grant</b>										
<b>DST/NRF Centre of Excellence in Palaeosciences: Dr J Codron</b> <i>Purpose: To provide funding (from NRF) for research, bursaries and projects regarding Palaeosciences.</i> <b>Conditions of the grant:</b> The bursary is only as per the application. Unspent funds must be returned to the Centre. All conditions were met.	-	150	(104)	46	-	-	20	(20)	-	-
<b>Visual Arts Network of South Africa (VANSA)</b> <i>Purpose: Support to South African organisations in the visual arts sector through an internship programme. To develop new talent and enhance the programming, reach and impact of host organisations.</i> <b>Conditions of the grant:</b> The funding may only be utilised as per the outline of the programme. All conditions were met.	-	-	-	-	-	-	28	(28)	-	-
<b>ICRBM4 Conference 2010</b> <i>Purpose: Registration fees and sponsorships to cover the conference expenses and to publish conference proceedings.</i> <b>Conditions of the grant:</b> The funding may only be utilised as per the outline of the programme. All conditions were met, but the balance must be returned.	5	-	-	5	-	5	-	-	5	-

NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017												2015/2016		
	Description of grant	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>JRS Biodiversity Foundation</b>  <b>Purpose:</b> <i>Improvement and Integration of Arachnid Biodiversity Information in South Africa.</i>  <b>Conditions of the grant:</b> <i>The grant and income earned on the grant are only for the purpose stated and must be spent in accordance with the budget submitted with the proposal. Any unspent funds must be returned to the Foundation. All conditions were met.</i></p>	-	-	-	-	762	-	9	(771)	-	-	-	9	(771)	-	-
<p><b>PAST: Research: S Holt</b>  <b>Purpose:</b> <i>To assist in research, education and outreach in the origin sciences.</i>  <b>Conditions of the grant:</b> <i>Research with the following topic: "Linking body size and palaeopietary niches to Quaternary distribution patterns of tortoises in the arid interior of South Africa"</i>  <i>Research is still ongoing. All conditions were not yet met.</i></p>	39	59	(36)	62	-	-	40	(1)	-	39	-	40	(1)	-	-
<p><b>SANBI: Research: B Makhubo</b>  <b>Purpose:</b> <i>To provide funding for research biogeography of Southern and Eastern Asia.</i>  <b>Conditions of the grant:</b> <i>Research with the following topic: "Biogeography of Southern and Eastern Asia"</i>  <i>Research is still ongoing. All conditions were not yet met.</i></p>	96	-	-	96	-	-	100	(4)	-	96	-	100	(4)	-	-



NATIONAL MUSEUM, BLOEMFONTEIN - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

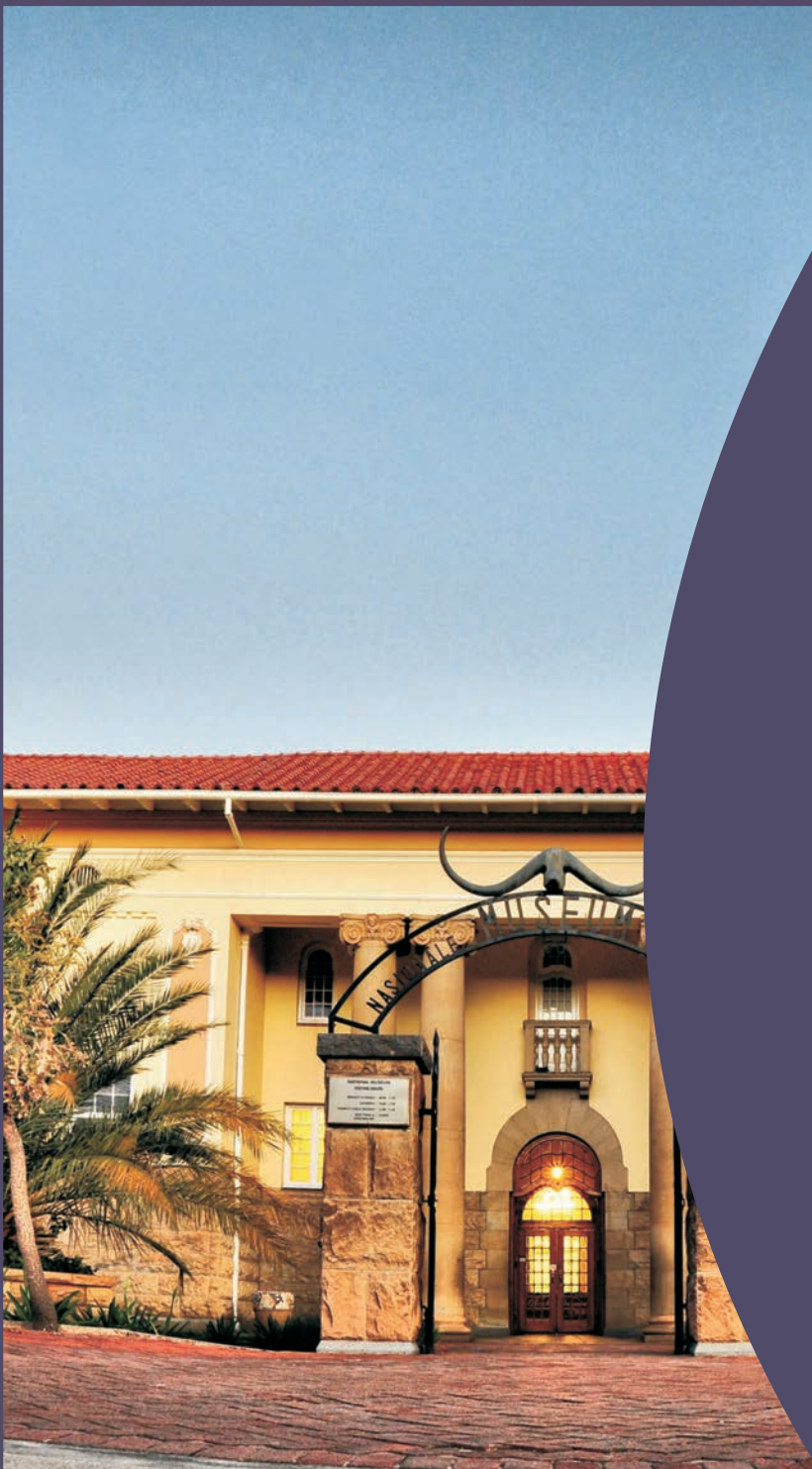
35. Detail regarding income from non-exchange transactions subject to conditions	2016/2017						2015/2016			
	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable	Opening balance	Amounts received during the period	Amounts spent during the period	Closing balance	Amounts receivable
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
<p><b>Description of grant</b></p> <p><b>National Art Bank</b>  <b>Purpose:</b> To establish a National Art Bank at the Oliewenhuis Art Museum with the following two terms of references: to be a professional, income generating national rental agency and to procure and curate art works in all public buildings.  <b>Conditions of the grant:</b> The grant is only for the purpose stated in the MOA and per the 5 year implementation plan.                      Project is still ongoing. All conditions were not yet met.</p> <p><b>PAST: Research: Dr J Botha-Brink</b>  <b>Purpose:</b> Mentorship programme in fossil preparation.  <b>Conditions of the grant:</b> Utilise the grant for research activities in abovementioned purpose. All conditions were met.</p>	3 178	3 274	(665)	5 787	-	-	3 195	(17)	3 178	-
	-	40	(40)	-	-	60	(60)	-	-	-
	12 091	8 434	-6 785	13 740	612	9 133	7 146	-4 188	12 091	912
			Note 11 & Note 12	Note 9	Note 3			Note 12	Note 9	Note 3

## 36. Events after the reporting date

**36.1** On the 15<sup>th</sup> of August 2017 significant deficiencies in the current performance management system at the Museum were identified and presented to council, a resolution was taken to utilise **R4.4 Million** interest earned in one of the Museums short term investment for the current and prior year which now forms part of reserves and distribute amongst all employees in the Museum. These result in a commitment and reserves will thus be utilised to settle the obligation.

**36.2** On the very same day the following resolutions were also taken:

- Source a service provider to assist with the organisational redesign, for the current organisational structure to align to the strategic plan; and
- Source a service provider to take on duties of company secretary for the Museum; The effect of the above could not be measured reliably before issue of the audit report, but will however significantly affect the operations of the Museum and reserves will also be utilised to fund the for the above.



**NATIONAL MUSEUM**  
NASTONALE MUSEUM • MUSIAMO WA SETJHABA  
BLOEMFONTEIN

an agency of the  
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