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The Union Buildings

Kassiesbaai

PART A:

SAHRA GENERAL INFORMATION

PART A: SAHRA GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME:	South African Heritage Resources Agency (SAHRA)
PHYSICAL ADDRESS:	111 Harrington Street Cape Town 8001
POSTAL ADDRESS:	P.O Box 4637 Cape Town 8000
TELEPHONE NUMBER/S:	027 21 202 8627
FAX NUMBER:	027 21 462 4509
EMAIL ADDRESS:	info@sahra.org.za
WEBSITE ADDRESS:	www.sahra.org.za
EXTERNAL AUDITORS:	Auditor-General
BANKERS:	Absa and Nedbank
COMPANY SECRETARY	Adv. Lungisa Malgas

2. LIST OF ABBREVIATIONS/ACRONYMS AND DEFINITIONS

ACH	Arts, Culture and Heritage
APM	Archaeology, Palaeontology and Meteorites
AMAFA	Heritage KwaZulu Natal
ARC	Audit and Risk Committee
AU	African Union
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CGICT	Corporate Governance Information and Communication Technology
DAC	Department of Arts and Culture
DEA	Department of Environmental Affairs
EIA	Environmental Impact Assessment
GDRC	Grading and Declaration Review Committee
GRAP	Generally Recognised Accounting Practice
HIA	Heritage Impact Assessment
HRM	Heritage Resource Management
ICT	Information, Communication and Technology
LOA	Letter of Agreement
MOU/MOA	Memorandum of Understanding/Agreement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NEMA	National Environmental Management Act (Act No. 107 of 1998)
NDP	National Development Plan
NGO	Non-Governmental Organisation
NHRA	National Heritage Resources Act (Act No. 25 of 1999)
PAIA	Public Access to Information Act (Act No. 2 of 2000)
PHRA	Provincial Heritage Resources Authority
PFMA	Public Finance Management Act (Act No. 1 of 1999 as amended by Act No. 29 of 1999)
SAHRA	South African Heritage Resources Agency
SADC	Southern African Development Community
SAHRIS	South African Heritage Resources Information System
SCM	Supply Chain Management
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBA	To be agreed
UNESCO	United Nations Educational, Scientific and Cultural Organisation

3. FOREWORD BY CHAIRPERSON OF THE COUNCIL

Prof Susan Bouillon
(Chairperson)

It gives me great pleasure to introduce the second Annual Report of this Council's term for the period of 2017/18.

Heritage tells the stories of our past; it reflects our present and will be our legacy for future generations. It is our cultural and natural imprint which characterizes our lives, our cities and our nation. Heritage resources and services are central to the development of post-apartheid South Africa, and play an important political, social and economic role in reconstituting and transforming society. The role of SAHRA continues to be significant at both local and international levels.

The current SAHRA Council was appointed during the 2016/17 financial year and we committed ourselves to building on progress and initiatives made by the previous Council and develop our own. Our responsibility is to strengthen oversight and accountability and uphold the principles of good corporate governance at SAHRA, while at the same time supporting the Entity's core function, the management of South Africa's cultural heritage resources.

During the year under review, the Council took a bold decision and placed its Chief Executive Officer (CEO) on precautionary suspension to allow a forensic investigation into allegations of irregular expenditure and non-compliance that was raised by the Auditor-General in the 2016/17 audit report. In October 2017, the Council appointed Mr Thomas Kgokolo as its Interim CEO to ensure that there was stability in the organisation and service delivery. The forensic investigation is expected to be concluded at the end of August 2018.

This decision has led the organization to achieve a clean audit and achieve 90% in annual performance for the first time in its existence. The Council has assured staff, executives and our clients and stakeholders that we are committed to the success of the Entity as we strengthen governance in the organization.

We can proudly report that in the 2017/18 year, SAHRA continued to focus on the nomination, grading and declaration of previously neglected heritage sites, including those that relate to the previously marginalised and ignored sections of our society. This includes grading of the Bulhoek Massacre site and Enoch Mgijima Gravesite, Ngquza Hill, Chief Tyali Gravesite, Oliver Tambo House in Lusaka, Zambia, Sao Jose Slave Shipwreck, Game Pass Rock-Art site and Rooifontein.

Equally SAHRA declared the following sites and objects; The Freedom Charter, the JB Marks Memorial Site, the Moses Kotane Memorial Site, the Wesleyan Church in Waaihoek, Bloemforntein, Mqhekezweni the Great Place, the Evangelical Lutheran Church in Cape Town, the Owl House and Carmel Yard and the Noordkapperpunt stonewalled fish traps. Recognition was given this year to OR Tambo for his centenary celebration and his house in Zambia was graded as a Grade 1 heritage site.

Financially, the entity continues to struggle as our budget allocation was cut by the Department of Arts & Culture (DAC). Despite the clean audit and 90% performance achievement, the Council can pay neither staff performance bonuses nor competitive salaries and has been forced to freeze certain positions and employ individuals in an acting capacity.

The Council would like to express its gratitude to the Minister of Arts and Culture, Mr Nathi Mthethwa, for his confidence and support; to the DAC for its continued guidance and support; and to the Portfolio Committee for the guidance that continues to shape the performance of this Entity.

I must thank colleagues in the SAHRA Council for their constructive role and participation in deliberations, even though some were not easy. Their commitment to the SAHRA is commendable. Regrettably, we note the resignation of Ras Mpho Molapisi as a Council member of SAHRA. He is no longer in the employment of the North West Department of Culture, Arts & Traditional Affairs. Last, but not least, our deepest and most sincere thanks and appreciation goes to the executive management and staff of SAHRA for their sterling work to turn around and stabilize this organization during these most challenging times, an achievement which is reflected in the Auditor-General's Report: the clean audit.

Prof Susan Bouillon
SAHRA Council Chairperson

4. INTERIM CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr Thomas Kgokolo
(Interim Chief Executive Officer)

Introduction

It is with deep humility that in October 2017, the Council entrusted me with the responsibility to lead the South African Heritage Resources Agency (SAHRA) as Interim Chief Executive Officer. I can assure all stakeholders that I am passionate about this role and intend to continue to carry it out with all due care and diligence.

It also gives me great honour to present SAHRA's Annual Report and Audited Financial Statements for the 2017/18 financial year. The purpose of this Report is to give an account of the Entity's performance in line with its legislative mandate and reflect on some of the key achievements and challenges experienced during the period under review. It can be noted from this report that SAHRA continues to fulfil its mandate in identifying, conserving and preserving Heritage within South Africa.

Performance highlights and challenges – a strategic overview

From the outset, it is important to record that during the period under review, SAHRA achieved 90% performance. This was a 22% increase compared to the last financial year (2016/17). All three programmes also improved substantially in their performance across the two financial years. Figure 1 below illustrates SAHRA's performance improvement from 2016/17 to 2017/18 per programme, as well as in its entirety.

Not only did the Entity manage to achieve a substantial increase in its non-financial performance, but I am proud to mention that SAHRA also managed to achieve an unqualified audit with no findings (clean audit) for the 2017/18 financial year. This is the first time that SAHRA, in 18 years of its existence, has managed to achieve a clean audit. This would not have been possible without focus on the development, alignment and coordination of monitoring systems and processes, which was made a priority by my office in the 2017/18 financial year.

Core business was a key contributor in achieving 90% performance, as programme 2 and 3 both improved by a total of 39% in comparison to the previous financial year. A third (33%) of the two core business programmes over-performed within the 2017/18 financial year, this is

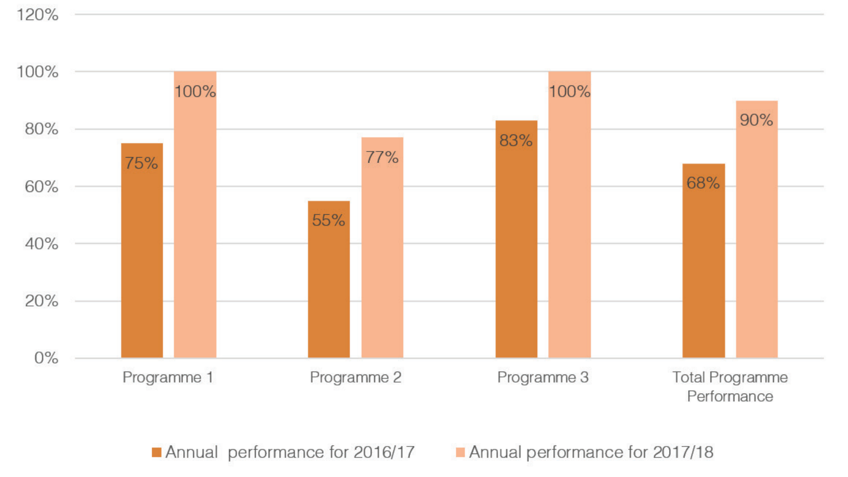


Figure 1

testament to the commitment and passion of SAHRA staff. Most of this over-performance was evident through stakeholder engagement and fulfilling the requests of the public, government departments and other key authorities. This is evident as SAHRA surpassed its mile stones when: carrying out sites inspections, grading heritage sites, engaging in formal knowledge dissemination, publishing papers and creating formal partnerships with strategic institutions.

In terms of contributing to changing the heritage landscape for a more inclusive society, the Entity successfully rehabilitated the memorial of the stalwart Chief Albert John Luthuli, to inaugurate the centenary of his passing. This project was successfully unveiled by the Presidency and the Department of Arts and Culture (DAC). In addition to this, another 5 stalwarts' memorials were rehabilitated and refurbished successfully, and 52 graves/concentration camps were visited for assessment.

SAHRA, is entrusted by its NHRA mandate to assist PHRAs by taking on their provincial heritage responsibilities while they are incapacitated to perform their functions. This has been challenging for the Entity due to its own staff capacity constraints. As an Entity, we have acknowledged this, and have taken a firm stance in ensuring that going forward our audited performance is not inclusive of this PHRA mandate. We will continue to assist the PHRAs where we are able going forward, however it is anticipated that this state of affairs will be engaged further with the relevant parties.

Apart from core business, a number of support service milestones were attained by SAHRA these included: the implementation of the annual ICT

Strategy Plan, the Performance Management System, and the employee Workplace Skills Training Plan. In addition to this, I am proud to note that the wage dispute was settled, and an agreement was made regarding salary increases and a standard staff bonus. Given the financial and capacity challenges that SAHRA has faced, this was a highlight, as this incentive was implemented with the intention of boosting staff morale by awarding employees for their contributions to SAHRA's 90% performance achievements.

Future outlook

As an Entity, SAHRA has tried to do as much as possible with limited budget and capacity. It must be emphasised that strategically the Entity needs to refocus, in order to create a value proposition to ensure its sustainability going forward. It is with this, in addition to cost containment, and capacitating staff, that I emphasise my commitment to identifying a clear way forward for SAHRA to ensure this sustainability. Going forward, I intend to synergise with SAHRA's staff, committees and the current Council in order to ensure that we develop a robust strategy that creates a solid foundation for the new SAHRA Council of 2019.

Strategically, SAHRA offers many services and opportunities to the public, it is in this way that I foresee a future for the Entity as an innovative and progressive heritage institution. Our South African Heritage Resources Information System (SAHRIS), has been paving the way towards a technologically advanced outlook on Heritage. It is in this way, that we wish to explore our ability to increase our accessibility to the public and our partners, to improve information sharing and efficiency in our processes. It is also anticipated that the National Heritage and Resource Act (NHRA), be reviewed, with the intention of ensuring that our mandate is relevant and resourceful. In additional to this, to continue our contribution to changing the cultural landscape of South Africa, the Entity will be focusing on the Nelson Mandela and Albertina Sisulu centenaries in the 2018/19 financial year.

Acknowledgements

I am sincerely grateful, first and foremost, to the Honourable Minister of the DAC for trusting me with this responsibility of being at the helm of this eminent organisation that promotes national social cohesion. Furthermore, I would also like to thank the staff of the DAC for their unwavering support, leadership and guidance to SAHRA. This support has ensured that the Entity is both steered in the right direction and provided with the necessary resources to execute its mandate.

I would be careless in my duty if I did not also mention the SAHRA Council and its sub-committees for their support during the year -under the capable leadership of the Chairperson. The Council Chairperson has overseen and provided general guidance all round for SAHRA, and for this we are grateful to her.

Lastly, a special word of appreciation to the management team, members of staff, contractors and interns for their commitment considering the challenging work environment. Without adequate performance incentives, the staff worked diligently to ensure the entity achieved a remarkable 90% on it key performance indicators, and this must be acknowledged.

Mr Thomas Kgokolo
Interim Chief Executive Officer

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

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

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

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

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

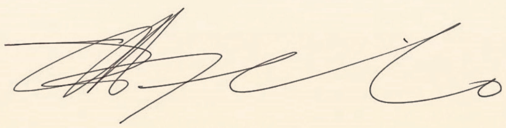
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2018.

Yours faithfully



Mr T Kgokolo
Interim Chief Executive Officer

6. STRATEGIC OVERVIEW

SAHRA is a Schedule 3A public entity as per the Public Finance Management Act, Act 1 of 1999 (PFMA). It identifies, conserves, protects and promotes our national heritage resources for the greater good of our society and humanity and contributes to Outcome 14 of the NDP: Social cohesion and nation building.

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

It is against this background that SAHRA conducted its strategic review in 2014 with emphasis on reshaping its future to ensure improved performance. Subsequently, a revised 2015-2020 Strategic Plan was approved by Council. The 2018/19 Annual Performance Plan is the fourth operational plan in implementation of this strategic plan.

The strategic planning workshop in October 2014 clarified the vision, mission and values of SAHRA as follows:

VISION

"A nation united through heritage"

MISSION

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

- Identification, conservation and management of heritage resources in South Africa so that they can contribute to socio-economic development and nation building;
- Developing norms, standards and charters for the management of heritage resources in South Africa and codes of international best practices; and
- Contributing to skills and knowledge production and transformation in heritage resources management in South Africa and beyond.


Stone-walled fish traps near Stilbaai

VALUES

Underpinned by the Batho Pele Principles and Belief Set (We belong, We care and We serve), SAHRA will subscribe in all that it does, to the following institutional values:

VALUE	BEHAVIOUR
Accountability: We take responsibility for our decisions and actions both negative and positive	1. Do what we say, and own what we do 2. Give and receive feedback focusing on the issue 3. Understand the impact of own behaviours on self, others and the institution
Teamwork and Co-operation: We work together to achieve the best performance in line with organisational goals	1. Listen to and respect shared and/or expressed perspectives 2. Support, implement and follow through on team decisions 3. Challenge constructively by focusing on the facts
Respect: We value diversity and unique contributions, fostering a trusting, open and inclusive environment	1. Treat one another with dignity and respect 2. Show willingness to understand without being judgmental
Transparency: We disclose and make available all information required for collaboration, co-operation and informed decision making	1. Communicate with frankness, transparency and consistency
Service Excellence: We go the extra mile, by exceeding expectations in terms of the quality of our work and adherence to deadlines	1. Take constructive action 2. Follow up on performance 3. Benchmark ourselves against the best in our industry
Integrity and ethics: We are truthful, open and honest in everything we do	1. Match our behaviours to our words 2. Demonstrate honesty in all our dealings 3. Moral principles govern our behaviour
Professionalism: We maintain a high level of proficiency and strive towards excellence in everything we do	1. Act in a responsible and professional manner 2. We will be focused on timeous problem solving and service delivery
Accessibility: We ensure that our facilities are easy to find and use and that our services are available to as many people as possible	1. SAHRA and our facilities will be accessible to stakeholders and communities
Communication: We regularly impart information to our staff, communities and stakeholders through all mediums possible	1. We believe in open, informative, transparent channels and mediums of communication
Trust: We are reliable and truthful in our conduct	1. Our relationships and interactions are based on trust 2. We demonstrate that we are trustworthy and take actions to maintain this trust 3. All employee behaviour and actions are to be governed and shaped by these values.

7. LEGISLATIVE AND OTHER MANDATES

SAHRA is a Schedule 3A public entity in terms of the PFMA. It is a statutory entity established under the NHRA as the national administrative body responsible for the protection of South African cultural heritage. SAHRA, as an agency of the Department of Arts and Culture (DAC), has been tasked to manage and implement the NHRA.

As outlined in the NHRA preamble; preservation and protection of our heritage is a catalyst for social cohesion in that it:

- Encourages communities to nurture and conserve their legacy;
- Defines cultural identity;
- Lies at the heart of our spiritual well-being;
- Has power to build our nation and potential to affirm our diverse cultures;
- Shapes our national character;
- Celebrates our achievements; and
- Contributes to redressing past inequities (Preamble NHRA, 1999).

Other acts that relate to Heritage Resources Management include:

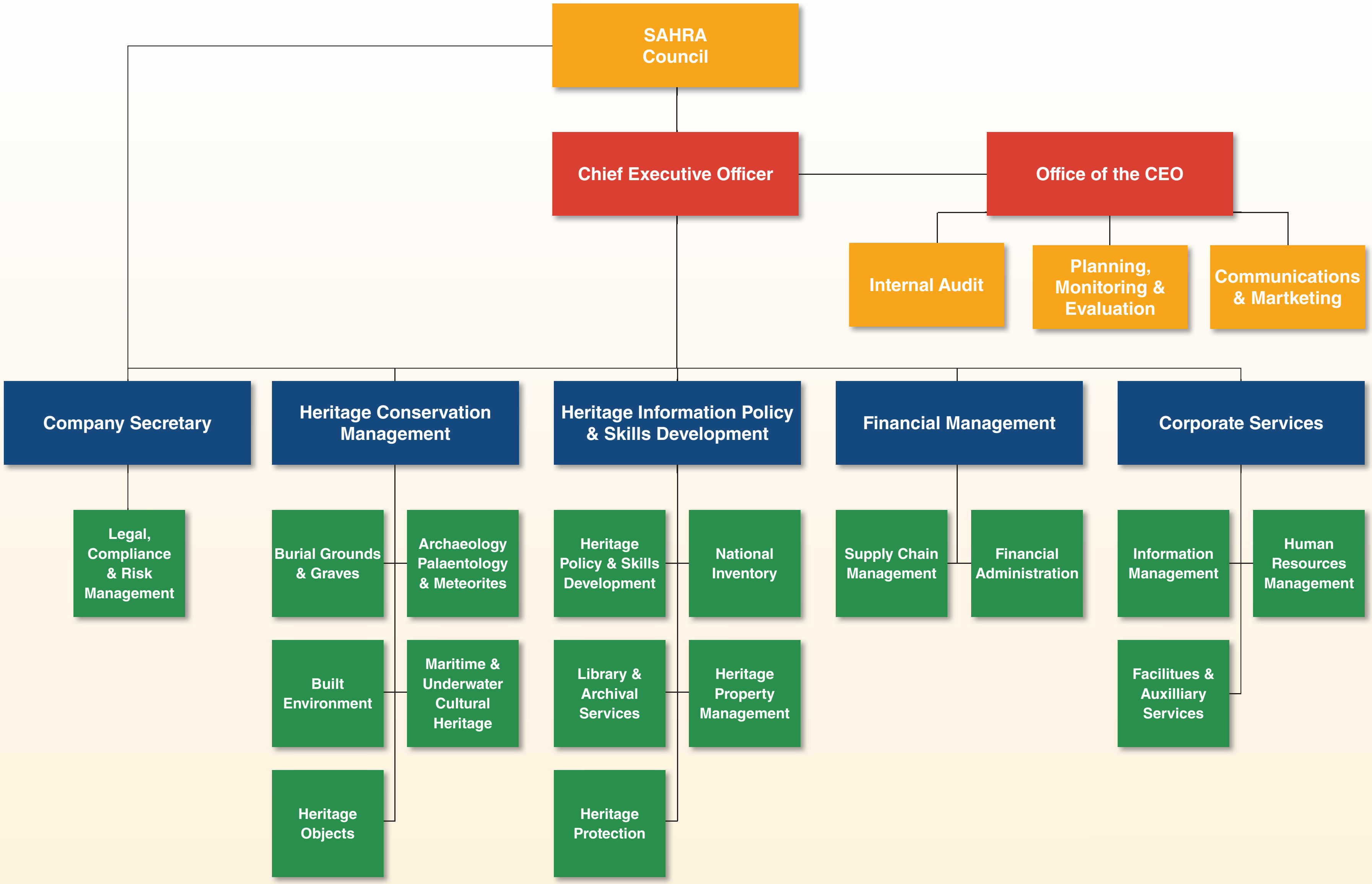
- National Heritage Council Act (Act 11 of 1999)
- Cultural Institutions Act (Act 119 of 1998)
- South African Geographical Names Council Act (Act 118 of 1998)
- National Library of South Africa Act (Act 92 of 1998)
- South African Library for the Blind Act (Act 91 of 1998)
- National Film and Video Foundation Act (Act 73 of 1997)
- National Arts Council Act (Act 56 of 1997)
- Legal Deposit Act (Act 54 of 1997)
- National Archives and Record Service of South Africa Act (Act 43 of 1996)
- Pan South African Language Board Act (Act 59 of 1995)
- Culture Promotion Act (Act 35 of 1983)
- Heraldry Act (Act 18 of 1962)
- World Heritage Convention Act (Act 49 of 1999)
- National Environmental Management Act (Act 107 of 1998)

Other relevant legislations and mandates include:

- Public Finance Management Act (Act 1 of 1999)
- The annual Division of Revenue Acts
- Basic Conditions of Employment Act (Act 75 of 1997 as amended)
- Employment Equity Act (Act 55 of 1998)
- Labour Relations Act (Act 66 of 1995)
- Skills Development Act (Act 37 of 2008)
- Government Immovable Asset Management Act (Act 19 of 2007)
- The Constitution of the Republic of South Africa, 1996

CEO Firing a cannon at the castle

8. ORGANISATIONAL STRUCTURE



The SAHRA Council

Prof Susan Bouillon (Chairperson)

Dr Philip Mthobeli Guma

Mr Khathutshelo Donald Lithole

Mr Mohlomi Ezekiel Masooa

Dr Jonathan Sharfman

Mr Moses Themba Makhweyane

Ms Reyhana Gani

Ms Thembeka Semane

Prof Henry Charles Bredekamp

Dr Antonia Malan

Prof Ncedile Saule

Dr Gregory Houston

Ras Mpho Jeffrey Molapisi

SAHRA Executives

Mr Thomas Kgokolo (Interim Chief Executive Officer)

Mr Kgomotso Sekhabisa (Chief Financial Officer)

Adv Lungisa Malgas (Legal, Compliance & Company Secretary)

Ms Marika Krieg (Corporate Services)

Mr Dumisani Sibayi (Heritage Conservation Management)

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

SAHRA Management


Mr Ben Mwasinga
(Built Environment)


Mr Clinton Jackson
(National Inventory)


Mr Thomas Khakhu
(Communications & Marketing)


Ms Karen Scholtz
(Human Resources)


Mr Simphiwe Mome
(Legal)


Ms Bongiwe Madolo
(Management Accountant)


Ms Katharine Emmett
(Planning, Monitoring & Evaluation)


Ms Lee-Ann Henry
(Internal Audit)


Ms Nkosazana Machete
(Heritage Protection)


Ms Mimi Seetelo
(Burial Grounds & Graves)


Ms Ntombozuko Mphambani
(Facilities)


Ms Zaida Allie
(Properties)


Mr Paul Tiyago
(Finance)


Mr Disang Kolwane
(Supply Chain)


Mr Ntuthuko Magwaza
(Information Communication & Technology)


Ms Regina Bregeda Isaacs
(Heritage Objects)


Ms Lesa la Grange
(Maritime & Underwater Cultural Heritage)


Mr Philip Hine
(Archeology, Palaeontology & Meteorites)

Oliver Tambo House Lusanka

PART B:
PERFORMANCE INFORMATION

B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

SAHRA has achieved the majority of its planned targets based on its mandate as enacted in the National Heritage Resources Act (NHRA). However there is room for improvement with respect to the effective planning and coordination of activities within all three spheres of government. It must be noted that the APP for 2016/17 was focused more on core business indicators, as opposed to administrative indicators in previous financial years. Administrative indicators are easier to control compared to core business indicators and are therefore easier to achieve.

Performance environment

Annual Performance trends

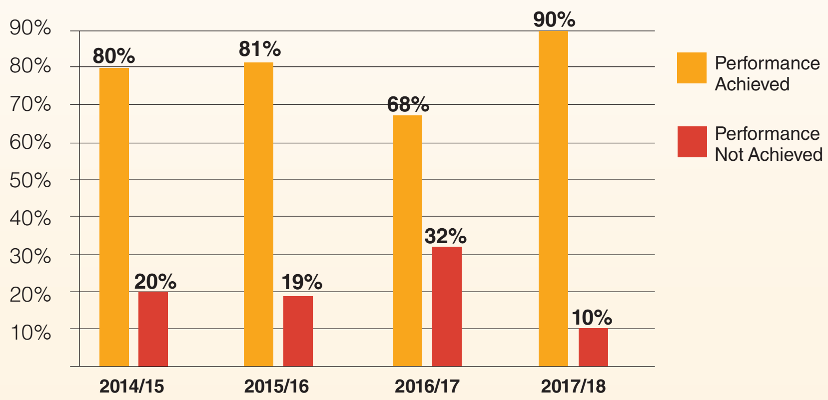


Figure 1: Annual Comparative achievement analysis

Reviewed Situational analysis

The review of the situational analysis was focusing on the Core Function (Mandate) and strategic issues in the support services which mostly included the refinement of key performance indicators as per the SAHRA Value Chain as shown in Figure 2. Within the SAHRA Value Chain differentiation is made between core functions as per the mandate of SAHRA. In providing the core services there is a need for support functions within the entity that predominantly provides administrative and technological support to the core service delivery units.

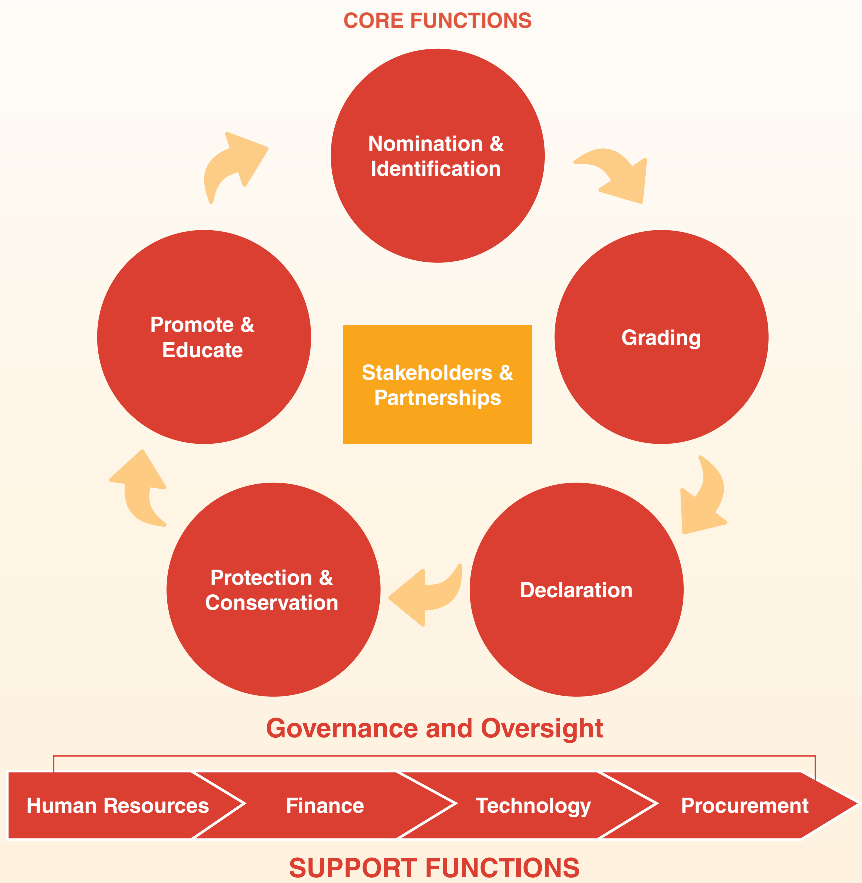


Figure 2: SAHRA Value Chain

Table 1 provides an overview of a SWOT analysis that was performed for each of the core business and support functions. The SWOT analysis established the current status of both internal (Strengths and Weaknesses) and external (Opportunities and Threats) environments affecting the institution to determine whether SAHRA's governance structures were efficient and effective.

Table 1: Value chain – SWOT analysis

Strengths	Weaknesses	Opportunities	Threats
Nomination & Identification			
Awareness and promotion	Lack of capacity to monitor and protect the number of sites being nominated	Education	Increased number of nominations of sites from political office-bearers
Fosters social cohesion	No control over number of sites identified and nominated.	Public awareness	Lack of control over number of nominations - impact operational abilities
Promotes collective ownership of heritage	Monitoring, survey, inspection, management, identification and assessment capacity	Positive public participation	UNESCO World Heritage Sites nomination pressure (failure to meet national heritage sites criteria)
Collaboration + co-operation with other stakeholders.	Poorly defined site boundaries.	Funding	DAC instruction to nominate + declare.
	Insufficient budget	Potential to protect and preserve sites	Landowner and stakeholder buy-in
	Badging and identity	External stakeholder and partner engagement, collaboration and co-operation	Public objections
			Vandalism
			Unclear site boundaries
Grading			
Guidelines were developed and analysis done to assist efficiency and effectiveness of the grading process	Backlog of sites that need grading	Policy	Unawareness
Involvement of community stakeholders in the assessment of grading of heritage resources	Lack of capacity to monitor and protect number of sites being graded		
Have well-functioning committees	ICMPs and heritage agreements.		
Declaration			
	Backlog of sites that need to be declared	Opportunity to create awareness around declared sites on the heritage liberation route and possible tourism opportunities linked to this	
	Lack of capacity to monitor and protect number of sites being declared		

<table>
<tr><th>Strengths</th><th>Weaknesses</th><th>Opportunities</th><th>Threats</th></tr>
<tr><td colspan="4">Protection and Conservation</td></tr>
<tr><td>Good legislation</td><td>Not enough capacity within SAHRA to complete all Agency Agreement responsibilities within timelines</td><td>Large number of archaeology and other specialist university graduates looking for work in the sector</td><td>Lack of cooperation from provincial government regarding its provincial heritage mandate hence lack of PHRA capacity/competency</td></tr>
<tr><td>National cases for permitting and Section 38 cases are successfully completed within timelines</td><td>Ineffective management of heritage resources</td><td>New and emerging nation</td><td>Competing needs for funding and resources with other services within the government sphere</td></tr>
<tr><td rowspan="2"></td><td>Unfunded/costing of Act</td><td rowspan="2">Council members may have closer relations with Provincial Authorities hence opportunity to engage with PHRAs and come to a resolution regarding roles and resource allocation</td><td>Confusion between SAHRA and National Heritage Council</td></tr>
<tr><td>SAHRIS is not universally adopted and effectively utilised</td><td>Lack of skills in the sector to protect heritage assets</td></tr>
<tr><td colspan="4">Promote and Educate</td></tr>
<tr><td>Highly skilled professionals</td><td>Lack of education and awareness of what heritage really is - Insufficient resources to market heritage resources</td><td>Education and enhanced marketing</td><td rowspan="3">Training of managers</td></tr>
<tr><td rowspan="2">Strong presence of SAHRA through exhibitions at DAC events</td><td>No capacity (should be a specific unit) for stakeholder lobbying</td><td rowspan="2">School-level heritage education as long as this is sustained</td></tr>
<tr><td>Silo planning/ horizontal planning within SAHRA</td></tr>
<tr><td colspan="4">Stakeholders and Partnerships</td></tr>
<tr><td rowspan="4">Three MOUs and an MOA were entered into with strategically identified institutions (2016/17 financial year)</td><td>Lack of capacity in the legal unit to review all agreements timeously</td><td>Communities need to be involved with heritage management in order to create social cohesion and build social capital</td><td>Lack of co-operation from Governmental departments in order to improve regulation and compliance with SAHRA requirements</td></tr>
<tr><td>Lack of action taken on MOUs agreements due to lack of funding</td><td rowspan="2">Heritage modules at universities</td><td>Lack of intervention from DAC</td></tr>
<tr><td>Compromised public perception of SAHRA</td><td>Heritage sector working in silos</td></tr>
<tr><td>Limited funding and capacity to undertake marketing</td><td>Partnership with international counterpart</td><td>Unresourced heritage priority outcomes (Outcome 14)

- No resources made available for this</td></tr>
</table>

Strengths	Weaknesses	Opportunities	Threats
Human Resources			
Reward and recognition as well as retention policies developed and linked to the performance management system	Unable to implement performance management - not responsive to the developmental needs of staff and rewards and recognition subject to funding availability	Better opportunities for staff from bursary programme	Further budget restrictions depending on DAC funding
Increase in training and skills development of employees to improve performance	New organisational structure cannot be fully implemented due to budget constraints	Facilitate an environment of mutual respect and reciprocity	Staff turnover
Development of Policies	Loss of specialist employees which are a scarce resource	Reorientation of the management approach	Limited external skills pool
Bursary Programme	Implementation of policies	Staff consultation	
	Lack of clear roles and responsibilities across units		
Bursary Programme continued	Insufficient allocation of available resources		
	Progression after training		
	Organogram structure not aligned to core mandate - Reference specifically to HIPSD		
	Environment is not conducive to staff engagement and productivity – no consultative management system or approach		
Finance			
Positive audit outcome	Delay in the development of business and funding model	Maintenance of heritage assets - to generate revenue	DAC funding increase below inflation and also not according to activity/ zero-based budgeting requirements
Implementation of property maximisation plan in order to generate income	Maintenance of heritage assets - loss of revenue	External service provider for the collection of debt	Lack of external local funding opportunities in the heritage sector
	Performing unfunded mandate with own re- sources - PHRA Work	Using SAHRIS for GRAP103 to build a business case for the Heritage Sector	Projects being assigned to SAHRA from DAC without funding attached to the project
	Poor debt collection		
	Lack of understand- ing of legal procedures regarding control of properties		
	Irregular expenditure		
	Contract management		

Strengths	Weaknesses	Opportunities	Threats
Technology			
SAHRIS developed	Business process inefficiencies as a result of constraints in IT	Heritage management is moving into the digital sphere	Aging technology still being used
Well known within the heritage community	SAHRIS is slow and not not user friendly	Using ICT to facilitate and streamline procedures	Loss of data as a result of hardware constraints
Each employee within SAHRA has the minimum requirements for performing duties	Lack of capacity and hardware constraints	SAHRIS is world class	Threat of domains being blacklisted
	Loss of information	Fundraising potential with SAHRIS	Complex IT systems
	PHRAs systems aren't aligned with SAHRIS	Train / Up-skill PHRAs to 'sell' the merits of our system so that they can make use of SAHRIS	
	Clerks at provincial platforms don't market SAHRIS	Exploring open source software	
Procurement			
SCM units' employees are knowledgeable of the prescripts	SCM not effective and efficient. Poor turnaround time / response to core function requests	Opportunity to improve SCM systems	Poor outcomes of audits
Sufficient staff complement within Finance	Lack of co-ordination with units and supportive business and procurement plans	Alignment of processes to function efficiently and effectively	High reputational risk and impact to the organisation, i.e. sitting in front of the portfolio committee
	Lack of understanding of the business that results in poor monitoring and procurement planning		
Governance and Oversight			
Good governance structures	Efficiency of governance structures, i.e. poor admin of the meetings, agendas, minutes received late	New council is an opportunity to improve the business	Negative audit outcomes
Depth and experience in the organisation at all levels.	Lack of integrated planning (silo approach)	Opportunities to seek professional assistance	It takes time to get to know the organisation
Inclusive council, demonstrates a joint venture / fair representation of PHRAs	Danger of complacency and a danger of getting ahead of the game	Staff retention and staff development / investment in human resources	Derailment / loss of morale because of instability at the top
	Poor succession planning with capacitating across the organisation	Better understanding of legal sphere in relation to property maximisation	
	Lack of diversity of skills, i.e. no / few business people	Opportunity to improve the organisation due to change	

Public participation through cultural and heritage tourism demand

Partnerships and public participation are key drivers of the entity's mandate. Culture and heritage tourism has been gaining importance recently not only for its economic gains but due to more sustainable approaches. As rural and regional economies go through difficult times of change, it may seem to some local communities that heritage can help in terms of economic gains. When what is old and valued in the community can no longer serve its original function, it can still attract funding and tourism as a part of cultural heritage. Communities are constantly consulted on decisions of heritage operations.

National Development Plan (NDP)

SAHRA has a responsibility to implement the National Development Plan (NDP) to ensure that the ideals of its existence are balanced between heritage and development. The implementation of the National Heritage Resources Act (NHRA) should contribute towards the elimination of poverty and reduction of inequality by 2030 and more directly to Outcome 14 which relates to social cohesion and nation building.

Engage cultural heritage and tourism expertise in conservation and promotion

Ensuring successful conservation and preservation of culture and heritage sometimes requires a balance between commercial imperatives and the conservation of a suite of heritage values including historical, archaeological, architectural and aesthetic significance and the significance of the sites to associated communities.

Design interpretation and oral history as an integral part of the heritage experience

Interpretation provides meaning and understanding for communities and visitors at heritage sites. It is a central part of the experience of cultural heritage and has significant ramifications for the quality and authenticity of a cultural heritage site or heritage object. Effective interpretation requires knowledge about the heritage being presented, expertise in communication and interpretive design and the ability to create an effective interpretation plan.

Organisational environment

Organisational Development Process (OD)

The newly approved Organisational Structure was implemented on 1 November 2016. The rest of the structure is implemented as and when vacancies occur. No additional funds have been made available for this purpose, so no new unfunded posts have been filled. SAHRA is currently developing a business plan that may lead to a review of the Organisational Structure.

Financial planning for budgeting, capital raising and price setting

Finances are essential to the viability of the heritage place as a tourism product and focus for conservation. Requirements for adequate capital, access to grants and other sources of funding and the need for careful budgeting and financial planning are essential for the continued success of an operation. The review of the funding model and investigation of opportunities to capitalise and raise additional revenue from heritage resources will be essential.

Effective communication and marketing strategies based on sound market research

An effective communication and marketing strategy is necessary for tourism success and is highly dependent on market research and other key success factors, including objectives and clear concepts and financial planning. Minimal elements of the communication strategy have been implemented. The critical factor remains its continuous implementation.

Staff retention/turnover

The scarcity of skills within the Heritage Resources sector remains the biggest challenge, as few people are qualified in this sector. More attractive and competitive remuneration structures in other institutions have resulted in SAHRA experiencing a high staff turnover rate. As a result gaps were created in the implementation of the core heritage resources management functions. A retention strategy, as well as a rewards and recognition policy will be submitted for approval within this financial year.

Functional performance management system

SAHRA did not have an effective and functional performance management system. One of the outcomes of the OD process was a more improved and refined system. Extensive training was provided to employees and performance contracting and performance reviews are now taking place. There are plans to approve a Reward and Recognition Policy to backup the system.

inter-governmental relations

The successful implementation of the South African Resources Agency Information System (SAHRIS) continues to establish a systematic approach to the coordination of South African heritage resources management. This has called for essential co-operation from the various stakeholders, more so from the national and provincial departments and local municipalities as they play a critical role in the effective management of the heritage resources. There is however an urgent need to regulate the use of the system to standardise the kind of heritage resources information being collected and ensure up-to-date records in the national estate database. In the long run, reports from this system will be useful to policy and decision-makers.

2. STRATEGIC CONTEXT

SAHRA's strategy aims to fulfil its primary regulatory mandate and the coordination of management of the national estate of the country as prescribed by NHRA. SAHRA is the primary custodian and imprimatur (regulator) of South African national heritage. The heritage resources of any country are naturally reflective of its history. Considering the complexity of South Africa's often painful history, it is also likely that the country's collective heritage estate can be inequitably diverse and potentially divisive. A deeper reading of SAHRA's legislative mandate suggests an imperative that SAHRA's role goes beyond passively managing a random or ad hoc collection of "ill fitting" heritage assets towards one that actively identifies, assess and manages an integrated portfolio of heritage assets that collectively communicate South Africa's history in a cohesive, dignified and unified manner.

Key Priority areas and a Strategy map for SAHRA

Given the above-mentioned strategic context, SAHRA must fulfil key imperatives or pillars in support of its mandate. The revised Annual Performance Plan 2018-2019 maps out how the strategic goals will be pursued by the organisation for this financial year. The following Key Focus Areas have been reviewed to ensure that the outcome-orientated goals are still aligned to address the aspects, issues and challenges as identified in the situational analysis review process.

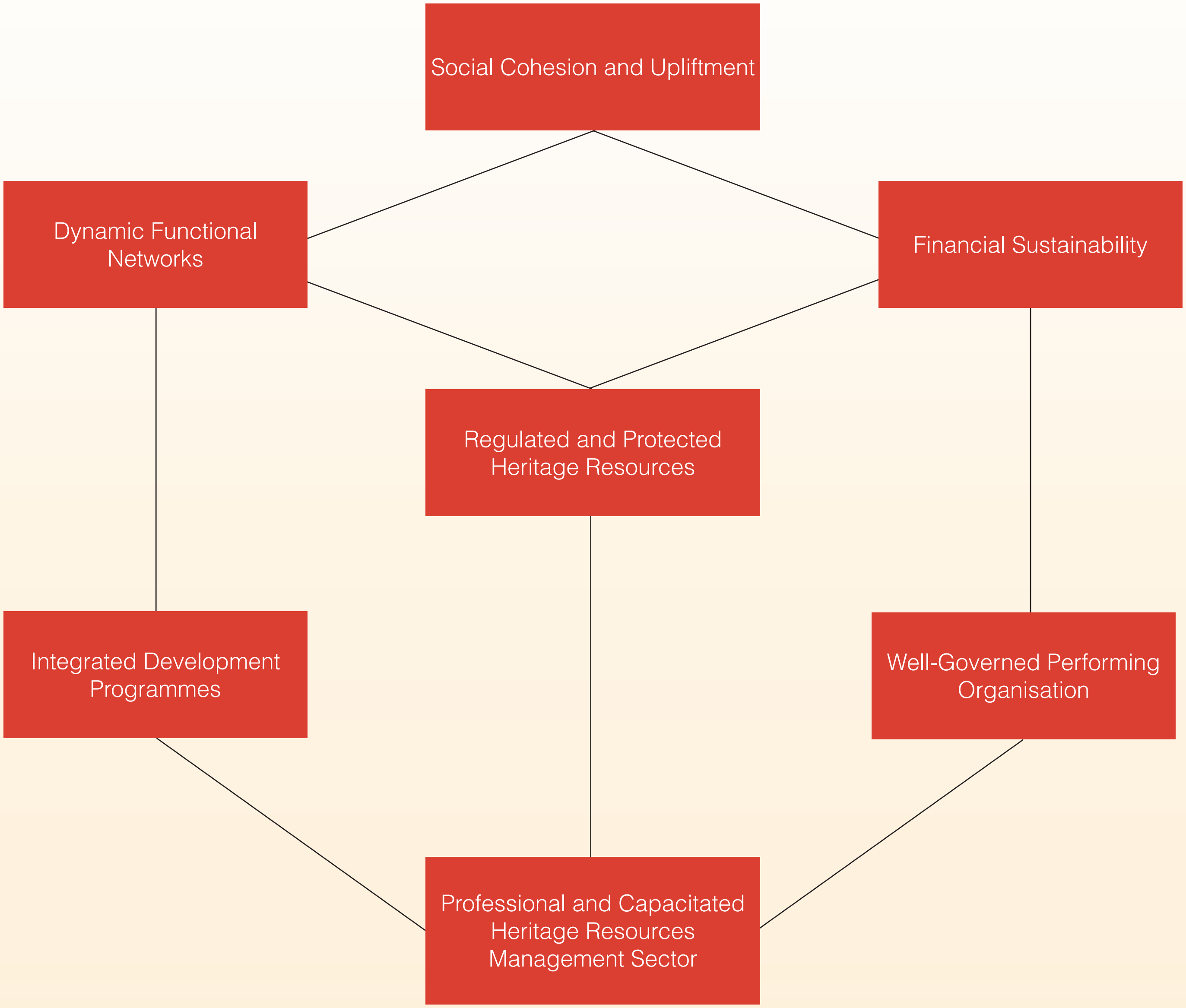
The table below provides an indication of these Key Focus Areas as broken down in terms of Pains (factors that will prevent SAHRA from making progress towards the attainment of the strategic intent) and Enablers (those factors that will remove the bottlenecks and challenges within SAHRA and will provide a platform for attainment of the strategic agenda).

Table 2: Key focus areas – Pains and enablers

Key Priority Areas	
Pains	**Enablers**
Staff retention/turnover/staff morale	Skilled and knowledgeable workforce and transformation
Costing of NHRA	Clear mandate and purpose
Budget limitations and revenue generation	Collaboration, partnerships and stakeholder relations (funding and core service delivery)
Public perception, awareness and socio economic development	Branding and awareness
Resistance to change / Innovativeness	Organisational restructuring
Lack of capacity to manage HRM (whole value chain)	Established relationships
Lack of promotion in community engagement	Promotion of collective ownership and awareness through community engagement
Lack of leadership and ownership (accountability & responsibility)	Functional performance management system
Lack of resources to fund operational costs	Sound financial management (budgeting and spending of budget)
Business development	Improved audit outcomes
Lack of universal heritage resource system	Business process & systems improvement Integrated heritage resources information systems
Fragmented ownership of heritage resources	Collective ownership of heritage Untapped heritage opportunities

3. SAHRA'S STRATEGIC OUTCOME-ORIENTED GOALS AND STRATEGIC OBJECTIVES

SAHRA's strategy map is based upon the situational analysis conducted to define the status quo of the organisation translated into strategic outcome-oriented goals articulated in the figure below.



SAHRA has defined a set of seven strategic outcome oriented goals arising out of a situational context that mirrors the key imperatives that SAHRA must pursue that are aligned to the objectives set out for the sector.

Sector Strategic objectives	SAHRA Strategic outcome orientated goals	SAHRA Strategic Objectives
1. A transformed, coherent and development-focused Sector	1. Regulated and protected heritage resources	Assert SAHRA's role as a regulatory body in heritage resources management
2. Nation building through effective social cohesion programme implementation	2. Social cohesion and upliftment	Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management
3. A productive, diverse and inclusive Arts, Culture and Heritage (ACH) Sector	3.1 Dynamic functional networks	Build SAHRA's brand internationally and locally through public awareness
	3.2 Integrated developmental programmes	Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, protection and promotion of heritage resources
4. Sound fiscal management and a sustainable ACH Sector	4. Financial sustainability	Maximise immovable heritage assets for income generation and conservation
5. Sound governance and the modernising of ACH sector to ensure its efficiency and effectiveness	5. Well-governed and performing organisation	Implement effective and efficient corporate governance systems within SAHRA
6. A professional and capacitated ACH sector	6.Professional and capacitated heritage resources management sector	Building the skills and capacity of the heritage resources sector to ensure its ongoing development and sustainability

4. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/ OBJECTIVE

Programme 1: Administration

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

- Assert SAHRA's role as a regulatory body in heritage resource management
- Implement effective and efficient corporate governance systems within SAHRA
- Build the skills and capacity of the heritage resources sector to ensure its ongoing development and sustainability

Strategic objectives, performance indicators planned targets and actual achievements

PROGRAMME 1						
Strategic objective	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Assert SAHRA's role as a regulatory body in Heritage Resources Management	1.1 Number of policies, regulations, norms and standards approved by Council	13	8	9	1 Additional Policy was achieved	An additional operational policy was approved to conclude the Turnaround Programme initiated in 2014
Implement effective and efficient corporate governance systems within SAHRA	1.2 An Unqualified audit opinion outcome	An unqualified audit outcome was achieved	Unqualified Audit and 100% implemented Audit Action Plan	An unqualified Audit was achieved for 2016/17 and there was 100% implementation of the Audit Action Plan	N/A	N/A
	1.3 Percentage of compliant invoices of suppliers paid within 30 days	100% of all compliant invoices received were paid within 30 days	100% of all compliant invoices received were paid within 30 days	100% of all compliant invoices received were paid within 30 days	N/A	N/A
	1.4 Percentage of the ICT strategic implementation plan implemented	Approved ICT Strategy	100% of the ICT strategic implementation plan implemented	100% of the ICT strategic implementation plan was implemented	N/A	N/A
Build the skills and capacity of the heritage resources sector to ensure its ongoing development and sustainability	1.5 Percentage of SAHRA staff trained according to the HR training plan	N/A	100% of SAHRA staff trained according to the HR training plan	100% of SAHRA staff were trained according to the HR Quarterly training plan	N/A	N/A
	1.6 Implementation of the individual performance management system	N/A	100% 2018/19 performance contracts and 2017/18 reviews concluded	100% of the 2018/19 performance contracts and 2017/18 reviews were concluded	N/A	N/A
	1.7 Maintain the annual turnover rate at 10%	N/A	10% annual staff turnover	7.95% annual staff turnover for the year was achieved	N/A	N/A

Key performance indicators, planned targets and actual achievements

Programme 1								
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1.1 Number of policies, regulations, norms and standards approved by Council	3	N/A	3	13	8	9	1 Additional Policy was achieved	An additional operational policy was approved to conclude the Turnaround Programme initiated in 2014
1.2 An Unqualified audit opinion outcome	Incomplete	An unqualified audit outcome was achieved	An unqualified audit outcome was achieved	An unqualified audit outcome was achieved	Unqualified Audit and 100% implemented Audit Action Plan	An unqualified Audit was achieved for 2016/17 and there was 100% implementation of the Audit Action Plan	N/A	N/A
1.3 Percentage of compliant invoices of suppliers paid within 30 days	New Indicator	New Indicator	New Indicator	100% of all compliant invoices received were paid within 30 days	100% of all compliant invoices received were paid within 30 days	100% of all compliant invoices received were paid within 30 days	N/A	N/A
1.4 Percentage of the ICT strategic implementation plan implemented	New Indicator	Approved ICT Strategy Implemation of IT strategy (4 of 9 COBIT process) achived	80% compliance with the ICT Annual performance plan	Approved ICT strategic implementation plan	100% of the ICT strategic implementation plan implemented	100% of the ICT strategic implementation plan was implemented	N/A	N/A

Programme 1								
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
1.5 Percentage of SAHRA staff trained according to the HR training plan	New Indicator	New Indicator	100% of training programmes were implemented	N/A	100% of SAHRA staff trained according to the HR training plan	100% of SAHRA staff were trained according to the HR Quarterly training plan	N/A	N/A
1.6 Implementation of the individual performance management system	New Indicator	New Indicator	100% Performance contracts were signed by all staff (excluding reviews)	N/A	100% 2018/19 performance contracts and 2017/18 reviews concluded	100% of the 2018/19 performance contracts and 2017/18 reviews were concluded	N/A	N/A
1.7 Maintain the annual turnover rate at 10%	New Indicator	New Indicator	1.57 % Annual staff turnover (measure was different to 2017/18)	N/A	10% annual staff turnover	7.95% annual staff turnover for the year was achieved	N/A	N/A

Programme 1 focuses on the administration component of the organisation and contributes to regulating heritage resource management and implementing corporate governance system. The programme achieved an overall performance of 100% which was 25% increase from the previous year.

The programme contributed to asserting SAHRA's role as a regulatory body in heritage resources management by producing 9 policies. The Entity successfully produced 1 additional operational policy in order to conclude the Turnaround Programme initiated in 2014. A highlighted success was the development and approval of the Heritage Management Plan guidelines. These guidelines stipulate how archaeological and paleontological heritage sites need to be managed by developers in order to ensure their conservation. The Entity also managed to develop a "List of Types of objects" which assist stakeholders in defining whether objects that are of heritage significance and therefore require permits. The Regulation for Restitution, Guidelines for Restitution and Policy on Restitution were developed and approved in order to ensure that heritage objects have defined regulatory processes when communities have claims for restitution.

In terms of implementing effective and efficient corporate governance systems, the Entity achieved an unqualified Audit for the 2016/17 financial year, and implemented 100% of its audit action plan. It also managed to implement the full ICT strategy plan, as well as pay all service providers/suppliers within 30 days of receiving their compliant invoices. In terms of human resources, the Entity successfully implemented its performance management system though the effective conclusion of all individual performance plans and review processes. In addition to this, training was successfully achieved for the 2017/18 financial year, as there was 100% training attendance (139 attendees) at all workplace skill training interventions. The Entity also managed to keep its annual staff turnover rate at 7.95%, which was sufficiently below the planned 10%.

Programme 2: Business Development

Programme 2 focuses on business development and the management of national heritage resources by mean of:

- Aligning SAHRA's objectives to National socio-economic and developmental objectives through indentification, conservation, protection and promotion of heritage resources
- Strengthing itself as an agent to promote social cohesion and social upliftment
- Maximising immovable assets for income generation and conservation

Strategic objectives, performance indicators planned targets and actual achievements

PROGRAMME 2:						
Strategic objective	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management	2.1 Number of heritage resources inspected	31	15	25	10 additional resources were inspected	Additional site visits were due to ad hoc requests made by the Department of Arts and Culture (DAC) or other Authorities
	2.2 Percentage of compliant Section 38 applications processed within 60 working days	52%	100%	94%	6% of compliant Section 38 applications were not processed within 60 working days	The Entity was assisting the Provincial Heritage Resource Authorities (PHRAs) with processing their Section 38 cases due to the PHRAs not being effectively capacitated to fulfill this mandate. Over 90% of the S38's received by the Entity in 2017/18 were provincially mandated. In order to make the target more realistic for the 2018/19 financial year, the target will only measure Nationally mandated S38 cases
	2.3 Percentage of compliant permit applications processed within 60 working days	58%	100%	95%	5% of compliant permit applications were not processed within 60 working days	Due to the additional assistance the Entity provides to the PHRAs, the capacity for other functions is compromised. With a more realistic measure in place for S38 cases, it is anticipated that the Entity can refocus its efforts on completing all permits going forward

PROGRAMME 2:						
Strategic objective	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Strengthen SAHRA as an agent to promote social cohesion and social upliftment through heritage resources management	2.4 Number of nominated heritage resources graded	100%	5	7	2 additional nominated heritage resources were graded	In order to start addressing the SAHRA backlog of nominated sites, an additional 2 sites were assessed and graded this financial year
	2.5 Number of heritage resources declared	6	8	8	N/A	N/A
	2.6 Number of monuments and memorial sites rehabilitated and erected	12	6	6	N/A	N/A
	2.7 Publication of a report on the current content of the inventory of the national estate	1	1	1	N/A	N/A
	2.8 Number of Heritage collections in state custody inventorised	1	1	1	N/A	N/A
Maximise immovable heritage assets for income generation and conservation	2.9 Number of SAHRA owned properties re-purposed for income generation	2	2	2 Properties were successfully repurposed for income generation: Mooimeisiesfontein and Old Gaol	N/A	N/A


Taung World Heritage site

Key performance indicators, planned targets and actual achievements

Programme 2								
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
2.1 Number of heritage resources inspected	New Indicator	New Indicator	New Indicator	31	15	25	10 additional resources were inspected	Additional site visits were due to ad hoc requests made by the Department of Arts and Culture (DAC) or other Authorities
2.2 Percentage of compliant Section 38 applications processed within 60 working days	New Indicator	New Indicator	39%	52%	100%	94%	6% of compliant Section 38 applications were not processed within 60 working days	The Entity was assisting the Provincial Heritage Resource Authorities (PHRAs) with processing their Section 38 cases due to the PHRAs not being effectively capacitated to fulfill this mandate. Over 90% of the S38's received by the Entity in 2017/18 were provincially mandated. In order to make the target more realistic for the 2018/19 financial year, the target will only measure Nationally mandated S38 cases
2.3 Percentage of compliant permit applications processed within 60 working days	New Indicator	New Indicator	64%	58%	100%	95%	5% of compliant permit applications were not processed within 60 working days	Due to the additional assistance the Entity provides to the PHRAs, the capacity for other functions is compromised. With a more realistic measure in place for S38 cases, it is anticipated that the Entity can refocus its efforts on completing all permits going forward
2.4 Number of nominated heritage resources graded	New Indicator	New Indicator	New Indicator	100%	5	7	2 additional nominated heritage resources were graded	In order to start addressing the SAHRA backlog of nominated sites, an additional 2 sites were assessed and graded this financial year
2.5 Number of heritage resources declared	9	N/A	5	6	8	8	N/A	N/A

Programme 2								
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
2.6 Number of monuments and memorial sites rehabilitated and erected	New Indicator	New Indicator	11 (This indicator was slightly changed in 2016/17 so that it included both local and foreign projects)	12	6	6	N/A	N/A
2.7 Publication of a report on the current content of the inventory of the national estate	New Indicator	New Indicator	New Indicator	1	1	1	N/A	N/A
2.8 Number of Heritage collections in state custody inventorised	New Indicator	New Indicator	New Indicator	1	1	1	N/A	N/A
2.9 Number of SAHRA owned properties re-purposed for income generation	Property Strategy Developed	Property Strategy finalised	2	2	2	2 Properties were suc-cessfully repurposed for income gener-ation: Mooi-meisiesfontein and Old Gaol	N/A	N/A

Programe 2 achieved an overall performance of 77%, which is a 22% improvement from the last financial year. The Entity managed to excel at regulating national heritage resources by carrying out a total of 25 resource inspections. An additional 10 unplanned site inspections were due to ad hoc requests made by the DAC or other Authorities. The Entity also overachieved by grading 7 nominated heritage sites and declaring 8 heritage resources. This overachievement of grading 2 additional sites was done to address SAHRA's backlog of nominated ungraded sites. In terms of declaration, a major highlight was the declaration of two signed copies of the freedom charter as well as Mqhekezweni-which was where Nelson Mandela was born.

In terms of the refurbished and erection of memorials, the Entity managed to sucessfully complete the rehabilitation of 6 memorials/graves.A a specific highlight for the Entity was the successful completion of the Albert Luthuli memorial which was erected and unveiled inauguration of Albert Luthuli's centenary.

In terms of SAHRIS, a submission of the summary of the national estate was published, the Entity also managed to identify and inventorise the Iziko museum collection onto this information system.

The maximisation of immovable heritage assets was another objective that was successfully achieved. The Entity managed to refurbish 2 properties namely Mooimeisiesfontein and Old Gaol. The Mooimeisiesfontein property was leased out successfully and Old Gaol had a tenant lined up for leasing of the property.

In order to protect heritage resources effectively, SAHRA plays a large role in informing the conditions under which heritage resources can be managed by external stakeholders and the public. This involves processing of Section 38 and permitting cases. The processing of Provincial Heritage Resources Athorities'(PHRA) Section 38s and permits was taken on by the Entity due to PHRAs not being effectively capacitated to fulfil these functions. Around 90% of the total Section 38s received by the Entity in 2017/18 were provincially mandated. To address this issue, the Entity has amended this indicator for the 2018/19 financial year, so that it only accounts for the Nationally mandated Section 38 cases.

Programme 3: Public Engagement

The aim of the Public Engagement Programme is to build SAHRA's brand internationally and locally through public awareness, as well as strengthen itself as an agent to promote social cohesion and social upliftment

Strategic objectives, performance indicators planned targets and actual achievements

PROGRAMME 3:						
Strategic objective	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Align SAHRA's initiatives to national socio-economic and developmental objectives through identification, conservation, and promotion of heritage resources	3.1 Number of formal partnership agreements with strategically identified institutions	4	4	5	1 additional formal partnership agreement with a strategically identified institution was achieved	Finalisation of a partnership agreement planned for last financial year was delayed and only signed by both parties within this financial year
	3.2 Number of HRM knowledge dissemination engagements with communities and stakeholders	6	5 (indicator was slightly changed to specifically measure knowledge dissemination engagements compared to general engagements)	6	1 additional HRM knowledge dissemination engagement was achieved	SAHRA identifyed an urgent need within the 2017/18 financial year to present a Heritage Impact Assessment (HIA) workshop based on the minimum standards that were developed
Build SAHRA's brand internationally and locally through public awareness	3.3 Number of papers on heritage resources management submitted for publication	6	5	6	1 additional paper on heritage resources management was submitted for publication	The Annual Performance Report is a requirement of the Medium Term Strategic Framework (MTSF)
	3.4 Number of marketing programmes implemented	10	5	5	N/A	N/A

Key performance indicators, planned targets and actual achievements

Programme 3								
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
3.1 Number of formal partnership agreements with strategically identified institutions	New Indicator	2	4	4	4	5	1 additional formal partnership agreement with a strategically identified institution was achieved	Finalisation of a partnership agreement planned for last financial year was delayed and only signed by both parties within this financial year
3.2 Number of HRM knowledge dissemination engagements with communities and stakeholders	New Indicator	New Indicator	4 (indicator was slightly changed to incorporate general community stakeholder meetings)	6	5 (indicator was slightly changed to specifically measure knowledge dissemination engagements compared to general engagements)	6	1 additional HRM knowledge dissemination engagement was achieved	SAHRA identifyed an urgent need within the 2017/18 financial year to present a Heritage Impact Assessment (HIA) workshop based on the minimum standards that were developed
3.3 Number of papers on heritage resources management submitted for publication	New Indicator	13 (includes 2 merged indicators 1.1.1 and 1.1.2)	7	6	5	6	1 additional paper on heritage resources management was submitted for publication	The Annual Performance Report is a requirement of the Medium Term Strategic Framework (MTSF)
3.4 Number of marketing programmes implemented	New Indicator	New Indicator	7 (This indicator was amended in 2016/17 to include different types of marketing programmes, as opposed exhibitions exclusively in 2015/16)	10	5	5	N/A	N/A

Programme 3 achieved 100% performance for the 2017/18 financial year. This was a 17% improvement in programme performance compared to the last financial year. The Entity managed to succeed at building SAHRA's brand through public awareness by achieving 5 marketing programmes within the financial year. All 5 of these programmes were planned based on South African commemorative or celebratory national days. In addition to this, the Entity also succeeded at creating public awareness by publishing 6 papers on heritage resources management. The additional Annual Performance Report (APR) publication was due to the requirements of the Medium Term Strategic Framework (MTSF). 2 articles that need to be highlighted as being very informative to the public are: "Where to from here 20 years of the national heritage resources" on the Heritage portal, and "Managing heritage resources in the digital age" on the Position IT website.

Encouraging stakeholder engagement is prioritised by the Entity to ensure the achievement of conservation, protection and promotion of heritage resources. As planned, 4 Heritage Agreements were signed between SAHRA and 4 strategically identified institutions. An additional Memorandum of Understanding (MoU) was finalised and signed with MOU with the National Arms and Ammunition Collectors Confederation of South Africa (NAACCSA). This MoU had been outstanding from the previous financial year, however regardless of the delay, the finalisation of the document was achieved. Lastly to assert SAHRA's role as a leader in heritage resources management, 6 major knowledge dissemination events were engaged in for the financial year. To ensure the effective implementation of the Heritage Impact Assessment (HIA) Minimum Standards, it was identified that there was an urgent need to deliver a key stakeholder workshop on the topic.

The Owl House

5. Revenue Collection

Sources of revenue	2016/2017			2017/2018		
	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 from DAC	51 125	51 125	0	53 861	53 861	0
GRAP 103 Transfer	0	0	0	4 000	4 000	0
Rent Revenue	800	972	-172	1 200	1 192	8
Interest	267	489	-222	280	558	-278
Interest from previous years	3 000	3 000	0	1 000	419	581
Other	950	1 054	-104	955	999	-44
Realisation of Deferred Revenue	32 000	28 672	3 328	12 500	3 019	9 481
Total	**88 142**	**85 312**	**2 830**	**73 796**	**64 048**	**9 754**

Capital Investments

Infrastructure projects	2016/2017			2017/2018		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1. Administration	42 511	40 718	1 793	35 946	34 804	1 142
Programme 2. Business Development	43 911	40 301	3 610	35 843	23 784	12 059
Programme 3 Public Engagement	1 720	1 710	10	2 007	1 527	480
Total	**88 142**	**82 729**	**5 413**	**73 796**	**60 115**	**13 681**

6. OVERVIEW OF SAHRA'S PERFORMANCE

The South African Heritage Resources Agency (SAHRA) aims to achieve its mandate by seeking to achieve on the following strategic outcome-orientated goals:

- Regulated and protected heritage resources
- Social cohesion and upliftment
- Dynamic functional networks and integrated developmental programmes
- Financial sustainability
- Well-governed performing organisation
- Professional and capacitated Heritage Resources Management Sector

SAHRA's overall achievements regarding these listed strategic outcome-orientated goals are outlined below:

Regulated and protected heritage resources

To ensure the effective management of heritage resources the Entity is responsible for developing regulations, norms, guidelines and policies for heritage resources. Within the 2017/18 financial year the Entity has been a leading regulatory body in Heritage Resources Management by developing the following policies and guidelines:

Name of regulatory document	Purpose of regulatory document
Permit Fee Schedule	To recover costs incurred by the Entity, and where appropriate, charge for the provision of other services rendered by it in terms of the NHRA. This includes the processing of applications received, the carrying out of investigations and the provision of information
List of Types of objects	To regulating the movement of objects of cultural significance that are protected. Such objects are described on the List of Types of Objects are assessed according to the criteria as per the provisions of S32 of the National Heritage Resources Act (NHRA) to determine whether they form part of the national estate.
Loan Agreement	To guide museums on factors to consider when entering into Loan Agreements with foreign institutions for exhibition and display purposes
Regulations, Guidelines and Policy for Restitution (x3)	To regulate the process by which the restitution of heritage objects can be negotiated for the return of these objects to a community or affected party which can be shown to have a bona fide claim
Development of Heritage Management Plans guidelines	To conserve heritage resources that will remain in situ within a development area and that will be impacted by long-term, cumulative impacts caused by the development activities in their various phases

Many HRM policies, guidelines, norms and standards inform how the Entity processes permits and Section 38 (developments) case applications for heritage resources. For the 2017/18 financial year, the entity managed to process 324 (93% of total received) compliant Section 38 applications and 146 (95% of total received) compliant permits within the stipulated timeframes. There has been a steady increase in applications for development related cases. This increase is due to a greater understanding/buy-in by developers and environmental consultants with regarding to applications for Section 38s, as well as the increased use of SAHRIS to lodge applications. Interestingly, a large portion of permit applications submitted to SAHRA are from foreign nationals affiliated to international scientific institutions.

One particularly significant case from this financial year, was a permit application concerning the export of 34 culturally significant Zulu snuff containers and spoons. In processing the permit application, the Entity identified potential parties interested in acquiring these objects and retaining them in South Africa. SAHRA was particularly pleased that the sellers reached an agreement with AMAFA KwaZulu-Natal, these objects now form part of their collection and thereby, part of the national estate.

In order to regulate the Inventory of South Africa's national estate, its heritage resources need to be recorded and monitored though the South African Heritage Resources Information System (SAHRIS). The inventory of the national estate has continued a trend of steady growth for the 2017/18 financial year.

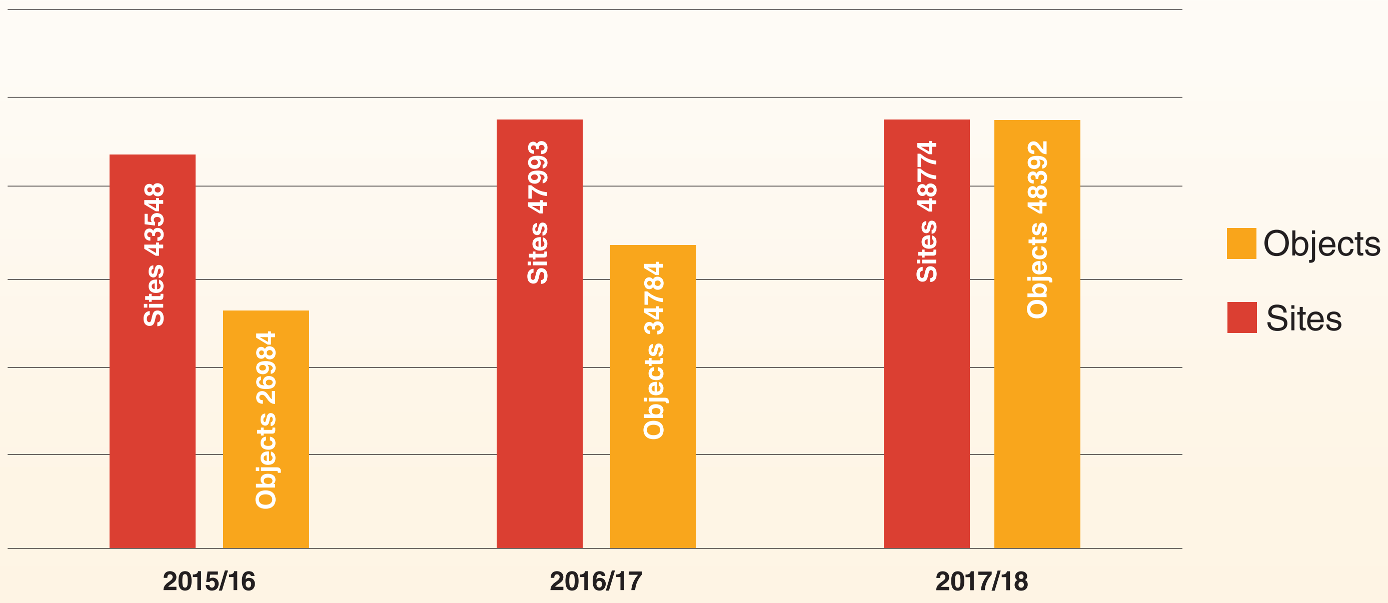


Figure 2: Graph showing the rate of growth of the national inventory over 3 years

Through the project conducted with Iziko Museums, the inventory saw a large growth in terms of the number of heritage object records stored on SAHRIS. The hard work and dedication shown by the team from Iziko museums is to be commended. The management of the inventory of the national estate is a key focus area for SAHRA and will continue to actively seek opportunities to expand the database of heritage resources.

The summary and analysis of the national estate, which is mandated in terms of Section 39(7), is published this year for the second time. This report is available from the SAHRA and SAHRIS websites. The report focused on utilising the data held within the inventory to critically analyse the inventory to facilitate the identification of any shortcomings within the inventory itself. Furthermore, this report was used to showcase how the data within the inventory can be used for the identification of potential fatal flaws within large scale projects. The data produced through the generation of this report has already proven invaluable for the guidance of operations with SAHRA.

Site inspections

Monitoring and inspection of heritage resources is vital in ensuring that these resources are well maintained and conserved according to the regulations the Entity has put in place. The following resources were visited for reasons of regulatory monitoring/inspection or due to contraventions of these heritage resources.

Heritage Resource	Purpose/Reasons for inspection
Moses Kotane Memorial	To monitor and assess the memorial site's condition
JB Marks Memorial	To monitor and assess the memorial site's condition
B 4 Farm, Ohrigstad	To investigate and obtain information regarding the destruction of graves on the farm
Mooiplats Farm, Portion	To investigate and obtain information regarding the destruction of graves on the farm
Wreck of the Commodore 2	To monitor and assess the wreckage compared to its previous condition, and to inspect the proposed location it will be moved to once a permit application is received
Mendi Memorial	To monitor and assess the condition of the site and to determine where to place interpretive signage
Mandela House	To monitor and assess the condition of Mandela House
Kruger Chairs at Reformed Church	To monitor the condition of the objects
Jan Smuts Avenue	To monitor the site's condition
Kitson/Kitty Steam Train	To monitor the condition of the object
Blackie Steam Engine	To monitor the condition of the locomotive in storage and address the way forward that will be proposed to PRASA concerning the conservation and return of the locomotive to Cape town
Genadendal Mission Museum	To monitor the condition of the collection
VOC Beacon	To monitor the condition of the heritage object
Panorama by JL Pickering	To monitor the condition of the heritage painting
Emil Kessler locomotive	To monitor the condition of the heritage object (locomotive)
Union Buildings	To assess whether site upgrades and maintenance was needed
Castle of Good Hope	To monitor the Archaeological components of the Castle of Good Hope (COGH) and to facilitate building a relationship with COGH management
Robben Island	To monitor and report on series of permits issued for workers undertaken between 2014-2017
Kinross Mine	To investigate whether there were graves in the area, and whether there had been destruction of graves on this land
The Jan Smuts Library	To inspect the collection in the library as the authority believed it to be endangered
The Cradle of Humankind fossil sites x2	To monitor the conservation, presentation and permit conditions of the various national heritage sites that make up the Cradle of Humankind
Mapungubwe Heritage Site	To monitor the conservation and presentation of the national heritage site.
West Coast Fossil Park x 3	To monitor the conservation of the site and the permitted infrastructure projects
Kitso Mine	To investigate whether there were graves in the area, and whether there had been destruction of graves on this land
Vredehuis at the Union Buildings	To monitor the site, gather information about the restoration of the damaged buildings and identify the parties responsible for its refurbishment
The Golden objects of the Thulamela Collection	Due to public concern, SANPARKS requested SAHRA to view the collection's display areas. This included the area where the gold objects were stolen. SAHRA offered SANPARKS recommendations going forward

Social cohesion and upliftment

The objective of the Entity is to promote good heritage management and to enable and encourage communities and civil society to nurture and conserve their heritage so that it may be bequeathed to future generations. The Entity strives to foster a heritage landscape that is inclusive. Through various projects SAHRA aims to promote and emphasize previously neglected heritage. Several key projects were undertaken including the memorialisation of important figures of the liberation movement, and the grading and declaration of nationally significant resources.

Below is a summary of the key milestones achieved by the Entity under the strategic objective of social cohesion and upliftment.

Gradings and Declarations

There was a renewed focus this year on the grading and declaration of heritage sites and objects that relate to the liberation movement. SAHRA declared the burial sites of both JB Marks and Moses Kotane, two copies of the Freedom Charter, and the Wesleyan Church. The recognition of these sites and objects as part of the national estate signify an important part of the country's history that was previously neglected. In addition to the declarations of these important heritage resources the Entity also identified and assessed lesser known but equally important liberation heritage sites as Grade 1. These sites are the Bullhoek Massacre site and Ngquza Hill, both located in the Eastern Cape. These two sites mark important events in the liberation struggle that deserve broader public awareness and attention.

Although the focus was primarily on the declaration of heritage resources related to people and events of the liberation struggle, this does not mean that recognition was not given to other heritage resources that make up the diverse and rich cultural heritage of the country. Importantly, the stone-walled tidal fish traps located at Noordkapperpunt, Still Bay have been declared as a national heritage site. The use of fish traps is still practiced by local fishermen today who have retained the tradition passed on through generations.

Game Pass Rock Shelter located in the Kamsberg Nature Reserve of the uKhahlamba Drakensberg region of KwaZulu-Natal is the first rock art site to receive Grade 1 status. The site is often referred to the 'Rosetta Stone' of San rock art for the role it played in unlocking the symbolism and significance of San rock art.

The table below provides a full list of sites assessed for grading and declaration during in the 2017/2018 financial year.

Heritage Resources Graded as Grade 1	Date	Heritage Resources Declared	Date
The Bulhoek Massacre Site and Grave of Enoch Mahima	May 2017	Burial Site of JB Marks	May 2017
Ngquza Hill	Aug 2017	Burial Site of Moses Kotane	May 2017
The Oliver Tambo House; Lusaka	Dec 2017	Two authenticated signed copies of the Freedom Charter	June 2017
The Game Pass Rock Art Site	March 2018	The Evangelical Lutheran Church	Sept 2017
The Wreck of the Sao Jose Slave Ship	March 2018	The Owl House and Camelyard	Sept 2017
The grave of Chief Tyali	March 2018	The Waaihoek Wesleyan Church	Feb 2018
The Rooifontein Cultural Landscape (was deemed not to be of Grade 1 significance)	Sept 2017	The Great Place at Mqhekezweni	Feb 2018
-	-	The Noordkapperpunt Stone Walled Fish Traps	Feb 2018

Memorials

Continuing the theme of liberation heritage, SAHRA installed memorials at the following culturally significant graves and the graves of victims of conflict.

- Dr Pixley Ka Isaka Seme: Newclare Cemetery, Johannesburg
- Chief Albert Luthuli: Groutsville, Kwa-Zulu Natal
- Charlotte Maxeke: Nancefield Cemetery, Johannesburg
- Lillian Ngoyi and Helen Joseph: Avalon Cemetery, Soweto Johannesburg
- Cara 4: Maitland Cemetery, Cape Town
- Rev. Zaccheus Richard Mahabane: Kroonstad, Free State

Concentration Camps

Although it is often mistakenly assumed that the South African War was exclusively a conflict between whites, the war had a major impact on all South Africans. A significant number of black South Africans were displaced during the war period which resulted in the internment of about 100 000 black South Africans in concentration camps throughout the country.

Site conservation assessments were successfully done for the following concentration camps:

- Modimolle Concentration Camp (Limpopo)
- Polokwane Concentration Camp (Limpopo)
- Belfast Concentration Camp (Mpumalanga)
- Magogwe Concentration Camp (North West)
- Irene Concentration Camp (Gauteng)

Repatriation of human remains

Repatriation is a complex legal issue that requires significant consultation and negotiation. The return of cultural heritage that has been unlawfully removed allows communities the opportunity to reclaim ownership of their lost heritage and to reconnect with their past. An important highlight was SAHRA's role in the repatriation and reburial of the human remains of 21 individuals who died during the South African War. This reburial was done in partnership with the North West Department of Culture, Arts and Traditional Affairs, North West Provincial Heritage Authority (NWPHRA) and the Boerevolk. The reburial took place at the Mogogwe Concentration Camp in the North West.

SAHRA also partnered with the Department of Justice to locate and exhume the remains of Kgosi Mampuru believed to be buried at the Ditsong National Museum of Cultural History. Unfortunately, the remains of Kgosi Mampuru could not be located during the investigations.

Dynamic functional networks and Integrated developmental programmes

SAHRA strives to build and strengthen its network of global, regional and national stakeholders to facilitate cooperation and collaboration as a means to nurture and preserve South Africa's national estate. This is achieved through the generation of awareness, intergovernmental relations and the leveraging of partnerships.

Intergovernmental relations

Some of the key intergovernmental engagements this year are described below:

As part of a the Strategic Infrastructure Projects (SIP3) Presidential project, SAHRA advised the Council for Scientific and Industrial Research (CSIR) on heritage matters as part of the Wind and Solar Phase 2 Strategic Environmental Assessment (SEA). The purpose of the SEA is to facilitate the efficient and effective rollout of wind and solar Photovoltaics energy in South Africa. The role of SAHRA's involvement is to provide guidance to the CSIR on the identification, management, and conservation of heritage resources as part of the SEA on a regional scale, thereby ensuring effective management of heritage resources that may be impacted by this project.

In addition to this, SAHRA is involved in the development of implementation plans of the approved Resistance and Liberation Heritage Route Project. The project is derived from the UNESCO African Union (AU) Roads to Independence-African Liberation Heritage Route Programme. This programme is spearheaded by the United Republic of Tanzania. Through this programme, all AU Member States are required to establish their respective National Chapters. SAHRA was represented in three of the work streams. Further to this, SAHRA participated in the technical expert sessions in preparation for the Ministerial Roundtable. The meeting considered presentations from the various SADC countries detailing their programmes towards to the overall objective, their progress and challenges experienced.

SAHRA continues to be a key member of the South African World Heritage Convention Committee responsible for overseeing the nomination of South African sites to the World Heritage List. As part of this work, SAHRA was invited to attend the South African World Heritage Convention Committee meeting held at Robben Island. At this meeting, SAHRA played an important role to ensure the successful nomination of the Barberton Makhonjwa Mountain to world heritage status.

In relation to SAHRA's property portfolio, the Department of Public Work's Property Management Trading Entity (PMTE) has visited some of SAHRA's properties with the view of leasing certain properties for state use. Further engagements are in process with local municipalities to align proposed repurposing concepts to their spatial development frameworks (SDFs) and integrated development plans (IDPs). Engagements with the private sector are also in process, whereby hospitality groups are engaged with to introduce and present the opportunities within SAHRA's property assets.

Partnerships

The leveraging of expertise through key partnerships is a key driver in the fulfilment of SAHRA's mandate, in this respect in March of 2018 a Memorandum of Understanding (MOU) was signed with the National Arms and Armaments Confederation of South Africa (NAACSA) to formalise an existing decade long relationship around the conservation of firearms of heritage value. Appreciation is expressed to NAACSA whose members make their expert knowledge on firearms available to SAHRA.

Conferences and workshops

It remains important for the staff of SAHRA to participate in conferences and workshops both locally and abroad to aid the fulfilment of strategic objectives of the Entity as well as ensuring continuous development within the heritage sector through the dissemination of knowledge. It is in this vein that SAHRA contributed to the proceedings of several workshops and conferences this year.

Stemming from an identified need to ensure that a high quality of work is produced by consultants operating with the heritage sector, a workshop on Heritage Impact Assessments was held and attended by a wide range of heritage professionals, including archaeologists, palaeontologists, town planners and architects. The aim of this workshop was to present proposed amendments to the existing standards and to ensure buy in from the heritage community.

SAHRA was well represented at The Association of Southern African Professional Archaeologists (ASAPA) Biannual conference, hosted by the University of Pretoria. Through this forum, SAHRA was able to showcase key projects, such as the Dutch Oral History Project, and the inventorisation of the University of Cape Town's archaeometallurgy collection. The Entity also managed to present on the management of heritage resources in the context of development.

On the international stage, SAHRA presented a paper at The International Committee for Documentation of Cultural Heritage (CIPA) 26th International Symposium that was held in Carleton University, Ottawa Canada. The aim of this was to showcase how public access to the inventory of the national estate can provide a platform through which heritage bodies and members of the public can engage with heritage matters. This was published in the International Society of Photogrammetry and Remote Sensing (ISPRS) Journal.


Genadenal

Promotion

The promotion of South Africa's diverse heritage, and the role that SAHRA plays in its protection is key to the development of a sense of collective ownership and advocacy in relation to the national estate.

During this financial year, SAHRA participated and exhibited during the commemoration of national days. These events are as follows:

- Freedom Day
- Youth Day
- Heritage Day
- Reconciliation Day at Soweto Arts and Craft Festival
- Human Rights Day

Several radio interviews were also given during heritage month, namely; Kwekwezi FM, YFM and uKhozi FM.

In addition to this, the Entity received an enquiry from a UK based journalist (from Bournemouth News and Picture Service) who was writing an article about the sale of a letter written by Steve Biko to be auctioned the International Autograph Auctions (a UK based auctioneer). Interviews were given on Radio (Power FM and SAFM Radio) and to newspapers, around this matter.

Within the sphere of maritime heritage, interpretive signage was designed and installed in Hout Bay, Lamberts Bay, Simonstown, and Gansbaai. These signs contribute to building SAHRA's brand and raise awareness.

Financial sustainability

One of the main channels that SAHRA uses to gain financial sustainability is through the income generation of its properties. These projects vary from short, medium to long-term plans. The short-term and medium-term projects are based on the management, refurbishment and occupation of SAHRA owned properties. Long-term projects involve partnerships either with private or public stakeholders, through which SAHRA can derive income through concession fees or land leases. One of the avenues which SAHRA is exploring, is the Public-Private-Partnership project for properties which have tourism potential.

SAHRA also aims to not only use its properties for income generation, but also to create socio-economic upliftment opportunities by contracting SMME's and therefore creating jobs. A central principle in the conservation and management of heritage sites, is that the communities in the locality of these properties should receive direct benefits from such projects. Potential agreements with stakeholders could provide these opportunities and thus SAHRA would not only benefit financially, but also contribute positively to creating sustainable livelihoods.

The following properties are a few of the projects which are deemed to have socio-economic potential:

Property	Location	Socio-economic opportunities
Old Gaol	Grahamstown, EC	The property has signs of a significant history that requires research and protection. It has the potential to be repurposed as an educational centre with focus on socio-political matters. The administration block is earmarked for leasing to suitable tenants
Old Residency	King Williams Town, EC	The property has the potential to be repurposed for use by national or local public entities. The property can be converted into a variety of the following: offices, a library, skills development centre, parking, student accommodation or guest house facilities
Mooimeisiesfontein	Riebeek East, EC	This property has potential for agricultural farming, or an agricultural school/college.
Blarney Cottage	Richmond, KZN	The property has the potential to be used for hospitality facilities or development of an agricultural school/centre
Onderdal School	Paarl, WC	The property has the potential to be repurposed for public sector use, such as a clinic, day school or office accommodation
Dal Josaphat Farm	Paarl, WC	The property is a Grade I, and has the potential for guest-house facilities, office accommodation, agricultural farming, open-air museum
Het Posthuys Museum	Muizenberg, WC	This property has potential to be developed into a conference facility

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Well-Governed Performing Organization

In order to be a well-governed performing organisation SAHRA ensured that relevant governance and operational policies were reviewed or developed in the 2017/2018 financial year. These policies can be seen in the table below:

Name of Policy	Purpose of Policy
Vehicle Usage Policy	To govern the use and maintenance of all SAHRA vehicles by all employees of SAHRA
IT Change Management Plan	The Change Management Plan documents the necessary information required to effectively manage ICT changes from inception to delivery
ICT Security Policy	The primary objective of the policy is to ensure effective protection of information and safe usage of the computer systems and its peripherals within SAHRA
ICT Incident Management Policy	The objective of the policy is to ensure that unexpected disruptive ICT events are managed and responded to with the objective of controlling the impact to SAHRA business within acceptable levels

SAHRA also managed to achieve the following with regarding to improving corporate services within the entity:

SAHRA has made steady progress in the implementation of Phase 1 of the ICT Strategy Implementation Plan. The Microsoft Office Upgrade project was implemented successfully and the hosting infrastructure of SAHRA had been stabilised. ICT is at the forefront of cost saving projects such as the implementation of a new Voice Over Internet Protocol (VOIP) System that will reduce reliance on different service providers as well as integrated printing solutions for the Entity.

In terms of facilities and auxiliary services, the Entity successfully appointed three service providers, namely cleaning services, security services and travel management services. SAHRA also acquired a much-needed vehicle for the Pretoria Satellite Office to address operational needs in that area. The Entity is also in the process of project managing SAHRA's office accommodation in both Cape Town and Pretoria offices. Plans to relocate the Pretoria offices was accomplished. The Entity is in the process of investigating various alternative options for the possible relocation, development, or refurbishment of the Cape Town head office.

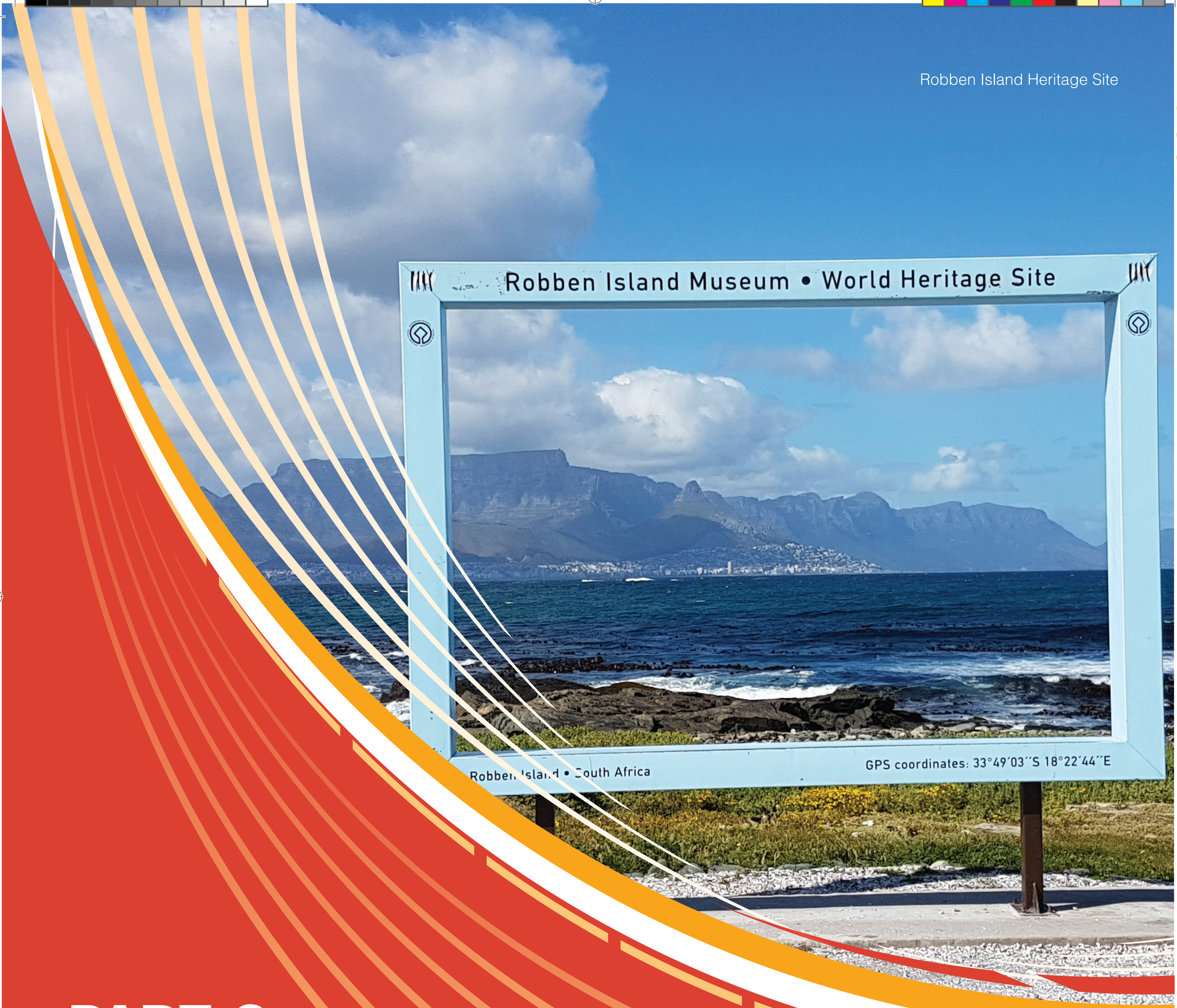
In terms of Human Resources, SAHRA has made headway with the implementation of the Individual Performance Management System. SAHRA has implemented 91% of its staff training plan for 2017/18. To ensure that staff are well integrated and orientated at SAHRA, the Entity developed and implemented an orientation programme for all new and old staff.

Professional and capacitated heritage resources management sector

SAHRA's role within the heritage sector also includes the dissemination of knowledge and ensuring that the heritage resources management sector is capacitated and able to efficiently assess and manage the national estate.

It is within this context that SAHRA was invited by the Sol Plaatje University to present SAHRIS to their heritage studies students. Direct engagement with students studying towards heritage related qualifications is vitally important to equip students with the necessary skills to be able to engage with heritage management related issues.

Representatives from SAHRA were also invited to present at the arid region management workshop in the Kgalagadi Transfrontier Park. SAHRA's involvement in this workshop was to provide guidance and training to park managers around the management of heritage resources.



Robben Island Heritage Site

PART C:
GOVERNANCE

PART C: GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

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

2. Portfolio Committees

On the 25th of October 2017, of the 2017/18 financial year, SAHRA was invited to attend 1 Portfolio Committee meeting on Arts & Culture.

3. The Accounting Authority/ the Council

Responsibilities and duties of the council

The primary role of the Council is to provide leadership to the Executives of the Entity in discharging the responsibilities assigned to it under its establishment statute (NHRA), the DAC policies, other relevant legislation and approved codes of good practice in governance and business behaviour.

Council members of SAHRA are valued as professionals on the basis of their individual expertise, and they are not to represent the sole interest of their companies or institutions. The functions below should be read with the governance manual developed by the DAC.

Function of the Council

Functions as outlined in section 14 read with section 16 and other relevant provisions of the NHRA, PFMA and other relevant legislations shall include the following:

- Run the affairs of SAHRA in line with the NHRA, the PFMA, DAC priorities, Medium Term Strategic Framework (MTSF), Medium Term Expenditure Framework (MTEF), the National Development Plan (NDP) and other relevant government strategies and policies.
- Set broad strategy for SAHRA to meet its objectives and performance targets.
- Ensure proper preparation of and approve Strategic and Annual Performance Plans, compliance reports, key procedures and policies.
- Approve decisions related to strategic initiatives such as commercial ventures, significant acquisitions, internal restructures and disposals.
- Approve the annual budget of SAHRA.
- Ensure that SAHRA follows corporate planning provided by the Minister of Arts & Culture, National Treasury and the DAC.
- Set SAHRA's values and standards of conduct and ensuring that these are adhered to, in the interest of stakeholders, employees, customers, suppliers and communities in which it operates and generally safe guarding the reputation of SAHRA.
- Provide leadership of SAHRA within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Set the direction, strategies and financial objectives and ensure that the necessary resources are available for SAHRA to meet its mandate and obligations.
- Always act in the best interest of SAHRA.

Council charter

The Council Charter was accordingly reviewed and approved by Council on the 27th January 2017, and can be found in the SAHRA Annual Performance Plan (2018/19) and SAHRA Shareholder's Compact of 2018/19.

Composition of the Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date of the end of the Term	Area of Expertise	Other Committees (e.g.: Audit committee)	No. of Meetings attended
Prof Susan Bouillon	Chairperson	1 August 2016	31 July 2019	Law & Planning	Business Development Committee (BDC)	11
Prof Ncedile Saule	Council Member	1 August 2016	31 July 2019	Language and Literature	Heritage Resources Management Committee (HRM)	9
Prof Henry Bredekamp	Council Member	1 August 2016	31 July 2019	Historical Research	Heritage Resources Management Committee (HRM)	10
Dr Gregory Houston	Council Member	1 August 2016	31 July 2019	Political Scientist & Research	Business Development Committee (BDC)	7
Dr Mthobeli Guma	Council Member	1 August 2016	31 July 2019	Medical Anthropology	Heritage Resources Management Committee (HRM)	9
Dr Antonia Malan	Council Member	1 August 2016	31 July 2019	Archaeology	Heritage Resources Management Committee (HRM)	9
Ms. Reyhana Gani	Council Member	1 August 2016	31 July 2019	Chartered Accountant	Audit & Risk Committee (ARC)	10
Dr Jonathan Sharfman	Council Member	1 August 2016	31 July 2019	Maritime Archaeology	Heritage Resources Management Committee (HRM)	7
Mr Mohlomi Masooa	Council Member	1 August 2016	31 July 2019	History	Human Resources & Remuneration Committee (HR & REMCO)	11
Mr Donald Lithole	Council Member	1 August 2016	31 July 2019	Heritage	Human Resources & Remuneration Committee (HR & REMCO)	8
Ms Thembeka Semane	Council Member	1 August 2016	31July 2019	Business Science	Audit & Risk Committee (ARC)	5
Ras Mpho Molapisi	Council Member	1August 2016	31 July 2018	Anthropology	Business Development Committee (BDC)	8
Mr Moses Makhweyane	Council Member	1August 2016	31 July 2019	Law	Human Resources & Remuneration Committee (HR & REMCO)	9

Committees of council

Committee	No. of meetings held	No. of members	Name of members
Human Resources and Remuneration Committee (HR & REMCO)	5	3	Mr Moses Makhweyane (Chairperson), Mr Donald Lithole and Mr Mohlomi Masooa.
Business Development Committee (BDC)	1	3	Ras Mpho Molapisi (Chairperson), Prof Susan Bouillon and Dr Greg Houston.
Heritage Resources Management Committee (HRM)	4	5	Prof Henry Bredekamp (Chairperson), Dr Mthobeli Guma, Dr Antonia Malan, Prof Ncedile Saule and Dr Jonathan Sharfman.
Audit & Risk Committee (ARC)	9	5	Adv Dave Mitchell (Chairperson), Ms Thembeka Semane, Mr Thomas Kgokolo, Mr Denga Ramuedzisi, Ms V Menye and Ms Reyhana Gani

Remuneration of Council members

- Members are remunerated per meetings attended.
- Members who are employed by the State are not remunerated.
- Travel, accommodation and meals are paid to members who attend meetings.
- The Chairperson and Chairperson of each subcommittee receive a cell phone allowance.

Total Expenses 2017/2018 for Council remuneration:

Expense	Amount R
Accommodation & meals	133 512
Airfares & bus tickets	1 005 046
Catering	75 896
Telephone	54 933
Total	**1 269 387**

Name Of Council Member	Total Remuneration Received R
Prof Susan Bouillon	179 965
Prof Ncedile Saule	59 752
Prof Henry Bredekamp	78 532
Dr Gregory Houston	32 542
Dr Mthobeli Guma	55 660
Dr Antonia Malan	55 660
Ms Reyhana Gani	48 697
Dr Jonathan Sharfman	43 791
Mr Mohlomi Masooa*	-
Mr Donald Lithole*	-
Ms Thembeka Semane	20 652
Ras Mpho Molapisi*	-
Mr Moses Makhweyane	102 425

* No remuneration for the year under review because the member works for the Public Sector

4. Risk Management

The Executive Officer Heritage Information, Policy and Skills Development (HIPSD) is the Chief Risk Officer (CRO) for SAHRA and takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the Public Sector Risk Management Framework (PSRMF).

SAHRA's Risk Management Policy is based on the Enterprise Risk Management Framework published by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission and updated with the requirements of the PSRMF. The SAHRA ERM Policy provides a proactive, systematic and integrated approach to risk management.

A comprehensive analysis of key risks based on the SAHRA's objectives was undertaken to inform the operational and strategic risks which were further entrenched into the operational processes of the Entity. The risk registers was compiled by management under the guidance of Internal Audit and monitored accordingly by the Audit and Risk Management Committee and Council. In the quest by SAHRA to improve risk management processes, a full review of the strategic risks was performed by Management to ensure that risks are aligned to the strategic objectives of the Entity.

The risk management process put in place by management to improve the identification and management of risks included amongst others:

- Facilitating/ attending risk training workshops;
- Facilitating and coordinating the development of risk registers at strategic and operational levels and aligned to the Entity's strategic objectives;
- Entrenching risk management as a standard Agenda item in committee and unit meetings across the organisation;
- Review of the ERM Policy to reflect the current risk assessment methodology.

The Internal Audit Unit's 3 year rolling plan and annual risk-based plan was based on the updated Entity's Strategic and Operational Risks identified.

5. Internal Audit

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to persistently improve the operations of the Entity. It assists the Entity to accomplish its objectives by bringing a systematic, disciplined approach by evaluating and improving the effectiveness of risk management, control and governance processes. The following key activities are performed in this regard:

- Evaluate contributions made by Internal Audit to improving the risk management processes,
- Assist the CEO in maintaining adequate controls by evaluating those controls to determine their effectiveness, and by developing recommendations for enhancement or improvement.

Assess and make appropriate recommendations for enhancing or improving the governance processes in achieving the Entity's objectives

The functions of the Internal Audit Unit are executed by a co-sourced arrangement between the in-house Internal Audit Manager and SNG who were appointed for a period of three years to provide SAHRA with comprehensive internal audit services. Internal Audit has carried out its activities in accordance with the Internal Audit Charter which is reviewed and approved by the Chairpersons' of the Audit and Risk Committee and Council.

The following audits were conducted as per the 2017/18 risk-based Internal Audit Plan:

- Review of Quarterly Performance Information
- Human Resources and Payroll
- Supply Chain Management
- Predetermined Objectives: "SMART criteria"
- Information Technology General Controls Review
- Review of Key Controls
- Processing of Permits and Heritage Impact Assessments (HIA's) Review

6. Audit and Risk Committee

The Audit and Risk Committee is established as an oversight body, providing independent oversight in evaluating the adequacy and efficacy of risk management, control and governance processes in the Entity, which include oversight and responsibilities relating to amongst others, the:

- Internal Audit Unit;
- Internal Control and Financial Control;
- External Audit (Auditor-General of South Africa - AGSA);
- Financial reporting and Accounting practices;
- Annual Financial Statements and Accounting policies;
- Performance Management Systems;
- Risk Management processes and Fraud Prevention;
- Compliance with laws and regulations.

The table below discloses relevant information on the Audit and Risk Committee members.

Name	Qualifications	Internal or external	Date appointed	Date Resigned/ Term-ended	No. of Meetings attended
Ms Reyhana Gani	Chartered Accountant	External	24 August 2013	Term-ended in 31 July 2016 and reappointed in October 2016	5
Adv Dave Mitchell	Chartered Accountant & Advocate	External	01 December 2011	Term-ended 30 November 2017	7
Ms Thembeka Semane	BCom Accounting	External	18 October 2013	31 July 2016 and Re-appointed in August 2017	2
Mr Vhonani Denga Ramuedzisi	Chartered Accountant	External	01 June 2015	-	7
Mr Thomas Kgokolo	Chartered Accountant	External	01 June 2015	Resigned in August 2017	5
Ms Vuyokazi Menye	BSc in Computer Science and currently finishing Master in Business Administration	External	24 June 2017	-	7

7. Fraud and Corruption

SAHRA has adopted the Fraud Prevention Strategy which confirms the Entity's zero tolerance stance towards fraud and corruption. Various channels for reporting allegations of fraud and corruption exist, which includes, amongst others, the SAHRA Fraud hotline email address fraud@sahra.org.za; which one can also access via SAHRA's website.

The Fraud Prevention process is managed by the Internal Audit unit within SAHRA and all allegations received through the various reporting channels is recorded in a Fraud Register which is used as a tool to monitor and report on progress made. These cases are reported quarterly to the Audit and Risk Committee.

The following measures were put in place to create awareness of fraud and corruption in the work place:

- Fraud Prevention Communication sessions
- Branding the Entity with banners and posters
- Fraud Prevention email communications
- Awareness raised on SAHRA's social media platforms

The cases received to date through the fraud prevention channels was not fraud related, but complaints that have been redirected to the relevant units within SAHRA to address. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, the representative to whom they report the matter to is obligated to keep their identities confidential, if so requested.

8. Minimising Conflict of Interest

The Entity has implemented a process where all new employees complete a conflict of interest form at the point of signing the employment contract. The signing of these forms is updated thereafter on an annual basis, and a Conflict of Interest Register is kept. Attendance registers of all formal meetings within the Entity has a standard Declaration of Interest column that needs to be completed by all attendees.

The current Fraud Prevention Strategy of the Entity highlights that any conflict of interest by any official within the Entity should be disclosed. Declaration of interest forms are sent out by the Human Resources unit, at least annually to all employees to declare any business and personal relationships /interests relating to the entity.

All members of Council and sub-committees are required to declare any conflict of interests at appointment as well as at every meeting. Operational units, such as certain Human Resources and Supply Chain Management meetings entails having to declare any conflict of interests based on its nature, prior to the commencement of meetings. No cases of conflict were identified in the Entity during this reporting period by Internal Audit or External Audit.

9. Code of Conduct

The code of conduct is provided to all new employees at the point of joining the Entity. All employees are then made to commit through signing the code that they are aware of it. SAHRA's bid adjudication and evaluation committees are also appointed in writing by the CEO and provided with the code of conduct upon appointment.

10 Health, Safety and Environmental Issues

As a public entity, SAHRA conforms to the requirements of the Occupational Health and Safety Act No 85 of 1993 and continuously ensures that the operating environment is safe and sound. There is a trained Health and Safety Committee in place and fire drills are conducted on a quarterly basis to familiarise the staff about evacuation procedures during unfortunate incidents of emergency including fire. Access to the buildings is controlled through a 24-hour physical security service to ensure safety of the SAHRA buildings and occupants.

11. Company Secretary

A Company Secretary must be appointed to attend and minute all Council meetings. The Company Secretary should have a detailed knowledge of the establishing legislation of the SAHRA and other legislation and government policies that affect SAHRA. Apart from the administrative responsibilities, the Company Secretary will among other things:

- Advise Council on the implementation of corporate governance programs.
- Maintains a direct line of communication to the Council Chairperson.
- Provides direct support to Council and guides Executive Management on issues related to Council.
- Provides a central source of guidance and advice to Council, on matters of good corporate governance, legal obligations and ethical conduct, as well as providing administrative support to the Council and its Committees.
- Provides guidance and advice to Council on how to discharge their responsibilities in the best interest of SAHRA.
- The Company Secretary ensures that the procedure for the appointment of Council is properly carried out and she assists in the proper induction, orientation and development of Council, including assessing the specific training needs of Council and Executive Management in their fiduciary and other responsibilities.

12. Social Responsibility

The Entity is playing its part in promoting Heritage as a choice of career by appointing nine heritage-related interns within SAHRA for a period of twelve months. Eight of these interns have been placed via a CATHSSETA discretionary grant.

13. Audit Committee Report

The Audit and Risk Committee of the South African Heritage Resources Agency is pleased to present the report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act, which stipulates that:

- "An accounting authority for a public entity must ensure that public entity has and maintains a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77"; and
- Treasury Regulation 3.1.13 which stipulates that," The audit committee may communicate any concerns it deems necessary to the executive authority, the relevant treasury and/or the Auditor-General".

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.

Membership and attendance

The audit committee was appointed by the Council. The committee consists of four independent persons including two non-executive members of SAHRA council. The committee members collectively have the necessary business management skills, financial skills, IT Governance skills and experience to fulfil their responsibilities on this committee.

The chairperson of the committee was appointed in February 2018 after the term of the previous chairperson expired.

The committee meets at least quarterly in accordance with the approved committee charter and the terms of reference.

The Chief Executive Officer, Chief Financial Officer, Internal Audit Manager, Chief Risk Officer and external auditors are permanent invitees to each meeting. Representatives from the Auditor General have been invited to all the committee meetings.

During the year, closed sessions were also held for committee members only, as well as with internal audit, external audit, risk, finance and management.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit reports, which were based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with management . Areas of concern around inadequate internal controls, governance and risk management were brought to the attention of management. These were followed up by internal audit to evaluate the effectiveness of management in addressing identified shortcomings and in implementing remedial actions as recommended.

Inadequacies in supply chain management practices, capacity and funding are receiving the close attention of Council.

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

- Adhoc Assignment – Review of Satellite Office Petty Cash;
- Payroll and Leave management Review;
- Asset Management Review;
- Review of the Processing of Permits and HIAs;
- Information Technology General Controls Review;
- Review of PDO's SMART Criterion;
- Quarterly review of Portfolio of Evidence; and
- Mid – year review of Key Controls.

In-Year Management and Monthly/Quarterly Report

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

The public entity has fulfilled all its responsibilities by submitting quarterly financial and performance reports to the Executive Authority and National Treasury. It has also submitted its strategic plan, annual performance plan and annual budget for approval.

Internal financial control

The committee is responsible for assessing the systems of internal financial controls, after considering:

- Reports from internal audit, external auditors and management; and
- Significant issues raised by the internal and external audit process, including how these were resolved.

Based on these processes and assurances from the various assurance providers, the committee is satisfied with the adequacy and effectiveness of the system of internal financial controls.

Evaluation of Financial Statements

We have reviewed the annual financial statements for the financial year ended 31 March 2018 prepared by the public entity. The annual financial statements were prepared using appropriate accounting policies. The committee therefore recommended the approval of the annual financial statements to the Council, which approved these in May 2018.

Auditor's Report

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

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

Overall Audit Outcome

It is with great pleasure to report that for the 2017/18 financial year end, SAHRA achieved a clean audit for the first time and is commendable that the entity is stable and has adequate financial, performance, governance and compliance controls in place. This is an indication of management's commitment towards efficiency and overall effectiveness within the entity.

Vuyokazi Menye
Chairperson of the Audit and Risk Committee

South African Heritage Resources Agency


Bushmanskloof Cederberg

PART D:
HUMAN RESOURCE MANAGEMENT

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

SAHRA has been busy with the implementation of many projects this year in order to improve human resource management holistically. The Entity continued with the implementation of bursaries, the Workplace Skills Training Plan and the Performance Management System in order to encourage career development and productivity of its employees. In addition to this, SAHRA has implemented its performance management framework including performance agreements and reviews which were concluded by all staff. The Entity also implemented regular employee wellness interventions and has an agreement with an employee wellness service provider to provide counselling services to employees when required.

SAHRA is working directly with Higher Education Institutions to attract professionally qualified heritage professionals through the CATHSSETA Internship Programmes. The Entity submitted their first Training Report to CATHSSETA this financial year.

Payroll and the employee information systems were stabilised to such an extent that there were no Human Resource related audit findings for this financial year. Lastly a benchmarked salary structure was implemented for the entity for Salary Level D, going forward it is anticipated that benchmarking for other levels will take place once more funding is available.

HR priorities for the year under review and the impact of these priorities

STRATEGIC CONCERN	IMPACT
Organisational development strategic partner	HR conducts an Annual Staff Satisfaction Survey that measures employee satisfaction, highlight staff concerns and identify remedying measures.
Human resource administrative excellence	The Auditor General Audit gave Human Resources a clean bill of health.
Training and Development	SAHRA has granted twelve (12) bursaries during this financial year and has implemented 91% of its Training Plan. The entity has also hosted twelve (12) interns in the organisation.
Finance	The HR Unit has a reliable Compensation Budget in place.
Recruitment and Selection	SAHRA continued to appoint high-calibre employees with commensurate qualifications and experience.
Employee relations and management services	SAHRA conducted regular Employee Wellness Interventions and has an agreement with an employee wellness service provider.
Organisational and staff development services	The organisation's Training Plan is still focused on addressing the needs as identified in the 2015 Skills Audit.
Employment equity and diversity services	The Employment Equity and Training Committee has quarterly meetings. The Committee has divided into Sub-Committees to give more focused attention on working environment, policies- and procedures, bursaries and communication. SAHRA approved a new Employment Equity Plan for the period 1 September 2017 – 31 August 2022.
Policy and planning	The HR Unit has developed or reviewed four Human Resources Policies that has been communicated to staff. A new policy that was developed is the Training and Development Policy.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 1: Personnel Cost by Programme

Programme	Total Expenditure for the Entity	Personnel Expenditure	Personnel Expenditure as a % of total exp.	No. of employees	Average personnel cost per employee
Office of the CEO	11,029,065	6,371,298	11%	16	398,206
Finance	10,040,489	5,573,277	9%	11	506,662
Corporate Services	16,969,872	9,468,362	16%	18	526,020
Heritage Conservation Management	14,717,971	10,804,157	18%	20	540,208
Heritage Info, Policy & Skills Development	7,357,501	4,466,549	7%	14	319,039
TOTAL	**60,114,898**	**36,683,643**	**61%**	**79**	**464,350**

* In addition to the above R 36 683 643, SAHRA made Medical Aid Contriutions to the annual value of R 184 832 towards 6 retirees as post retirement benefits

Table 2: Personnel Cost by Salary Band

Salary Band	Personnel Expenditure	No. of employees	Average personnel cost per employee
Senior Management	6,371,298	6	1,061,883
Professionally Qualified	5,573,277	14	398,091
Skilled & Academically Qualified	9,468,362	45	210,408
Semi-Skilled	10,804,157	7	1,543,451
Unskilled	4,466,549	7	638,078
TOTAL	**36,683,643**	**79**	**464,350**

* In addition to the above R 36 683 643, SAHRA made Medical Aid Contriutions to the annual value of R 184 832 towards 6 retirees as post retirement benefits

Table 3: Employment Changes

Salary Band	Appointments	Terminations	No. of employees at the end of the period
Senior Management	0	0	6
Professionally Qualified	1	3	14
Skilled & Academically Qualified	9	8	45
Semi-Skilled	0	0	7
Unskilled	0	0	7
Grand Total	**10**	**11**	**79**

Table 4: Reasons for Staff Leaving

Reasons	Number of Employees	% of total no. of staff leaving
Resignation	6	55%
End of Contract	4	36%
Dismissal	1	9%
Grand Total	**11**	**100%**

Explanations: Staff left mainly due to career progression and higher salaries. The heritage sector is small which is leaving SAHRA vulnerable for ‘poaching’.

Table 5: Labour Relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Counselling	1
Verbal Warning	0
Written Warning	0
Final Written Warning	1
Dismissal	1
Total	**3**

Table 6: Employment Equity Status

Total Employees												
EE Level	**South African**							**South African Total**	**Foreign National**		**Foreign National Total**	**Grand Total**
	M			**F**					**M**	**F**		
	A	**C**	**W**	**A**	**C**	**I**	**W**		**A**	**W**		
Senior Management	2			3			1	6				6
Professionally Qualified	4		1	4	4		1	14				14
Skilled & Academically Qualified	9	4	3	19	1	1	6	41	1	1	2	43
Semi-Skilled	3	3				1		7				7
Unskilled		3		3	1			7				7
Grand Total	**18**	**10**	**4**	**29**	**6**	**2**	**8**	**75**	**1**	**1**	**2**	**79**
Disabled Employees												
EE Level	**South African**							**South African Total**	**Foreign National**		**Foreign National Total**	**Grand Total**
	M			**F**					**M**	**F**		
	A	**C**	**W**	**A**	**C**	**I**	**W**		**A**	**W**		
Skilled & Academically Qualified				**1**		**1**		**2**				**2**

* Included in the 79 Employees 2 employees with disability

Table 7: Training Costs

Salary Band	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Costs	Avg training cost per employee	No. of employees
Senior Management	6,371,298	27,500	0.4%	4,583	6
Professionally Qualified	5,573,277	68,750	1%	4,911	14
Skilled & Academically Qualified	9,468,362	206,250	2%	4,583	45
Semi-Skilled	10,804,157	32,083	0.3%	4,583	7
Unskilled	4,466,549	55,000	1%	7,857	7
Grand Total	**36,683,643**	**389,583**	**1%**	**4,931**	**79**

Taung

PART F:
FINANCIAL INFORMATION REPORT

PART F: FINANCIAL INFORMATION REPORT

Country of incorporation and domicile	South Africa
Nature of business and principal activities of South Africa.	Identify, develop, conserve, protect, promote and manage the national heritage estate
Accounting Authority	Baduza, V Taung (Ms) Bouillon, S (Prof) Bredekamp, H C (Prof) Gani, R (Ms) Guma, P M (Dr) Houston, G (Dr) Kgokolo, T (Mr) Lithole, K D (Mr) Makhweyane, M T (Mr) Malan, A (Dr) Masooa, M E (Mr) Molapisi, J M (Ras) Nkhasi Lesaoana,K (Ms) Saule, N (Prof) Semane, T (Ms) Sharfman, J (Dr)
Business address	111 Harrington Street Cape Town 8001 Postal address P.O. Box 4637 Cape Town 8000
Bankers	ABSA Bank Limited South African Reserve Bank Nedbank Limited

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Heritage Resources Agency set out on pages 5 to 66, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Heritage Resources Agency as at 31 March 2018,and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). Myresponsibilitiesunderthosestandardsarefurt herdescribedintheauditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriateto provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern , disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the public entity orto cease operations, or has no realistic alternative but to do so.

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

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

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

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performedprocedures to identify findings but not to gather evidence to express assurance.

11. My procedures address the reported performance information, which must be based onthe approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in theplanning documents. My procedures also did not extend to any disclosures or assertionsrelating to planned performance strategies and information in respect of future periodsthat may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 - business development	35-39
Programme 3 - public engagement	41 -44

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents . I performed further procedures to determine whetherthe indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid,accurate and complete.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2 - business development
- Programme 3 - public engagement

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 30 to 44 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Report on the 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 public entity withspecific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the chief executive officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

20. 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.

21. 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.

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

Internal control deficiencies

23. 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 on it. I did not identify any significant deficiencies in internal control.

Other reports

24. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

25. An independent consultant is currently investigating an allegation of the possible misappropriation of the public entity's assets through procurement processes at the request of the Department of Arts and Culture, which covers the 2015-16 and 2016-17 financial periods. The outcome of the investigation is expected by 30 November 2018.

Auditor General

Cape Town

31 July 2018

AUDITOR - GENERAL

SOUTH AFRICA

Auditing to buils public confidence

Annexure - Auditor-general's responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

2. Annual Financial statement for the year ended 31 March 2017

Accounting Authority's Responsibilities and Approval

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

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

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

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

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

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, has every reason to believe that SAHRA will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financialstatements.

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

The financial statements set out on pages 4 to 66, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 May 2018 and were signed on its behalf by:

Prof Susan Bouillon
SAHRA Council Chairperson

Accounting Authority's Report

The members of the Accounting Authority submit their report for the year ended 31 March 2018

1. Review of activities

1.1 Main business and operations

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

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

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

Our business and operations includes amongst other things to promote and encourage public understanding and enjoyment of the national estate and public interest and involvement in the identification, assessment, recording and management ofheritage resources; promote education and training in fields related to the management of the nationalestate.

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

2. Going concern

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

3. Subsequent events

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

Statement of Financial Position as at 31 March 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Assets			
Current Assets			
Operating lease asset	9	864 275	874 192
Receivables from exchange transactions	3	953 627	885 130
Cash and cash equivalents	4	35 649 791	33 948 995
		37 467 693	**35 708 317**
Non-Current Assets			
Investment property	5	23 283 605	23 399 077
Property, plant and equipment	6	20 725 607	21 597 388
Intangible assets	8	524 836	581 067
Heritage assets	7	12 063 655	12 059 924
Operating lease asset	9	20 037 518	19 153 409
		76 635 221	**76 790 865**
Total Assets		**114 102 914**	**112 499 182**
Liabilities			
Current Liabilities			
Operating lease liability	9	34 383	84 403
Payables from exchange transactions	10	4 246 460	5 880 612
Employee benefit obligation	12	169 912	209 433
Unspent conditional grants and receipts	13	3 751 825	3 564 520
		8 202 580	**9 738 968**
Non-Current Liabilities			
Other financial liabilities	11	2 861 695	2 855 650
Operating lease liability	9	-	27 151
Employee benefit obligation	12	3 914 961	4 927 422
		6 776 656	**7 810 223**
Total Liabilities		**14 979 236**	**17 549 191**
Net Assets		**99 123 678**	**94 949 991**
Reserves			
Revaluation reserve	33	25 530 604	25 530 604
Accumulated surplus		73 593 074	69 419 387
Total Net Assets		**99 123 678**	**94 949 991**

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Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue			
Revenue from exchange transactions			
Permit fees		32 200	34 350
Rental income		1 987 760	1 908 102
Other income	16	93 832	139 282
Interest received - investment	21	2 147 326	2 329 239
Total revenue from exchange transactions		**4 261 118**	**4 410 973**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	15	57 861 000	51 125 000
Public contributions and donations	14	721 330	15 762
Total revenue from non-exchange transactions		**58 582 330**	**51 140 762**
Total revenue	14	**62 843 448**	**55 551 735**
Expenditure			
Salaries and benefits	20	(36 683 643)	(34 657 416)
Depreciation and amortization		(1 787 252)	(2 009 418)
Impairment loss	8	(20 336)	-
Finance costs	18	(220 811)	(29 342)
Bad debts expense	17	(370 110)	(207 239)
Repairs and maintenance		(680 185)	(1 510 002)
General expenses	19	(20 352 560)	(45 058 424)
Total expenditure		**(60 114 897)**	**(83 471 841)**
Operating surplus (deficit)		**2 728 551**	**(27 920 106)**
Actuarial gains/(losses)		1 380 819	520 342
Gain/(losses) from disposal of assets		64 316	(33 815)
(Deficit) / surplus for the year		**4 173 686**	**(27 433 579)**

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus or (Deficit)	Total net assets
Opening balance as previously reported	25 530 604	97 778 271	123 308 875
Adjustments			
Correction of errors	-	(925 307)	(925 307)
Balance at 01 April 2016 as restated*	**25 530 604**	**96 852 964**	**122 383 568**
Changes in net assets			
Correction of errors	-	(92 980)	(92 980)
Net income (losses) recognised directly in net assets	-	(92 980)	(92 980)
Surplus for the year	-	(27 340 597)	(27 340 597)
Total recognised income and expenses for the year	-	(27 433 577)	(27 433 577)
Total changes	-	(27 433 577)	(27 433 577)
Balance at 01 April 2017 as restated*	**25 530 604**	**69 419 388**	**94 949 992**
Changes in net assets			
Surplus for the year	-	4 173 686	4 173 686
Total changes	-	4 173 686	4 173 686
Balance at 31 March 2018	**25 530 604**	**73 593 074**	**99 123 678**
Note(s)	33		

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Cash Flow Statement

Figures in Rand	Note(s)	2018	2017 Restated*
Cash flows from operating activities			
Receipts			
Grants		57 861 000	51 125 000
Interest income		2 147 326	2 329 239
Other cash receipts		1 171 103	25 913 177
		61 179 429	**79 367 416**
Payments			
Employee costs		(36 168 483)	(33 723 718)
Suppliers		(22 394 413)	(45 098 095)
Finance costs		(220 811)	(29 342)
		(58 783 707)	**(78 851 155)**
Net cash flows from operating activities	23	**2 395 722**	**516 261**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(700 971)	(366 764)
Purchase of intangible assets	8	-	(57 284)
Net cash flows from investing activities		**(700 971)**	**(424 048)**
Cash flows from financing activities			
Net movement on other financial liabilities		6 045	26 390
Net cash flows from financing activities		**6 045**	**26 390**
Net increase/(decrease) in cash and cash equivalents		**1 700 796**	**118 603**
Cash and cash equivalents at the beginning of the year		33 948 995	33 830 387
Cash and cash equivalents at the end of the year	4	**35 649 791**	**33 948 990**

Statement of Comparison of Budget and Actual Amounts

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental of facilities and equipment	1 200 000	-	**1 200 000**	1 113 568	**(86 432)**	
Rental Lease Straightlining	905 000	-	**905 000**	874 192	**(30 808)**	
Permit fees and other revenue	50 000	-	**50 000**	32 200	**(17 800)**	
Income - Other	-	-	**-**	93 832	**93 832**	
Financial instruments - Fee income	-	-	**-**	-	**-**	
Interest received - investment	280 000	-	**280 000**	2 147 326	**1 867 326**	32.1.2
Total revenue from exchange transactions	**2 435 000**	**-**	**2 435 000**	**4 261 118**	**1 826 118**	
Revenue from non-exchange transactions						
Deferred revenue	8 500 000	5 000 000	**13 500 000**	-	**(13 500 000)**	32.1.7 &32.2
Transfer revenue						
Government grants & subsidies	57 861 000	-	**57 861 000**	57 861 000	**-**	
Donations	-	-	**-**	721 330	**721 330**	32.1.6
Total revenue from non-exchange transactions	**66 361 000**	**5 000 000**	**71 361 000**	**58 582 330**	**(12 778 670)**	
Total revenue	**68 796 000**	**5 000 000**	**73 796 000**	**62 843 448**	**(10 952 552)**	
Expenditure						
Personnel	(39 699 623)	-	**(39 699 623)**	(36 683 643)	**3 015 980**	32.1.3
Depreciation and amortisation	(1 708 897)	-	**(1 708 897)**	(1 787 252)	**(78 355)**	
Finance costs	-	-	**-**	(220 811)	**(220 811)**	32.1.8
Impairment loss	-	-	**-**	(20 336)	**(20 336)**	
Provision for Bad Debt expense	(112 000)	-	**(112 000)**	(370 110)	**(258 110)**	32.1.4
Repairs and maintenance	(3 896 000)	11 000	**(3 885 000)**	(680 185)	**3 204 815**	32.1.9
General expenses	(23 379 480)	(5 011 000)	**(28 390 480)**	(20 352 560)	**8 037 920**	32.1.5
Total expenditure	**(68 796 000)**	**(5 000 000)**	**(73 796 000)**	**(60 114 897)**	**13 681 103**	
Operating Surplus/(Deficit)	-	-	-	2 728 551	**2 728 551**	
Actuarial gains/(Losses)	-	-	-	1 380 819	**1 380 819**	32.1.1
Gain/(losses) from disposal of assets	-	-	-	64 316	**64 316**	
Surplus/(Deficit) for the year	**-**	**-**	**-**	**4 173 686**	**4 173 686**	

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts	Difference between final budget and actual	Reference
Cash Flow Statement						
Grants	57 861 000	-	**57 861 000**	57 861 000	**-**	
Interest income	280 000	-	**280 000**	2 147 326	**1 867 326**	32.3.1
Other cash receipts	1 200 000	-	**1 200 000**	1 171 103	**(28 897)**	32.3.2
Deferred revenue	9 455 000	5 000 000	**14 455 000**	-	**(14 455 000)**	32.3.3
	68 796 000	**5 000 000**	**73 796 000**	**61 179 429**	**(12 616 571)**	
Payments						
Employee costs	(37 437 000)	(2 263 000)	**(39 700 000)**	(36 168 483)	**3 531 517**	32.3.4
Suppliers	(28 641 000)	11 077 000	**(17 564 000)**	(22 394 413)	**(4 830 413)**	32.3.5
Finance costs	-	-	**-**	(220 811)	**(220 811)**	32.3.6
	(66 078 000)	**8 814 000**	**(57 264 000)**	**(58 783 707)**	**(1 519 707)**	
Net cash flows from operating activities	**2 718 000**	**13 814 000**	**16 532 000**	**2 395 722**	**(14 136 278)**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(9 530 000)	(4 000 000)	**(13 530 000)**	(700 971)	**12 829 029**	32.3.7
Cash flows from financing activities						
Proceeds from other financial liabilities	-	-	**-**	6 045	**6 045**	
Repayment of other financial liabilities	(23 000)	23 000	**-**	-	**-**	
Deferred income	2 000 000	-	**2 000 000**	-	**(2 000 000)**	32.3.8
Net cash flows from financing activities	**1 977 000**	**23 000**	**2 000 000**	**6 045**	**(1 993 955)**	
Net increase/(decrease) in cash and cash equivalents	**(4 835 000)**	**9 837 000**	**5 002 000**	**1 700 796**	**(3 301 204)**	
Cash and cash equivalents at the beginning of the year	33 948 995	-	**33 948 995**	33 948 995	**-**	
Cash and cash equivalents at the end of the year	**29 113 995**	**9 837 000**	**38 950 995**	**35 649 791**	**(3 301 204)**	

Accounting Policies

1. Presentation of Financial Statements

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

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

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

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

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

Impairment testing

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

Provisions

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

Useful lives of property, plant and equipment and other assets

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

Management assumes that website has an indefinite useful life.

Post retirement benefits

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

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Effective interest rate

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

Allowance for doubtful debts

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

Finance lease or operating lease

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

1.2 Investment property

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

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

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

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

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

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

Cost model

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

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

Item	**Useful life**
Land	indefinite
Buildings	75 years

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

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

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

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

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

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

1.3 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.4 Intangible assets

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

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

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

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

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

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

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

Item	Useful life
Computer software	2-10 years
Website	indefinite

Intangible assets are derecognised:

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

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

1.5 Heritage assets

The principal issues in accounting for heritage assets are the recognition of the assets. The National Heritage Resource Act 25, of 1999 describes Heritage Assets as follows: "Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations." The National Heritage Resource Act 25, of 1999 state the following regarding the nationale state:

(1) For the purposes of this Act, those heritage resources of South Africa which are of cultural significance or other special value for the present community and for future generations must be considered part of the national estate and fall within the sphere of operations of heritage resources authorities.

(2) Without limiting the generality of subsection (1) the national estate may include but not limitedto:

(a) places, buildings, structures and equipment, books, records, documents of cultural significance; SAHRA has adopted the following criteria in accessioning heritage assets:

(i) an item is important in the course, or pattern, of cultural or natural history;

(ii) an item has strong or special association with the life or works of a person, or group of persons, of importance in cultural or natural history;

(iii) an item is important in demonstrating aesthetic characteristics and/or a high degree of creative or technical achievement;

(iv) an item has strong or special association with a particular community or cultural group for social, cultural or spiritual reasons;

(v) an item has potential to yield information that will contribute to an understanding of cultural or natural history

(vi) an item possesses uncommon, rare or endangered aspects of cultural or natural history;

(vii) an item is important in demonstrating the principal characteristics of a class of cultural or natural places; or cultural or natural environments.

Classification of Heritage Assets

Assets valued have been categorised under the following headings:

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

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

i) The books are scarce copies from various sources and limited copies are available.
ii) No publishers are willing to reproduce these books
iii) The books will only be available for research purposes.
iv) The general public will not be allowed to take them out; they can only be viewed in the library.
v) The books will be held for an indefinite period, unless destroyed by circumstances beyond human control.

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

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

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

Recognition

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

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

Initial measurement

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

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

Valuation of heritage assets and library books

The method of valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43). The sale would be "arm's length" with no undue pressure on purchaser or seller. In determining the value of the library books, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role, however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; then plausible value can be applied by an experienced valuation professional.

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

a) In the case of specialised heritage buildings and other man-made heritage structures, such as monuments, SAHRA has used the market costs and replacement cost approach to determine fair values.

   i) An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.43).

ii) Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions.

Subsequent measurement

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

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

Impairment

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

Useful lives of Heritage Assets have been assessed as follows:

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

Derecognition

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

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

1.6 Financial instruments

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

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

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

Classification

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

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

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction directly for impairment or uncollectability in the case of a financial asset.

Fair value measurement considerations

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

Reclassification

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

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

Gains and losses

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

Impairment and uncollectibility of financial assets

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

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

Financial assets measured at amortised cost:

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

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

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

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

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

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

Financial liabilities

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

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

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

Presentation

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

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

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 Leases

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

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

Operating leases - lessor

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

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

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. Any contingent rents are recognised separately as revenue in the period in which they are received.

Operating leases - lessee

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

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

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

1.8 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

(a) the period of time over which an asset is expected to be used by the entity;or

(b) the number of production or similar units expected to be obtained from the asset by the entity.

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

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

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

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

Value in use

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

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

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of impairment loss

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

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

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

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

1.9 Impairment of non-cash-generating assets

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

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

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

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

Criteria developed by the entity to distinguish non-cash-generating assets from cash-generating assets are as follow: Cash-generating assets are assets that are held with the primary objective of generating a commercial return.

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

Identification

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

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

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

Value in use

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

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

Depreciated replacement cost approach

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

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of an impairment loss

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

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

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

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

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Other post-retirement obligations

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

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

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

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

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

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

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

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

1.11 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

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

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

A contingent liability is:

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

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

1.12 Revenue from exchange transactions Measurement

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

Interest

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

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

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

1.13 Revenue from non-exchange transactions

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

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

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

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be returned to the transferor if not deployed as specified.

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

Recognition

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

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

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Gifts and donations, including goods in-kind

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

1.14 Investment income

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

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Fruitless and wasteful expenditure

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

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

1.17 Irregular expenditure

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

(a) this Act;or

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

1.18 Budget information

The approved budget is prepared on a accrual basis.

The approved budget covers the 12 months ending 31 March 2018.

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

1.19 Related parties

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

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

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

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

1.20 Commitments

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

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

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

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2018 or later periods:

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financialstatements;
- defines the principle of control, and establishes control as the basis forconsolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate thatentity;
- sets out the accounting requirements for the preparation of consolidated financial statements;and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

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

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

It is unlikely that the standard will have a material impact on the entity's financial statements.

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

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

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated;and
- the effects of those interests on its financial position, financial performance and cashflows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

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

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

It is unlikely that the standard will have a material impact on the entity's financial statements.

3. Receivables from exchange transactions

Trade receivables	152 866	292 880
Deposits	163 071	150 882
Sundry receivables	637 690	441 368
	953 627	**885 130**

Reconciliation of receivables from exchange transactions

Trade receivables	806 708	614 813
Sundry Receivables	637 690	441 368
Deposits	163 071	150 882
Less impairment allowances	(653 842)	(321 933)
	953 627	**885 130**

No trade and other receivables were pledged as security.

Credit quality of trade and other receivables

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

Trade and other receivables past due but not impaired

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

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

Figures in Rand

The ageing of amounts past due but not impaired is as follows:

	2018	2017
30 days	3 610	24 909
60 days	610	1 690
90 days	13 320	-
More than 90 days	610	112 585

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of R 806 708 (2017: R 614 813) were impaired and provided for.

The amount of the impairment allowance was R (653 842) as of 31 March 2018 [2017: R (321 933)].

The ageing of these receivables is as follows:

	2018	2017
30 days	44 167	40 406
60 days	14 171	39 303
90 days	75 814	38 953
More than 90 days	654 406	356 987

Reconciliation of allowance for impairment of trade and other receivables

	2018	2017
Opening balance	321 933	286 121
Provision for impairment	345 008	180 486
Amounts written off as uncollectible	(13 099)	(144 674)
	653 842	**321 933**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6 500	6 500
Bank balances	4 963 370	3 658 973
Short-term deposits	30 679 921	30 283 522
	35 649 791	**33 948 995**

Restrictions on use of cash and cash equivalents

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

At the reporting date the amounts subject to restrictions were:

	2018	2017
A Galla Workshops	1 408	1 312
A Skakanga Trust Fund	1 457	1 357
Almshouse	2 127	1 981
Australian War Graves	127 856	119 108
Bellingham	5 817	5 419
Bethanie Restoration Trust	22 990	21 417
Bien Donne Restoration Trust	191 756	178 636
Bo-Kaap Trust	8 172	7 613
Constitution Hill	1 942	1 809
Dutch Reformed Church Somerset West	3 088	2 877
Department of Arts and Culture projects	23 228 753	20 407 397
Sanlam 2002 - Moffat Mission	7 903	7 362
Dutch Reformed Church Ladies Association	62 758	58 465
Empire Road	25 620	23 867
Esme Lownds	38 584	36 003
Fort Armstrong	2 185	2 036
Genadendal Bequest	461 286	616 408
Getty Foundation	1 251	1 165
Hugo Vault	12 784	11 909
Klein Bosch Cemetery	3 790	3 530
La Motte	19 690	18 284
Langehoven`s Arbeidsgenot	44 450	41 408
Lemana Cottage	88 189	82 155
MM Hill Trust Fund	619 882	577 470
Mackie Niven	10 557	12 028
Mamre Projects	21 147	19 700
Matjes River Leaky Foundation	56 511	52 644
Mgwali Mission Church	63 060	58 745
NMC Publications Trust Fund	34 026	31 698
National Geographic Footprint	21 831	20 338
Oppenheimer Geological	526 712	490 755
Owl House Trust Funds	56 632	52 757
Sanlam Award, De Bult	14 714	13 707
Sanlam Fund, Waenshuiskranz	44 092	41 076
Sanlam,Steinkopf Mission	3 867	3 603
Sanlam, Valdezia	3 201	2 982
Sharley Cribb Nursing Home	10 081	9 392
Sontonga Memorial Fund	3 494	3 255
St Stephen's Church	8 541	7 956
Steinkopf Mission Church	593	552
Strand Street Lutheran Church	21 978	20 474
Vrijstatia Association	16 774	15 627
Wouterson Wessels Vault	1 977	1 842
Rowland and Leta Hill	7 094	6 609
Ansteys Building	169 057	157 490
Egazini	7 670	7 145
Sanlam Award-Potolozi	1 214	1 131
Sanlam 2003 Medigen Church	1 648	1 536
British War Graves	1 092	1 017
Makapans Cave	2 003 965	1 882 385
Makgabeng	1 059 203	995 185
ICCROM	63 584	59 234
Maritime projects	288 122	290 360
	29 506 175	**26 490 211**

5. Investment property

Figures in Rand	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	**23 790 000**	**(506 395)**	**23 283 605**	**23 790 000**	**(390 923)**	**23 399 077**

Reconciliation of investment property - 2018

	Opening balance	Depreciation	Total
Investment property	**23 399 077**	**(115 472)**	**23 283 605**

Reconciliation of investment property - 2017

	Opening balance	Transfers	Depreciation	Total
Investment property	**16 419 502**	**7 090 000**	**(110 425)**	**23 399 077**

Reconciliation of investment property - 2018

	Opening balance	Transfers	Depreciation	Total
Land	15 123 722	-	-	15 123 722
Buildings	8 275 355	-	(115 472)	8 159 883
	23 399 077	**-**	**(115 472)**	**23 283 605**

Reconciliation of investment property - 2017

	Opening balance	Depreciation	Total
Land	9 687 562	-	15 123 722
Buildings	6 731 941	(110 425)	8 275 356
	16 419 503	**(110 425)**	**23 399 078**

Cost of investment properties as per the valuation done on the 31 March 2016.

The land and buildings included in investment property are listed below. The land and buildings were revalued as at 31 March 2016 by an independent valuer. The method of valuation employed was the market value and replacement cost approach. The market value and replacement cost was determine by taking the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. Also taking into account the current cost of a similar asset offering equivalent utility. The investment properties do not experience significant and volatile changes in fair value, thus taking cost vs benefit into account management will only make use of an independent professional valuator every three years. Frequent revaluations are unnecessary for investment property with only insignificant changes in fair value.

The fair value of the individual investment properties as per the valuation done on the 31 March 2016 are listed below:

Figures in Rand

Land and Buildings 2018	Land	Buildings	Total
Fisherman Cottage	847 600	352 400	1 200 000
Welcome Cottage	399 700	1 500 300	1 900 000
Mooimeisiesfontein	316 087	293 913	610 000
Dal Josafat	6 978 575	4 711 425	11 690 000
Valkenburg	1 145 600	154 400	1 300 000
Het Posthuys, Muizenburg	3 954 000	246 000	4 200 000
Onderdal School, Wellington	174 560	765 440	940 000
Old Gaol, Grahamstown	1 307 600	642 400	1 950 000
	15 123 722	**8 666 278**	**23 790 000**

Land and Buildings 2017	Land	Buildings	Total
Fisherman Cottage	847 600	352 400	1 200 000
Welcome Cottage	399 700	1 500 300	1 900 000
Mooimeisiesfontein	316 087	293 913	610 000
Dal Josafat	6 978 575	4 711 425	11 690 000
Valkenburg	1 145 600	154 400	1 300 000
Het Posthuys, Muizenburg	3 954 000	246 000	4 200 000
Onderdal School, Wellington	174 560	765 440	940 000
Old Gaol, Grahamstown	1 307 600	642 400	1 950 000
	15 123 722	**8 666 278**	**23 790 000**

Amounts recognised in surplus and deficit for the year		
Rental income	**873 996**	**972 613**
Direct operating expenses arising from investment property that generated rental income		
Rates and taxes	196 995	148 407
Water and electricity	559 889	339 956
	756 884	**488 363**

Repairs and maintenance related to investment properties		
Land	-	123 480
Building	354 121	728 673
	354 121	**852 153**

Land to the value of R 5 436 160 and buildings to the value of R1 653 840 were reclassified from heritage assets to investment property in 2017 as they were repurposed to generate income.

6. Property, plant and equipment

Figures in Rand	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 300 000	-	2 300 000	2 300 000	-	2 300 000
Buildings	15 400 000	(410 667)	14 989 333	15 400 000	(205 334)	15 194 666
Leasehold property	891 478	(713 164)	178 314	891 478	(410 500)	480 978
Plant and equipment	1 925 767	(1 076 560)	849 207	1 771 544	(859 379)	912 165
Furniture and fixtures	1 965 108	(1 301 766)	663 342	1 965 108	(1 032 928)	932 180
Motor vehicles	1 641 158	(797 246)	843 912	1 601 278	(1 021 748)	579 530
IT equipment	2 975 834	(2 662 726)	313 108	2 807 979	(2 251 821)	556 158
Vessels	611 080	(342 070)	269 010	611 080	(314 128)	296 952
Library books	571 938	(253 049)	318 889	542 782	(198 515)	344 267
Non Current Assets held for sale	492	-	492	492	-	492
Total	**28 282 855**	**(7 557 248)**	**20 725 607**	**27 891 741**	**(6 294 353)**	**21 597 388**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 300 000	-	-	-	2 300 000
Buildings	15 194 666	-	-	(205 333)	14 989 333
Leasehold property	480 978	-	-	(302 664)	178 314
Plant and equipment	912 165	154 222	-	(217 180)	849 207
Furniture and fixtures	932 180	-	-	(268 838)	663 342
Motor vehicles	579 530	471 113	(81 024)	(125 707)	843 912
IT equipment	556 158	190 637	-	(433 687)	313 108
Vessels	296 952	-	-	(27 942)	269 010
Library books	344 267	29 157	-	(54 535)	318 889
Non Current Assets Held for Sale	492	-	-	-	492
	21 597 388	**845 129**	**(81 024)**	**(1 635 886)**	**20 725 607**

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Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Land	2 300 000	-	-	-	2 300 000
Buildings	15 400 000	-	-	(205 334)	15 194 666
Leasehold property	749 394	25 949	-	(294 365)	480 978
Plant and equipment	942 244	173 386	(494)	(202 971)	912 165
Furniture and fixtures	1 224 167	-	-	(291 987)	932 180
Motor vehicles	751 269	-	-	(171 739)	579 530
IT equipment	1 023 821	167 428	(30 101)	(604 990)	556 158
Vessels	324 894	-	-	(27 942)	296 952
Library books	385 212	13 352	-	(54 297)	344 267
Non Current Assets Held for Sale	2 480	-	(1 988)	-	492
	23 103 481	**380 115**	**(32 583)**	**(1 853 625)**	**21 597 388**

The land and buildings included in the property, plant and equipment is 109/111 Harrington Street which is a declared provincial heritage site in Government Notice No. 2517, as published in Government Gazette 12814 of 2 November 1990. The building was formerly known as Granite Lodge and it is now used as the head office of the South African Heritage Resources Agency.

Revaluation of land and buildings

The land and buildings were revalued as at 31 March 2016 by an independent valuer. The method employed in conducting revaluation was the Income Capitalisation Approach. The net normalised income of the property was determined based on the assumption that the property is fully let at open market rental; market escalation applies and incurs market related operating cost. The net normalised income is then capitalised into perpetuity using a market related capitalisation rate to reflect the open market value. The capitalisation rate was 9.5%.

The entity has leasehold assets in the hands of the lessee. The lease agreement placed restrictions over the assets.

Repairs and Maintenance related to property, plant and equipment	2018	2017
Land	-	5 900
Building	148 468	368 393
IT equipment	146 367	14 928
Motor vehicles	31 229	84 400
Plant and equipment	-	80 674
Leasehold property	-	18 500
	326 064	**572 795**

7. Heritage assets

	2018			2017		
	Cost / Valuation	**Accumulated impairment losses**	**Carrying value**	**Cost / Valuation**	**Accumulated impairment losses**	**Carrying value**
Art and artifacts	123 440	-	123 440	123 440	-	123 440
Library books	1 675 015	-	1 675 015	1 671 284	-	1 671 284
Land and buildings	10 265 200	-	10 265 200	10 265 200	-	10 265 200
Total	**12 063 655**	**-**	**12 063 655**	**12 059 924**	**-**	**12 059 924**

Reconciliation of heritage assets 2018

	Opening balance	Additions	Total
Art and artifacts	123 440	-	123 440
Library books	1 671 284	3 731	1 675 015
Land and buildings	10 265 200	-	10 265 200
	12 059 924	**3 731**	**12 063 655**

Reconciliation of heritage assets 2017

	Opening balance	Additions	Transfers	Total
Art and artifacts	123 440	-	-	123 440
Library books	1 668 874	2 410	-	1 671 284
Land and buildings	17 355 200	-	(7 090 000)	10 265 200
	19 147 514	**2 410**	**(7 090 000)**	**12 059 924**

Heritage assets which fair values cannot be reliably measured Library Books

Management define the fair value measurement as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state.

Library books and art and artefacts

The library books were fair valued as at 31 March 2015 by an independent valuer. The method of valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43). The sale would be at “arm’s length” with no undue pressure on purchaser or seller. In determining the value of the library books, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role.

The art and artefacts were fair valued as at 31 March 2015 by an independent valuer. The method of valuation employed was the fair value approach. Fair value measurement is defined as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43) The sale would be at “arm’s length” with no undue pressure on purchaser or seller. In determining the value of. The fine arts, antiques and collectibles, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role.

Following the evaluation and valuation that have been performed on the heritage assets on the 31 March 2015, heritage assets - library books and art and artifacts were retrospectively adjusted against the opening balance in the statement of financial position on the 01 April 2013. The professional valuers are of the opinion that the heritage assets do not experience significant and volatile changes in fair value, thus the retrospective adjustment against accumulative surplus was possible taking into account that the fair value would not have been significantly different at 31 March 2013:

Art and artefacts

Management define the fair value measurement as, the fair value of the assets herein described if exposed for sale in a second-hand market, allowing a reasonable period to find a purchaser who is well informed and buys with full knowledge of the collection in their current state. No commercial value could be determined for 91 art and artifact assets classified as heritage.

Land and buildings

The land and buildings included in heritage assets are listed below. The land and buildings were revalued as at 31 March 2016 by an independent valuer. The method of valuation employed was the market value and replacement cost approach. The market value and replacement cost was determined by taking the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. Also taking into account the current cost of a similar asset offering equivalent utility. The entity is responsible for coordinating the identification and management of heritage resources in the country. In principle the heritage properties are held in custody by SAHRA on behalf of the nation for the present and future generations.

Land and Buildings

Figures in Rand	2018	2017
Aggregate of items valued using deemed cost	710 000	710 000
Aggregate adjustment to the carrying amounts previously reported	1 900 000	1 900 000
Hugo Family Vault, Simon's Town	130 000	130 000
Kleinbosch Cemetery, Dal Josafat	10 000	10 000
Groenberg School, Wellington	1 010 000	1 010 000
Erf 56, Tulbagh	450 000	450 000
Erf 225, Tulbagh	470 000	470 000
The Lookout, Uitenhage	160 000	160 000
Old Congregation Church, Cradock	1 000 000	1 000 000
Old Residency, King Williamstown`s Town	1 100 000	1 100 000
Garden of Remembrance, Aliwal North	940 000	940 000
Burgher Monuments, Boomplaats	18 000	18 000
Union Masonic Temple, Kimberley	260 000	260 000
Moorddrift Monument, Potgietersrus	11 000	11 000
Old English Fort, Marabastad	27 000	27 000
Verduin Ruins, Soutpansberg District	4 800	4 800
Powder Magazine, Potchesfstroom	40 000	40 000
Old Fort and Cementery, Potchefstroom	120 000	120 000
Site of Dr. David Livingstone's House, Marico District	3 400	3 400
Blarney Cottage, Richmond	270 000	270 000
Birth Place of General Louis Botha, Greytown	30 000	30 000
Spioenkop Battlefield, Ladysmith	550 000	550 000
Elandslaagte Memorial, Ladysmith	22 500	22 500
Piet Retief's Grave, Ulundi	98 500	98 500
Mapoch's Caves, Roossenekal	670 000	670 000
Krugerhof, Waterval-Boven	260 000	260 000
	10 265 200	**10 265 200**

Repairs and maintenance related to heritage properties		
Land and building	-	85 054
Transfers		

During the 2017 financial year Land to the value of R 5 436 160 and buildings to the value of R1 653 840 were reclassified from heritage assets to investment property as they were repurposed to generate income

8. Intangible assets

Figures in Rand	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	431 871	(393 710)	38 161	431 871	(337 479)	94 392
Website - SAHRIS	486 675	-	486 675	486 675	-	486 675
Total	**918 546**	**(393 710)**	**524 836**	**918 546**	**(337 479)**	**581 067**

Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Impairment loss	Total
Computer software	94 392	(35 895)	(20 336)	38 161
Website - SAHRIS	486 675	-	-	486 675
	581 067	(35 895)	(20 336)	524 836

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	83 707	57 284	(1 232)	(45 367)	94 392
Website - SAHRIS	486 675	-	-	-	486 675
	570 382	**57 284**	**(1 232)**	**(45 367)**	**581 067**

Intangible assets with indefinite lives: SAHRIS is responsible for the management of the inventory of the National Estate and is an integrated and interactive system for the management of the national heritage resources. SAHRIS will be recognised into perpetuity as long as the requirements for it stipulated in NHRA remain in place. The impairment will be tested on an annual basis.

Figures in Rand	2018	2017

9. Operating lease asset / liability

Operating lease asset		
Non-current assets	20 037 518	19 153 409
Current assets	864 275	874 192
	20 901 793	**20 027 601**

Operating leases as lessor (income)		
Minimum lease payments due		
Within 1 year	109 088	99 171
In 2nd to 5th year inclusive	556 904	506 277
Later than 5 years	61 837 898	61 997 613
	62 503 890	**62 603 061**

Operating lease income represents rentals received by the entity from buildings owned.

Leases have terms between 1 and 65 years, with the option to extend for a further period. The rentals escalate at a rate of 10% per year on average.

Operating lease liability		
Current operating lease	34 383	84 403
Non current liabilities	-	27 151
	34 383	**111 554**

Operating lease liability		
Minimum lease payments due		
Within 1 year	453 281	1 347 802
In 2nd to 5th year inclusive	-	453 281
	453 281	**1 801 083**

Operating lease payments represent rentals payable by the entity for the renting at its regional offices. The leases were negotiated for a period of 36 months, with the option to renew. The rentals escalate at a rate of 8% per annum.

Operating lease payments represent rental payable by the entity for the mooring of its boat. The lease was negotiated for a period of 24 months with the option to renew. The rentals escalate at a rate of 10% per annum.

Operating lease payments rental payable by the entity for the renting of its Head Office space in 79 Roeland Street. The lease was negotiated for a period of 36 months with the option to renew. The rentals escalate at a rate of 8% per annum.

10. Payables from exchange transactions

Figures in Rand	2018	2017
Trade payables	685 592	645 795
Sundry payables	95 788	1 835 931
Accrued leave pay	1 349 092	1 208 330
Accrual for 13th cheque	843 524	797 963
Deposits received	48 228	43 978
Accruals	1 224 236	1 348 615
	4 246 460	**5 880 612**

11. Other financial liabilities

Designated at fair value	2018	2017
Trust liabilities	2 861 695	2 855 650

Trust liabilities reflect monies held in trust accounts to be used for a specific purpose or project such as the maintenance of a specifiedasset.

Reconciliation of Trust liabilities	2018	2017
Opening Balance	2 855 650	2 829 260
Expense on Trust funds	(801)	(1 162)
Interest Capitalised	206 846	187 552
Transfer from main account to trust funds for Genadendal	(200 000)	(160 000)
	2 861 695	**2 855 650**

Figures in Rand	2018	2017

12. Employee benefit obligations

Post retirement health care benefit

The amounts recognised in the statement of financial position are as follows:

Changes in the present value of the defined benefit obligation

Gross carrying amount at beggining of year	5 136 855	5 306 417
Current service cost	52 165	47 823
Interest cost	486 105	523 759
Past service cost	(209 433)	(220 802)
Actuarial (gain)/loss	(1 380 819)	(520 342)
	4 084 873	**5 136 855**

Accounted as follows

Non-current liabilities	(3 914 961)	(4 927 422)
Current liabilities	(169 912)	(209 433)
	(4 084 873)	**(5 136 855)**

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	5 136 855	5 306 417
Net expense recognised in the statement of financial performance	(1 051 928)	(169 562)
	4 084 927	**5 136 855**

Net expense recognised in the statement of financial performance:

Current service cost	52 165	47 823
Past service cost	(209 433)	(220 802)
Interest cost	486 105	523 759
Actuarial (gains) losses	(1 380 819)	(520 342)
	(1 051 982)	**(169 562)**

Valuation method

In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been applied. The assumption underlying the funding method is that the employer's postretirement medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age.

Figures in Rand	2018	2017
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	8.78 %	9.66 %
Expected rate of return on assets	7.76 %	8.92 %
Expected rate of return on reimbursement rights	0.95 %	0.68 %
Actual return on reimbursement rights	100.00 %	100.00 %
Proportion of employees opting for early retirement	90.00 %	90.00 %

Salaries

Salary inflation is only applicable to those members who participate on plan options which are income based. Therefore, only the health care cost inflation assumption is applicable to this membership group. In the event that there were any members participating on income-based plan options, we would assume no bracket creep i.e. that salary inflation keeps pace with the income brackets. This implicitly implies that the contributions keep in line with health care cost inflation.

The basis on which the discount rate has been determined is as follows:

Discount rate

It is a requirement of GRAP 25 that the valuation discount rate be equal to the actual long corporate bond yields. Since the South African market in corporate bonds is not sufficiently deep, it is accepted practice to use the South African Government Bonds as a proxy, with or without an additional margin to reflect corporate risk. The term maturity of such bond should be consistent with the term of the liability. Therefore, as required by GRAP 25, the valuation discount rate is based on the current long-term government bond yields, as provided by the Johannesburg Stock Exchange (JSE), at the point on the curve where the duration of the liability matches the duration of the yield curve generated by the bonds. No additional margin has been added.

Health care cost inflation

The health cost inflation was assumed to be 1.5% in excess of the expected inflation over the expected term of the liability.

It is assumed a net discount fractor of 0.95% per annum ([1+ 8.78%]/ [1 +7.76%] - 1).This year's valuation basis is therefore lighter than previous year's basis from a discount rate perspective.

Other assumptions

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the followingeffects:

Figures in Rand	2018	2017
	One percentage point increase	**One percentage point increase**
Effect on the aggregate of the service cost and interest cost	47 669	69 798
Effect on defined benefit obligation	464 898	636 985

Amounts for the current and previous four years are as follows:

	2018	2017	2016	2015	2014
	R	R	R	R	R
Defined benefit obligation	4 084873	5 136 855	5 306 417	4 934 088	4 103 982

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts		
Unspent grants	3 751 825	3 564 513
Movement during the year		
Balance at the beginning of the year	3 564 513	3 058 910
Additions during the year	(1 562)	(76 597)
Current year transfers	-	400 000
Income recognition during the year	188 874	182 200
	3 751 825	**3 564 513**

Reconciliation of unspent conditional grants and receipts

13.1 Makapan

Balance unspent at the beginning of the year	1 882 385	1 764 676
Conditions met and transferred to revenue	(781)	(958)
Interest earned	122 577	118 667
	2 004 181	**1 882 385**

Figures in Rand	2018	2017
Reconciliation of unspent conditional grants and receipts		
13.2 Makgabeng		
Balance unspent at the beginning of the year	995 185	933 600
Conditions met and transferred to revenue	(781)	(908)
Interest earned	64 799	62 493
	1 059 203	**995 185**
Reconciliation of unspent conditional grants and receipts		
13.3 GIS for South Africa		
Balance unspent at the beginning of the year	**144 342**	**144 342**
Reconciliation of unspent conditional grants and receipts Heading		
13.4 Dutch Projects		
Balance unspent at the beginning of the year	286 942	216 292
Conditions met and transferred to revenue	-	(71 313)
Interest earned	1 498	1 039
	288 440	**146 018**
Reconciliation of unspent conditional grants and receipts Heading		
13.5 Tourism interpretive signage in the iconic National Heritage sites in South Africa		
Current year transfers	**400 000**	**400 000**

13.1 Makapans

Makapans Valley Development

(Agreement signed in 28 August 2003, no required completion date noted).

The grant agreement indicates that money paid to SAHRA must be used for the specific purpose.

The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manneragreed.

Unspent funds at end of the project is to be paid back to the NLDTF.

13.2 Makgabeng

Write the history of Makgabeng and survey, research and document heritage resources in Makgabeng (Agreement signed in 11 June 2003, no required completion date noted).

Under the agreement, the money paid to SAHRA must be used for the specific purpose.

The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manneragreed.

Unspent funds at end of the project is to be paid back to the NLDTF.

13.3 GIS for South Africa

The project is between SAHRA and Embassy of the Kingdom of the Netherlands to provide both training and skills transfer from Dutchatners at the Riksdienst voor het Cultureel Erfgoed (RACM) in the Netherlands and computer hardware for GIS related data handling as part of the development. (Agreement signed on 06 November2015)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Kingdom of the Netherlands has the right to demand repayment if the money is not used for its intended purpose.

13.4 Dutch Projects

The project is between SAHRA and Cultural Heritage Agency to gather information about historical Dutch shipwrecks within South Africa territorial waters that have been subject to human intervention, principally non-archeological salvage and treasure hunting in nature. (Project plan signed on 23 November 2015)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Kingdom of the Netherlands has the right to demand repayment if the money is not used for its intended purpose

13.5 Tourism interpretive signage in the iconic National Heritage sites in SouthAfrica

The project is between SAHRA and Department of Tourism for the design, production and installation of tourism interpretivesignage in select national heritage sites in South Africa towards improving the quality of product offering for an increased and enhanced visitor experience. (Project plan signed on 29 November 2016)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Department of Tourism has the right to demand repayment if the money is not used for its intended purpose.

14. Revenue

Figures in Rand	2018	2017
Permit fees	32 200	34 350
Rental of facilities and equipment	1 987 760	1 908 102
Other income	93 832	139 282
Interest received - investment	2 147 326	2 329 239
Transfer payments	57 861 000	51 125 000
Public contributions and donations	721 330	15 762
	62 843 448	**55 551 735**

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

Permit fees	32 200	34 350
Rental income	1 987 760	1 908 102
Other income	93 832	139 282
Interest received - investment	2 147 326	2 329 239
	4 261 118	**4 410 973**

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Government grants and subsidies (Department of Art and Culture)	57 861 000	51 125 000
Donations	721 330	15 762
	58 582 330	**51 140 762**

Donations

Included in the 2018 donations is an amount of R 688 442 received as revenue in kind from National Treasury for paying for investigation costs on behalf of the entity and library books received from donors amounting to R 32 888.

Figures in Rand	2018	2017

15. Government grants and subsidies

Government grants and subsidies (Department of Artsand Culture)	57 861 000	51 125000

16. Other income

Other income (includes claims and refunds)	93 832	139 282

17. Debt impairment

Contributions to debt impairment provision	370 110	207 239

18. Finance costs

Finance costs	220 811	29 342

19. General expenses

Figures in Rand	2018	2017
Advertising	522 852	227 430
Auditors remuneration	2 225 289	1 861 692
Bank charges	48 975	45 277
Cleaning	169 696	153 176
Computer expenses	351 345	196 733
Consulting and professional fees	2 781 733	4 154 174
Lease rentals on operating lease	1 951 398	2 080 181
Catering and refreshments	236 815	269 619
Insurance	296 786	633 007
Publications	78 906	269 096
Motor vehicle expenses	111 787	128 858
Postage and courier	22 396	56 566
Printing and stationery	678 459	505 478
Security	460 724	527 750
Staff welfare	162 243	44 851
Staff membership fees	46 136	86 096
Telephone and fax	969 131	1 036 138
Heritage promotion	1 665 966	23 713 527
Travel expenditure	4 858 989	6 090 852
Consumables	8 492	22 992
Water and electricity	1 138 006	868 565
Uniforms	2 143	25 754
Council Fees	867 566	864 045
Staff bursaries	134 155	225 856
Conference costs	55 808	74 060
Workshops	391 441	501 485
Administrative expenses	25 353	44 631
Internal audit	89 970	350 535
	20 352 560	**45 058 424**

20. Salaries and benefits

Figures in Rand	2018	2017
Acting allowances	340 706	258 471
Basic	27 126 629	23 826 339
13th cheque	1 623 773	1 529 343
Housing benefits and allowances	732 720	901 459
Leave pay charge	277 489	468 988
Long-service awards	31 000	41 000
Medical aid - company contributions	1 642 330	1 554 878
Post- retirement health care benefits	538 270	571 582
Provident fund	3 430 733	3 185 375
Relocation and removal costs	78 707	8 903
SDL	322 129	-
Travel, motor car, accommodation, subsistence and other allowances	359 031	2 059 773
UIF	135 200	132 677
WCA	44 926	118 628
	36 683 643	**34 657 416**

Executive committee remuneration - 2018

	Annual Remuneration	13th Cheque	Leave paid out	Allowances	Total
V. Baduza	1 540 591	-	-	56 332	1 596 923
Chief Executive Officer Employment date: 01.02.2015			-		
Term 2018: 12 months	-	-		-	-
K. Nkhasi-Lesaoana	1 013 233	23 556	-	39 502	1 076 291
Executive Officer: Heritage Information Policy and Skills Development - Employment date: 01.12.2012					
Termination 30.11.2017 Re-employment 01.12.2017 Term 2018: 12 months	-	-	-	-	-
L.Malgas	993 917	-	-	12 000	1 005 917
Company Secretary					
Employment date: 01.12.2012 Termination 30.11.2017 Re-employment 01.03.2018					
Term 2018: 12 months	-	-	-	-	-
K Sekhabisa	752 607	-	-	8 000	760 607
Chief Finance Officer Employment date: 01.08.2017					
Term 2018: 7 months	-	-	-	-	-
D. Sibayi	1 019 130	80 520	-	6 000	1 105 650
Executive Officer: Heritage Conservation Management					
Employment date:01.08.1998 Term for 2018: 12 months	-	-	-	-	-
M. Krieg	932 390	37 047	-	29 806	999 243
Executive Officer: Corporate Services Employment date:01.11.2015					
Term for 2018: 12 months			-	-	
	6 251 868	**141 123**	**-**	**151 640**	**6 544 631**

2017	Annual Remuneration	13th Cheque	Leave paid out	Allowances	Total
V. Baduza	1 093 069	-	-	404 435	1 497 504
Chief Executive Officer Employment date: 01.02.2015					
Term 2017: 12 months					
K. Nkhasi-Lesaoana	774 118	46 022	-	137 317	957 457
Executive Officer: Corporate Affairs - Employment date: 01.12.2012					
Term 2017: 12 months					
L.Malgas	902 790	-	-	27 821	930 611
Company Secretary Employment date: 01.12.2012					
Term 2017: 12 months					
Motsisi	813 896	-	21 669	465 156	1 300 721
Chief Financial Officer Employment date: 07.01.2013					
Term 2017: 12 months (resigned 31 March 2017)					
Sibayi	959 351	75 680	-	1 000	1 036 031
Executive Officer: Heritage Resources Employment date:01.08.1998					
Term for 2017: 12 months					
M. Krieg	643 627	28 000	-	213 509	885 136
Executive Officer: Human Resources Employment date:01.11.2015					
Term for 2017: 12 months					
	5 186 851	**149 702**	**21 669**	**1 249 238**	**6 607 460**

20. Salaries and benefits (continued)

Figures in Rand	2018	2017
Council: Fees		
Makhanya, F. Mr (Chairperson) (term ended 31 July 2016)	-	41 098
Twala, C. (Dr) (term ended 31 July 2016)	-	33 931
Ndlovu, N. (Dr) (term ended 31 July 2016)	-	29 059
Ndlala, M.V. (Dr) (term ended 31 July 2016)	-	18 350
Burgess, J.P. (term ended 31 July 2016)	-	21 792
Makeka,M. Mr (term ended 31 July 2016)	-	3 822
Mogatusi,A.T (Adv) (term ended 31 July 2016)	-	14 908
Hill, P. Mr (term ended 31 July 2016)	-	3 442
Sindane, J. Ms (term ended 31 July 2016)	-	14 908
Winter, S. Ms (term ended 31 July 2016)	-	3 822
Bouillon, S. (Prof) (Chairperson)	179 965	100 267
Guma, P.M (Dr)	55 660	49 655
Saule, N. (Prof)	59 752	61 292
Bredekamp, H.C (Prof)	78 532	69 983
Masooa, M.E Mr *	-	-
Molapisi M. (Ras) *	-	-
Gani, R. Ms	48 697	77 654
Houston, G.(Dr)	32 542	57 352
Makhweyane,M.T Mr	102 452	56 726
Semane, T. Ms	20 652	46 804
Malan A (Dr)	55 660	22 888
Lithole, D. Mr *	-	-
Sharfman, J. Mr	43 791	53 534
	677 703	**781 287**

* No remuneration for the year under review because the member works for the public sector.

Audit and Risk Committee - Fees		
Mitchell,D(Adv)(Chairperson)	41 099	30 740
Gani, R. Ms	30 294	16 154
Semane, T. Ms (term ended 31 July 2016 and extended)	10 863	6 885
Kgokolo, T. Mr	28 339	28 955
Ramuedzisi, D. Mr	29 480	17 278
Sindane, J. Mr (term ended 31 July 2016)	-	6 884
Menye,V,Ms	38 581	-
	178 656	**106 896**

21. Interest received - investment

Interest revenue		
Interest received - investment	**2 147 326**	**2 329 239**

Figures in Rand	2018	2017

22. Auditors' remuneration

Audit fees	**2 225 289**	**1 861 692**

23. Cash generated from operations

(Deficit) / surplus	4 173 686	(27 433 579)
Adjustments for:		
Depreciation and amortisation	1 787 252	2 009 418
Loss (profit) on disposal of assets and liabilities	(64 316)	33 815
Impairment loss	20 336	-
Provision for doubtful debts	370 110	207 239
Movements in operating lease asset and accruals	(951 363)	(867 039)
Movements in retirement benefit assets and liabilities	(1 051 982)	(169 562)
Revenue in kind	-	(15 762)
Library books	(2 550)	-
Changes in working capital:		
Receivables from exchange transactions	(68 497)	(285 349)
Movement in provision for doubtful debts	(370 110)	(207 239)
Other receivables from non-exchange transactions	-	25 000 000
Payables from exchange transactions	(1 634 149)	1 738 716
Unspent conditional grants and receipts	187 305	505 603
	2 395 722	**516 261**

24. Commitments for expenditures

Authorised expenditure		
Operational expenditure		
Approved and contracted	9 122 716	2 847 666
Approved but not yet contracted for	-	287 529
	9 122 716	**3 135 195**

Figures in Rand	2018	2017
Capital expenditure		
Approved and contracted:Heritage Promotions	85 493	614 460
Total operational commitments		
Operational expenditure	9 122 716	3 135195
Capital expenditure	85 493	614 460
	9 208 209	**3 749655**

The following are commitments for a period longer than a year :

XEPA - Provision of drupal maintenance for 36 months.

AWCape - Hosting, support and maintenance of Accpack ERP for 36 months Club Travel - Provision of travel management services for 36 months

VOX - to provide voip system for 24 months

Sankofa Insurance Brokers - to provide Insurance for 36 months

Bokwe Security Services - To provide physical security as SAHRA Head Office for 36 months SKG Properties - to provide Office Space for Pretoria Satellite office for 60 months SizweNtsalubaGobodo - Co-sourced Internal Audit Services for 36 months

Life Occupational Health - Provision of employee wellness services for 24 months The Water Corporation - To provide purified water for 36 months

Pronto Kleen Cleaning Services - to provide cleaning services at SAHRA Head Office for 24 months Vodacom - To provide 3G for 24 months

Career Junction - To provide online recruitment for 24 months The expenditure will be financed from Government Grants.

25. Contingencies

The entity has requested permission to retain accumulated surpluses of R73 593 074 (2017: R69 419 386) for which approval is awaited from National Treasury.

The entity has present obligation of R5 379 for receivables in credit however it is not probable that the monies will be paid

back. The entity also has a present obligation amounting R78 055 in respect of sundry payables which relates to a refund on provident fund contributions in prior years. The beneficiaries are no longer in the employ of SAHRA, due to unsucceful efforts to locate the beneficiaries it is not probable that the money will be paid out.

The entity has a possible obligation due to a past event (dismissal) that will only be confirmed by the occurrence or non- occurrence of an uncertain future event (outcome of the CCMA case). The possible obligation arose from the matter in which the former Supply Chain Manager took the entity to CCMA on the basis of unfair dismisal. The entity has since appealed the outcome and the matter remains unresolved at year end.

A possible obligation exist due to a matter brought before the High Court by Midnight Storm Investments against the Minister of Arts and Culture where SAHRA has been listed as the fourth defendant on a matter relating to the expropriation of a property by Midnight Storm Investment. The matter has not been finalised at year end.

26. Related parties

Figures in Rand	2018	2017
Related party balances		
Unspent Conditional grants and receipts		
Makapans (National Lottery Fund)	2 004 181	1 882 385
Makgabeng (National Lottery Fund)	1 059 203	995 185
Related party transactions		
Operational grant received		
The Department of Arts and Culture	57 861 000	51 125 000
	-	-
Department of Tourism		
Restricted grant received	400 000	400 000
National Treasury		
Revenue in kind	668 442	-
Finequity (Pty) Ltd		
Interim CEO - Mr Thomas Kgokolo	602 990	-
Relationships		
Controlling Department of the Agency The Department of Arts and Culture		
Agency of the Department of Trade and Industry National Lottery Fund		
Department of Tourism Project funder		
National Treasury Funding of investigation		

Finequity(Pty)Ltd

Mr. Thomas Kgokolo was seconded by Finequity to South African Heritage Resouces Agency for the position of the Interim Chieve Executite Officer
The members of the council, the executive as disclosed under Note 20 and the Interim CEO are related parties.

27. Prior period errors

27.1 Salaries and benefits

During the 2018 financial period it was identified that expenditure relating to Salaries and Benefits of the 2017 financial period was understated by an amount of R 131 384.

The error relates to payments to the compensation commissioner had not been recognised at 31 March 2017 of R 118 627 as well an amount of R12 756 relating to the tax liability which was not recognised at 31 March 2018 resulting in the understatement of the Salaries and Benefits and overstatement of the Sundry payable balance by R 131 384. The prior period was adjusted accordingly and the effect of the adjustment on the individual line items in the financial statements was the increase in salaries and benefit balance by R131 384 and increase in the Sundry payable balance by R 131 384.

Further misstatements relating to the presentation and disclosure of Salaries and Benefits were identified relating to the 2017 financial period where an amount of R 5 690 123 relating to PAYE was incorrectly classified by being seperately disclosed from basic pay and thus basic pay was understated by R 5 690 123. The comparative amounts were adjusted accordingly and the balance correctly disclosed.

27.2 General Expenditure

During the 2018 financial period it was identified that general expenditure of the 2017 financial period was not recognised due to limited information at the time and resulted in the overstated of the general expenditure by R 39 703 and understatement of accruals and sundry creditors by R 43 181 and R 3 478 respectively. The was as a result of an overstatement of an amount of R 43 181 which related to travel expenditure and overstatement of R 31 068 relating to IT consumables as well as understatement in respect of council fees not recognised of R 34 546 resulting in the net overstatement of general expenditure by a total of R 39 703 .

The prior period was adjusted retrospectively. The effect of the error on the individual line items in the financial statements is the decrease of general expenditure by an amount of R 34 546 and a corresponding decrease in the accrual balance of R 43 181 and increase sundry creditor of R 3 479 with a net liability decrease of R 39703.

27.3 Repairs and Maintenance

During the 2018 financial period it was identified that the repairs and maintenance of the 2017 financial period was not recognised and resulted in the understatement of the repairs and maintenance by R 1 300 and understatement of the trade payables balance by R 1 300. The understatement of the repairs and maintenance and trade payables related to the retention of a supplier which was not recognised. The amount has been adjusted retrospectively and the effect of the adjustment on the individual line items in the financial statement is the increase in the repairs and maintenance and increase in the trade payables balance by R 1 300.

27.4 Sundry Creditors

During the 2018 financial period it was identified that the sundry payables balance of the 2016 financial period was not recognised and resulted in the understatement of the sundry payables balance by R 925 307 and understatement of the accumulated surplus balance by R 925 307.

The understatement of the sundry payables related to the COIDA fee which was not recognised amounting to R 986 658 which resulted in the understatement of the sundry payable bal;ance and the understatement of the salary and benefits balance.

Included in the net understatement of the R 925 307 is also the overstatement on the sundry payables balance relating to incorrect recognition of legal fees amounting to R 36 717 and overstatement relating to PAYE amounting to R79 374 and understatement of relating to asset related liability amounting to R54 740.

The net effect of the understatements and overstatements in the sundry payables balance amounted to R925 307. The amount has been adjusted retrospectively and the effect of the adjustment on the individual line items in the financial statement is the increase in the sundry payables balance by R 925 307 and corresponding decrease in the accumulated surplus by R 925 307.

27.5 Other Income

During the 2018 financial period it was identified that the other income relating to acturial gains of 2017 financial period was misclassified and set off against salaries and other benefits. The misclassification error resulted in the understatement of other income by R 520 342 and the understatement of salaries and other benefits by R 520 342. The amount has been adjusted retrospectively.

The effect of the adjustment on the individual line items in the financial statement is the increase in the balance of other income by R 520 342 and the increase of salaries and benefits by R520 342.

27.6 Bad Debts

During the 2018 financial period it was identified that bad debts relating to debtors write off of 2017 financial period was misclassified as general expenditure. The misclassification error resulted in the overstatement of general expenditure by R 26 753 and the understatement of the bad debts expense per the statement of financial perfromance. The amount has been adjusted retrospectively.

The effect of the adjustment on the individual line items in the financial statement is the increase in the balance of bad debt expense on the statement of financial performance by R 26 753 and the decrease of general expenditure by R 26 753.

Statement of Financial Performance for the year ended 31 March 2017	Balance as previously reported	Prior period error	Restated balance
Repairs and Maintenance	(1 508 702)	(1 300)	(1 510 002)
General Expenditure	(45 124 879)	66 456	(45 058 423)
Bad Debts Expenses	(180 486)	(26 753)	(207 239)
Salaries and Benefits	(34 005 690)	(651 726)	(34 657 416)
Actuarial Gains/(Losses)	-	520 342	(520 342)
		(92 981)	
Statement of Financial Position as at 31 March 2017			
Liabilities			
Current liabilities			
Payables from exchange transactions	(4 862 321)	(1 018 288)	(5 880 608)
Net assets			
Accumulated Surplus	(97 778 270)	925 307	(96 852 963)
		(92 981)	

28. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks including liquidity risk and credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, ensuring the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

The entity's risk to liquidity is the risk that funds are not available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity manages cash flows, budgets and monthly management accounts.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is notsignificant.

At 31 March 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	4 246 460	-	-	-
Unspent conditional grants and receipts	3 751 825	-	-	-

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5 880 613	-	-	-
Unspent conditional grants and receipts	3 564 520	-	-	-

Other financial liabilities consist of trust liabilities where the entity is responsible for maintaining specific assets. There are no contractual dates included in these trusts; therefore, the maturity of these liabilities cannot reliably be included in the above table.

Credit risk

Credit risk is mitigated by the fact that the entity only deposits cash surpluses with major banks of high credit standing. The maximum exposure to credit risk at the reporting date is the bank balances as disclosed in the Statement Financial Position. The table below shows the credit rating and balances of the banks used by the entity.

Credit risk is mitigated through management's assessment of the credit quality of debtors, taking into account their financial position, payment history and the perceived perception of the payment profile.

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

Financial instrument	2018	2017
Trade and receivables before impairment	806 708	614 813
Deposits	163 071	150 882
Cash and cash equivalents	35 649 791	33 948 995

The balance for Cash and cash equivalents includes actual cash on hand balance in 2018 for R6 500 and in 2017 a balance of R6 500.

Market risk

Interest rate risk

The entity's interest rate risk arises from short - term deposits. Short - term deposits issued at variable rates expose the entity to cash flow interest rate risk. On the other hand, short-term deposits issued at fixed rates expose the entity to fair value interest rate risk. During 2018 and 2017, the entity's deposits and bank balances at fixed rate were denominated in the Rand.

Banks	2018	2017
ABSA (Baa2)	16 738 785	15 440 604
Nedbank (Baa2)	11 757 835	11 865 273
Reserve Bank	7 146 670	6 643 118
	35 643 290	**33 948 995**

29. Fruitless and wasteful expenditure

Opening Balance	12 200	584 560
Current year	220 811	15 100
Written off by the Accounting Authority	-	(587 460)
	233 011	**12 200**
Analysis of expenditure awaiting write off per age classification		
Current year	220 811	12 200
Prior Year	12 200	-
	233 011	**12 200**
Details of current year fruitless and wasteful expenditure		
Interest on overdue accounts	220 811	15 100
Analysis of expenditure written off per age classification		
Current year	-	587 460
	-	-
	-	**587 460**

Details

Fruitless and wasteful expenditure amounting to R233 011 in the register waiting write-off; R220 811 was incurred in the current period and R12 200 was incurred in the previous year.

R201 260 (86%) fruitless and wasteful expenditure incurred in the current year relate to penalty charges on late submissions of for the period 2008 to 2017 in terms of Section 83 (2) of the Compensation for Occupational Injuries and Diseases Act no. 130/ 1993 as amended by the COIDA 61/1997. In August 2017, SAHRA wrote to the Compensation Fund requesting the waiver of this amount and as at 31 March 2018 no response had been received. The remaining R30 195 of fruitless and wasteful expenditure incurred in the current year relate to late payment penalty charges on payment of services. The investigation by the supply chain management unit revealed that this interest is due to late submission of invoice through the Post Office. This caused delays in finance unit receiving invoices for. Finance is currently negotiating with all Municipalities to rather email invoices to ensure that invoices are received and paid in time.

As a result of a full investigation done by the supply chain management unit, recovery of the amounts is not possible and the process of writing off these amounts is currently underway.

30. Irregular expenditure

Figures in Rand	2018	2017
Opening balance	49 182 336	30 209 590
Add: Irregular Expenditure - current year	944 173	20 266 364
Less: Amounts condoned	(325 967)	(1 293 617)
	49 800 542	**49 182 337**
Analysis of expenditure awaiting condonation per age classification		
Current year	618 206	49 182 337
Prior years	49 182 336	-
	49 800 542	**49 182 337**
Details of irregular expenditure – current year		
Supply Chain Management processes not followed	766 978	19 501 077
Preferential points not calculated correctly	-	274 329
Preference points were not stipulated in the request for quotations	177 195	45 361
None compliance with Construction Industry Development Board	-	381 506
Not advertised in the Tender Bulletin	-	64 090
	944 173	**20 266 363**

Details

Included in the total amount of R 944 173 is new irregular expenditure of R 18 309 incurred in the current financial year emanating from an instruction by the Department of Arts and Culture to include Council Charter (10 pages) and Fraud Prevention Plan (46 pages) in the 2017/2018 Annual Performance Plan (APP), which meant additional extra pages and artwork. The irregularity is due to exceptional case where it was impractical to invite competitive bids but did not obtain prior approval from the National Treasury for variation order in excess of the 15% threshold. It would not have been practical to invite competitive quotes as the service provider was already appointed and printed the first draft of the APP.

Included in the total amount of R 944 173 is also new irregular expenditure of R 440 378 incurred in the current financial year emanating from a deviation based on exceptional case where it was impractical to invite competetive bids without approval from National Treasury after an instruction by the Department of Arts and Culture to construct nine (9) freestanding Grnite pillars and a replica of Chief Albert Luthuli in Groutville Stanger. On receipt of the request a proper needs assessment wasdone and it was estimated that the project would be below R500 000 and a quotation process would be the appropriate SCM process for the procurement. The irregularity is due to exceptional case where it was impractical to invite competitive bids after following quotations process without approval from the National Treasury as the award was above R500 000. It would not have been practical to invite competitive quotes as the available time for completion of the project was 30 days, for which such projects would ordinarily take 60 days from date of issuing Purchase Order to complete. It was impractical to go on tender process as the unveiling was already scheduled and communicated to all stakeholders, including Media, Presidency and the family.

The remaining amount of R 422 069 included in the R 944 173 relates to awards made in the previous financial year and the awards were condoned in the 2016/2017 financial year.

Analysis of expenditure condoned per age classification	**2018**	**2017**
Current year	325 967	765 286
Prior year	-	528 330
	325 967	**1 293 616**

Details

The condoned irregular expenditure cases with amount of R 325 967 relates to the ongoing contracts which were awarded without following proper procurement processes in the prior year. Reasonable steps have been taken to confirm that such irregular expenditure did not result in any losses or damages to the entity and that the entity did obtain value from such a transaction and was condoned by Council. The responsible official was suspended and charged with gross negligence. The responsible official resigned while the disciplinary processes where ongoing. Council condoned the R528 000 having noted the disciplinary processes and subsequent resignation of the responsible official.

Investigations

The irregular expenditure of R49 million that relates to the contract awarded to the service provider in 2015 for the rehabilitation of Delville Wood memorial in France was condoned by the previous council. The Minister of Arts and Culture has requested the current Accounting Authority to commission an investigation of the irregular expenditure relating to this contract and the investigation is underway.

31. Financial instruments disclosure

Categories of financial instruments

2018

Financial assets

	At amortised cost	At cost	Total
Receivables from exchange transactions (excluding rental debtors)	800 761	-	800 761
Receivables from exchange transactions (rental debtors)	-	152 866	152 866
Cash and cash equivalents	35 649 791	-	35 649 791
	36 450 552	**152 866**	**36 603 418**

Financial liabilities

	At amortised cost	Total
Other financial liabilities	2 861 695	2 861 695
Payables from exchange transactions	4 246 460	4 246 460
Unspent conditional grants	3 751 825	3 751 825
	10 859 980	**10 859 980**

2017

Financial assets

	At amortised cost	At cost	Total
Receivables from exchange transactions (excluding rental debtors)	592 250	-	592 250
Receivables from exchange transactions (rental debtors)	-	292 880	292 880
Cash and cash equivalents	33 948 995	-	33 948 995
	34 541 245	**292 880**	**34 834 125**

Financial liabilities

	At amortised cost	Total
Other financial liabilities	2 855 650	2 855 650
Payables from exchange transactions	5 880 613	5 880 613
Unspent conditional grants	3 564 520	3 564 520
	12 300 783	**12 300 783**

32. Budget differences

32.1 Differences between budget and actual amounts basis of preparation and presentation

The approved budget is prepared on an accrual basis in terms of GRAP. The financial statements are also prepared on an accrual basis in terms of GRAP for the financial period 2017-2018, thus no reconciliation is required.

3.2.1 **Explanation on variances between budgeted amounts and actual expenditure**

32.1.1 The increase was as a result of recognition of the Gains on Actuarial valuations relating to the post employee medical benefits.

32.1.2 The variance is because the initially budget is done on SAHRA`s own account but at the year end all project account income which comprise of interest income arereported.

32.1.3 Personnel costs decreased due to delays in filling vacant funded positions as well as resignation which occured after the budget wascompleted.

32.1.4 The movement in the provision for impairment of debtors is attributable to the perfomance of debtor payment performance, a higher provision was recorded corresponding to the non payment ratios noted on the debtors payment patterns.

32.1.5 General expenses decreased due to projects which were envisaged to be completed before year end but were not completed,the initial intention was to rehabilitate properties.

32.1.6 Donation were received in the form of revenue in kind from the National Treasury relating a forensic investigation and were not previously budget for.

32.1.7 Deferred revenue indicate a variance between budget and actual as it relates to the recognition of the allocation of project revenue which was previously recognition as revenue in the year it was received, interms of budgeting the amount is recognised to allow for expenditure in line with the project expenditure howver recognition on the statement of financial position occured when the revenue was received.

32.1.8 The finance cost variance relates to the interest and penalties incurred in the current financial year which relate mainly to the Compensation on Injuries and Deseases Act COIDA which was registeredd for the first time in the current period. Control measures in place had influenced management during the budget process that their effectiveness would result in no finance costs relating to interest and penalties, the occurence of the COIDA penalty was not within the entitys`control as it is a statutory requirement to register.

32.1.9 The variance noted on the repairs and maintenance line item was as a result of budgeting for the restoration of SAHRA`s properties under the property maximisation program which did not complete at year end, the restoration will continue into the 2018/2019 financial year.

32.2 Changes from the approved budget to the final budget

Explanation on variances between budgeted amounts and final budget amount

32.2.1.1 The initial budget was for revenue was R68 796 000 as recorded on the budget statement. SAHRA subsequently adjusted and increased R5 000 000 for DAC for projects, thus the baseline was adjusted to R73 796 000.

32.3 Differences between budget cashflow and actual actual cashflow amounts

32.3.1 The Interest income cashflow variance between the budgeted and actual amount is the result of the actual interest income exceeding budget amounts mainly because of the source of the interest which is the entity`s bank accounts. during the budget process expectations were that the projects relating to the renovations and restoration of properties would be completed during the year, when these projects did not complete additional interest income was earned in the bank accounts.

32.3.2 The variance on other cash receipts related to the rental collections

32.3.3 The deferred revenue is based on the budgeted project activities whose actual receipts occurred in previous years therefore the actual amount reflect no movement as the amount is in the bank account and accounted for as receipts in prior years.

32.3.4 Personnel costs decreased due to delays in filling vacant funded positions as well as resignation which occured after the budget was completed

32.3.5 General expenses decreased due to projects which were envisaged to be completed before year end but were not completed,the initial intention was to rehabilitate properties.

32.3.6 The finance cost variance relates to the interest and penalties incurred in the current financial year which relate mainly to the Compensation on Injuries and Deseases Act COIDA which was registeredd for the first time in the current period. Control measures in place had influenced management during the budget process that their effectiveness would result in no finance costs relating to interest and penalties, the occurence of the COIDA penalty was not within the entitys`control as it is a statutory requirement to register

32.3.7 The actual cash flow on the purchase on property plant and equipment relates to the acquisition of movable assets during the 2017/2018 financail year , the budget amount relates to activities which are project in nature which did not complete during the year.

32.3.8 Deferred income is based on the budgeted project activities whose actual receipts occurred in previous years therefore the actual amount reflect no movement as the amount is in the bank account and accounted for as receipts in prior years.

33. Revaluation reserve

	2018	2017
Opening balance	25 530 604	25 530 604