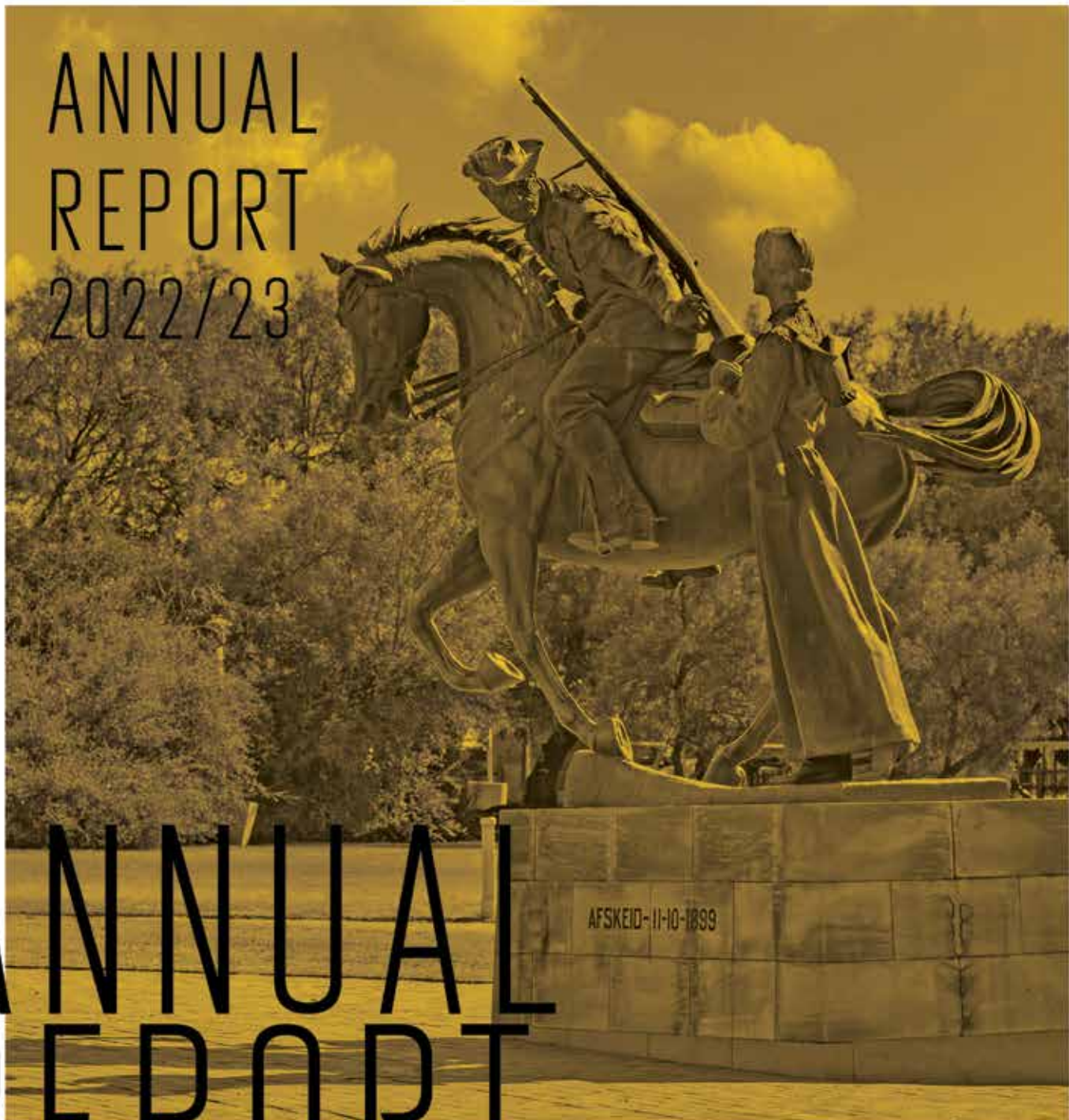


ANNUAL  
REPORT  
2022/23



# ANNUAL REPORT

22/23 WAR MUSEUM OF THE  
BOER REPUBLICS





**sport, arts & culture**

Department:  
Sport, Arts and Culture  
REPUBLIC OF SOUTH AFRICA



an agency of the  
Department of Sport, Arts and Culture



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# Part A

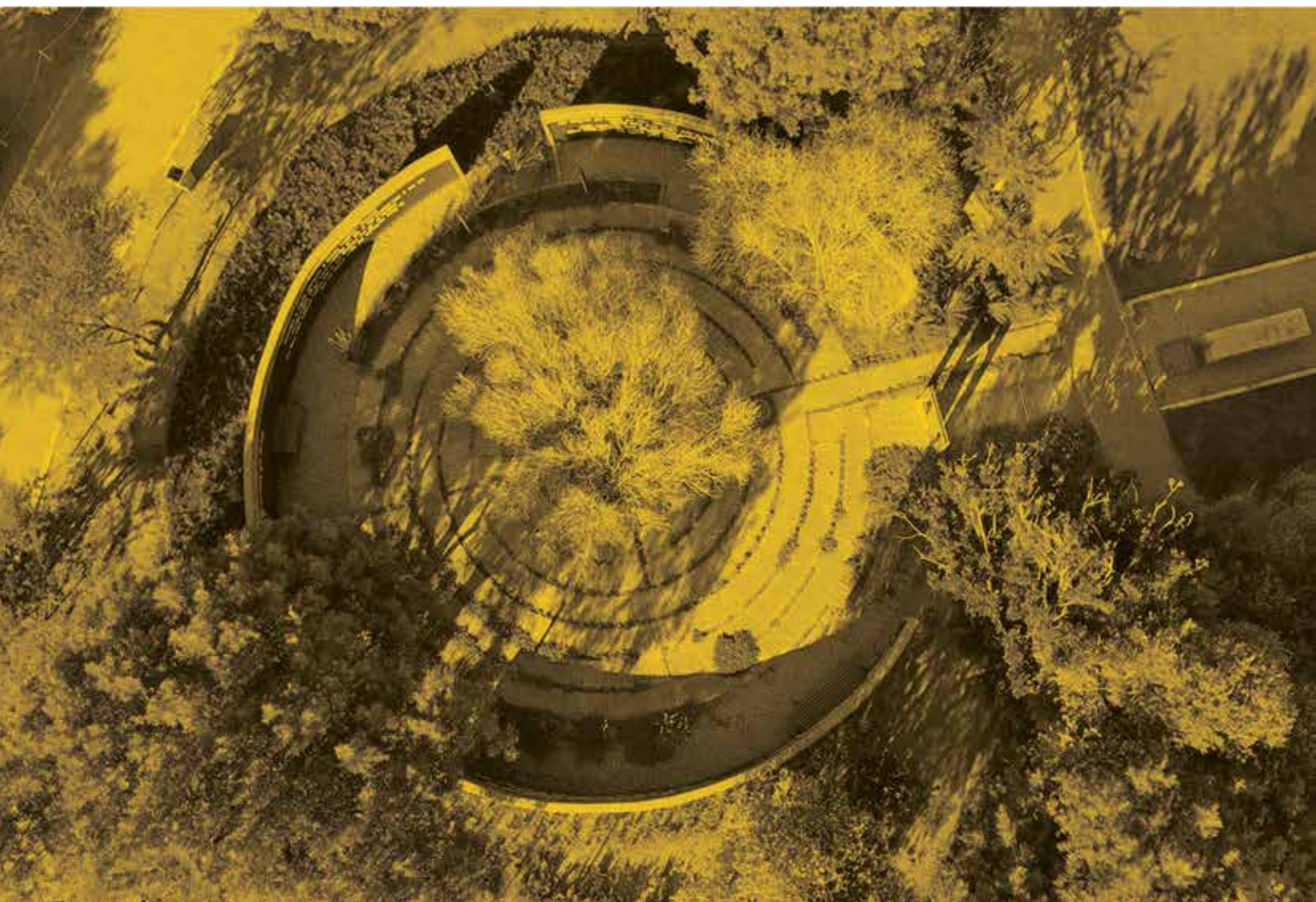
## GENERAL INFORMATION





## 1. PUBLIC ENTITY'S GENERAL INFORMATION

<b>REGISTERED NAME:</b>	War Museum of the Boer Republics
<b>PHYSICAL ADDRESS:</b>	25 Monument Road General De Wet Bloemfontein
<b>POSTAL ADDRESS:</b>	P O Box 34061 Faunasig 9325
<b>TELEPHONE NUMBER/S:</b>	051 447 3447
<b>EMAIL ADDRESS:</b>	museum@anglo-boer.co.za
<b>WEBSITE ADDRESS:</b>	www.anglo-boer.co.za
<b>EXTERNAL AUDITORS:</b>	Auditor-General of South Africa
<b>BANKERS:</b>	ABSA
<b>COUNCIL SECRETARY:</b>	S Myburg





## 2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
SCM	Supply Chain Management







## 3. FOREWORD BY THE CHAIRPERSON



**Name:** Dr G.C. Benneyworth

**Title:** Chairperson of the Council



### Introduction

The Council, with myself as Chairperson, was appointed on 1 December 2020 for a three-year term. The Council provided the Museum with strategic direction and oversight as required by the Cultural Institutions Act, PFMA and other applicable legislation. It conducted itself in accordance with an approved Charter and Code of Ethics and continuously evaluated its performance against this mandate.

### High level overview of public entity's strategy and the performance of the public entity in its respective sector

The Museum received an unqualified audit for the 2022/2023 audit with no fruitless and wasteful or irregular expenditure. It further achieved 100% of its pre-determined targets as set out in its Annual Performance Plans for five consecutive periods. This attests to the commitment of the Council to its strategic and oversight role and that of the Museum Management and Staff to the implementation of principles of good governance, sound financial management and a focused and determined effort to achieve its mandate, while benefiting the community and society at large.

### Major achievements by the Museum during the 2022/2023 financial year included, amongst others:

#### Exhibitions, collections, publications and events

- Exhibition consolidating our democratic gains.
- Exhibition on the Freedom Struggle.
- Art exhibition on woman (GBV).
- Exhibition on suffering of Boer and Black civilians in Harrismith during the South African War.
- Spinning and weaving exhibitions together with craft demonstrations.
- Publication on experiences of children during the South African War in Afrikaans, English and Sesotho.
- Video on experiences of children during the South-African War in Afrikaans, English and Sesotho.
- Video on transformation of the museum.

#### Conferences

- International conference with the theme: *Unsung Heroines and Youth of South Africa – Violent History and experiences of South African Woman and Children during Wars, Conflicts and Pandemics.*

#### Infrastructure

- Renovations and construction of new foyer and ablution facilities.
- Renovations and upgrade of the exterior public facilities of the museum.

#### Strategic Relationships

Strategic partnerships were fostered with local and international Museums and Heritage Institutions as well as Tertiary Institutions.



## Challenges faced by Council

The Council and staff were faced with many challenges in the post COVID period. This included the rethinking of existing museum practices and norms, yet with a continual focus on the economic empowering of the poor, the eradication of social issues, such as the abuse of women and children, and the transformation and redressing of the heritage sector to reflect a broader and cohesive South African heritage.

Challenges faced by the War Museum during the past financial year not only included the navigation of existing technical and operational resources to render an effective museum service, yet also to investigate and implement new technology to improve service delivery. The War Museum yet again accelerated in a short period with solutions to address the challenges, created by COVID, while new proposals are tabled to address future service delivery. The Council of the War Museum was also impacted by the above, yet the digital platform provided a means to continue with operational requirements, such as Council meetings.

### *Strategic Challenges*

- The Museum had to operate with limited staff due to financial constraints.
- The changing legislative environment posed its own challenges on an ongoing basis.
- There is still inadequate inclusion of the South African War in the School Curriculum.
- Current Economic Climate.
- MTEF baseline limited growth.

## The strategic focus over the medium- and long-term period

One of the primary foci for the Museum is to propagate its vision that war causes suffering, while delivering no lasting solutions. Rather war delivers misery on untold levels and bitter legacies left to be undone and redressed. Consequently, the Museum strives to continually generate and inculcate an anti-war belief system through portraying the suffering caused by the South African War (1899 to 1902) and its enduring legacy. Drawing parallels between the war and contemporary societal issues ensures the relevance and pertinence of the Museum in modern day society. The Museum's approach remains inclusive and will remain steadfast in our mission to portray the impact of the War on all South Africans, then and now. Promoting nation healing and social cohesion stands at the forefront of the Museum's strategic efforts.

## Appreciation

On behalf of myself and the Council we express our gratitude and appreciation towards:

- The Honourable Minister of Sport, Arts and Culture, Mr. Zizi Kodwa and his Department's continued support of the Council and the Museum;
- The Council members for their commitment, sacrifice, oversight and valuable contributions to the Museum;
- The Audit Committee for its commitment and oversight;
- The Director and Staff for their hard work and dedication to the Museum.

## Conclusion

Despite the challenges as mentioned above, the Museum is viewed as an entity of excellence with its continued focus on suffering and abuse of women and children which plagues our society today, and its continued commitment to nation building, social cohesion and nation healing.

**Dr G.C. Benneyworth**  
**Chairperson of the Council**  
**War Museum of the Boer Republics**  
**31 July 2023**



## 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



**Name:** J.L. Pretorius  
**Title:** Chief Executive Officer



### Overview of activities and performance

Snapshots of data and statistics for the period 2022/23 reveals the international effect of a post-COVID 19 landscape on aspects such as economic and environmental fluctuations. Additional to this, social matters such as unemployment, a decline in trade and income, postponement of education and even an escalation in gender-based violence and abuse, as well as an increase in crime related offences, paints a picture of the after effects of this pandemic on all international communities. This impact was also, to a more or lesser effect, experienced in certain spheres of the War Museum's operational processes. One such is the severe impact on the international tourism industry which largely came to a standstill and is currently cautiously resuming its previous contribution to world economies. These after effects also had an impact on the Museum's approach regarding traditional ways of thinking, thus creating new solutions and practises to the various challenges which this institution was confronted with in the previous financial year.

In order to continue rendering an effective heritage service for the community, the utilization of technology by the Museum was a tipping-point which forever transformed this institution, as it speeded the adoption of digital technology which is here to stay. The increase in the Museum's budget to fund digital initiatives, is reflected in various initiatives such as a virtual tour of the Museum, as well as a digital map of South African War heritage sites in Bloemfontein, which is to be expanded to include the entire Free State. These projects are meant to assist in reviving the tourism trade, thus contributing to economic recovery.

Other gaps where technology was utilised include digital collaboration in the international heritage sector by the Museum. This include amongst others the launching of a Hologram Project by four selected international museums of which the War Museum was one. This project, as well as the challenge to keep hosting the annual Olympiad for Schools, resulted in the creation of a digital platform for this event in this financial year.

The challenge to render an effective heritage service delivery when it comes to exhibitions was resolved by experimenting with advanced technologies and innovations. The Museum not only encountered a considerable increase in visits to its website by the local and international public, but the interactive social media platform of the Museum which was also expanded and upgraded, resulted in an increase in the donation of heritage items to the Museum.

The Museum also reviewed its online digital information of the South African War by uploading more information and expanding current digitally information available. All heritage services rendered by the Museum were also digitally reviewed and expanded to enable the public to gain access to information without visiting the Museum. All of the above is a continual process which is also a learning process for the Museum, but with many future possibilities to investigate and to explore.

The Museum is a national museum of international importance and as such receives large numbers of national and international visitors and researchers including members of media companies involved in documentary reporting in the electronic media.



Exhibitions, collections, research, publications, outreaches, events and other

**Exhibitions:**

- Number of permanent exhibitions: 8
- Number of temporary exhibitions: 7
- Number of travelling exhibitions: 4

**Collections:**

- New acquisitions / items relating to the SA War of 1899-1902: 305
- Total number of heritage objects in the collection: 46 899
- Total number of heritage items digitized: 42 464
- Three major conservation activities (number of items conserved): 2 050

**Research:**

- Number of NRF rated museum scientists/academics: 2
- Number of active research projects completed: 19
- Number of professional research services provided: 6 685
- Number of public lectures offered: 12

**Publications, articles and video's:**

- Publications: 1 (Publication targeting children in Afrikaans, English and Sesotho: 'n Blomblaar tuimel deur tyd / A petal falls through time / Palesa e a thuthuha ha nako e ntse e tsamaya).
- Number of scientific research articles published: 2.
- Number of popular articles published: 12
- Number of video's: 2

**Outreaches:**

- Number of school learners involved in educational interactions at museum: 3 888
- Number of school learners involved in educational interactions at schools: 4 773
- Number of schools visited: 23
- Number of tertiary institutions visited: 4
- Number of community centres visited: 5
- Number of heritage organizations visited (lectures / displays): 12

**Events:**

- Number of public events hosted or presented on national and other days (festivals, concerts, conferences, lectures etc.): 6
- Africa Month: Painting of Katie Makanya and Scale Model of the Dry Harts black concentration camp
- Youth Month: Old Dolls and Toys exhibition for children
- Women's Month: The SA Weaving Tradition – display and demonstrations
- Heritage Month: Jean Webber House fund raising for the disabled; Antique Auction for the disabled; Music concert by Hospice
- Gender Based Violence Month - Hosted an international conference and art exhibition
- Reconciliation Month – Launching of publication in 3 languages for children

**Other:**

- Social Media:
- Facebook followers: 2 700
- Twitter followers: 1 324
- Website visitors: 8 586
- Surveys: 25
- Training courses presented to public: 2
- Skills development for staff: 3
- Awards: 2 (PMR Diamond Award – received since 2012 to 2022 as the best tourist destination in the Free State and the Trip Advisor 2015 to 2019)

## **General financial review of the public entity**

Sound financial management is an integral part of the operations of the Museum. In order to achieve overall operational efficiency, transparent and accountable financial management plays a fundamental role in supporting the Museum to deliver its mandate.

Council oversight, assisted by a capable and experienced Audit Committee and Internal Audit Function, ensured that principles of good corporate governance and sound financial management were implemented.

Strict implementation and regular monitoring of the budget together with transparent and fair procurement practices in compliance with relevant rules and regulations ensured that the Museum was able to apply its resources in a cost-effective manner.

## **Spending trends of the public entity**

The Museum's main source of funding remains its baseline allocation received from the Department of Sport, Arts and Culture, (95% of budget). Own income generated through amongst others admission fees, rental income, sales and conference proceeds represents 5% of the budget. Staff expenditure represents 69% of the total budget and absorbs 73% of the baseline allocation. Operational expenditure increased with 1% during the period under review.

The net surplus generated during the period under review is mainly the result of increase in transfers for special project from DSAC and donations of Heritage Assets.

74% of Cash balances relates to unspent conditional funding for ongoing projects. 26% of Cash balances covers commitments and the remaining short-term liabilities.

The Museum's post-retirement medical liability remains underfunded. The liability increased with 6% and has an estimated duration of 12.23 years.

## **Capacity constraints and challenges facing the public entity**

- Changing legislative environment
- Limited staff complement as a result of budget constraints
- Inadequate inclusion of the South African War history in the School Curriculum
- Current economic climate
- MTEF baseline limited growth
- Liability for post-retirement medical aid
- Increased public unrest/violence and security

## **Discontinued key activities / activities to be discontinued**

No discontinued key activities or activities that needs to be discontinued.

## **New or proposed key activities**

New key activities include virtual exhibitions, virtual tours, participation in the Hologram Museum project and a virtual map for tourists.

## **Requests for roll over of funds**

No roll-over of funds was requested.

## **Supply chain management**

The Museum has established Supply Chain Management Policies. Processes and systems are in place.

## **All concluded unsolicited bid proposals for the year under review**

No bid proposals for the year under review.

## **SCM processes and systems in place**

SCM processes and systems are in place.



## Challenges experienced and how resolved

- Continuous monitoring of the legislative environment
- Limited staff complement as a result of budget constraints were resolved by multitasking and staff funding application to DSAC was done
- A request was made to the national task team appointed on the curriculum to include the South African War in more detail
- To address the current economic climate, cost containment measures were implemented and were strictly adhered to
- Cost containment measures with regard to the MTEF baseline as stipulated by the National Treasury were implemented
- Task team was appointed by DSAC and implementation of the White Paper to address the PRMA for entities
- Upgrading of security, added fencing, camera monitoring and access control were implemented
- To minimise the Covid 19 impact, the Museum implemented a digital strategy which included virtual exhibitions, virtual tours, participation in the Hologram Museum project and a virtual map for tourists

## Audit report matters in the previous year

The only audit report matter in the previous year was material non-compliance due to material adjustments to financial statement handed in for audit. To address this in the current year, the AFS were submitted to internal audit for review before being submitted to AGSA for audit.

## Outlook/ Plans for the future to address financial challenges

The Museum is steadfast in propagating its vision that war causes suffering and brings no lasting solutions and therefore it endeavours to generate an anti-war mentality. It therefore portrays the suffering caused by the South African War on a continuous basis.

The Museum has changed significantly from static displays to inter-active displays and will continue in this direction and will constantly use its displays and events to support nation building, education and tourism.

The Museum has transformed from an exclusive Afrikaner Museum to a truly South African museum. The focus of the Museum is Nation Building, Social Cohesion and Nation Healing.

## Events after the reporting date

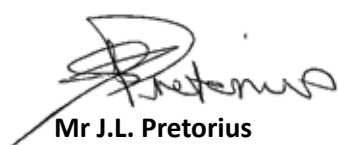
No events after the reporting date was identified to report.

## Economic Viability

The Accounting Authority considered the Museum's going concern status and its ability to deliver on its mandate and meet its statutory obligations in the foreseeable future. Funding allocations for the medium term have been communicated to the Museum, by the Executive Authority. This will ensure the continued operation of the Museum. Government funding is likely to continue beyond the medium term. The Museum will therefore be able to deliver on its mandate and meet its statutory obligations in the foreseeable future. The Financial Statements have accordingly been compiled on a going concern basis. The Museum's financial results are presented in Part E of this report.

## Acknowledgement

The Director wants to acknowledge the strategic leadership by Council, the support by DSAC and the contribution of staff members for the period under review.



**Mr J.L. Pretorius**  
**Chief Executive Officer**  
**War Museum**  
**31 July 2023**



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

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

All information and amounts disclosed in the annual report 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 Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice standards applicable to the public entity.

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.

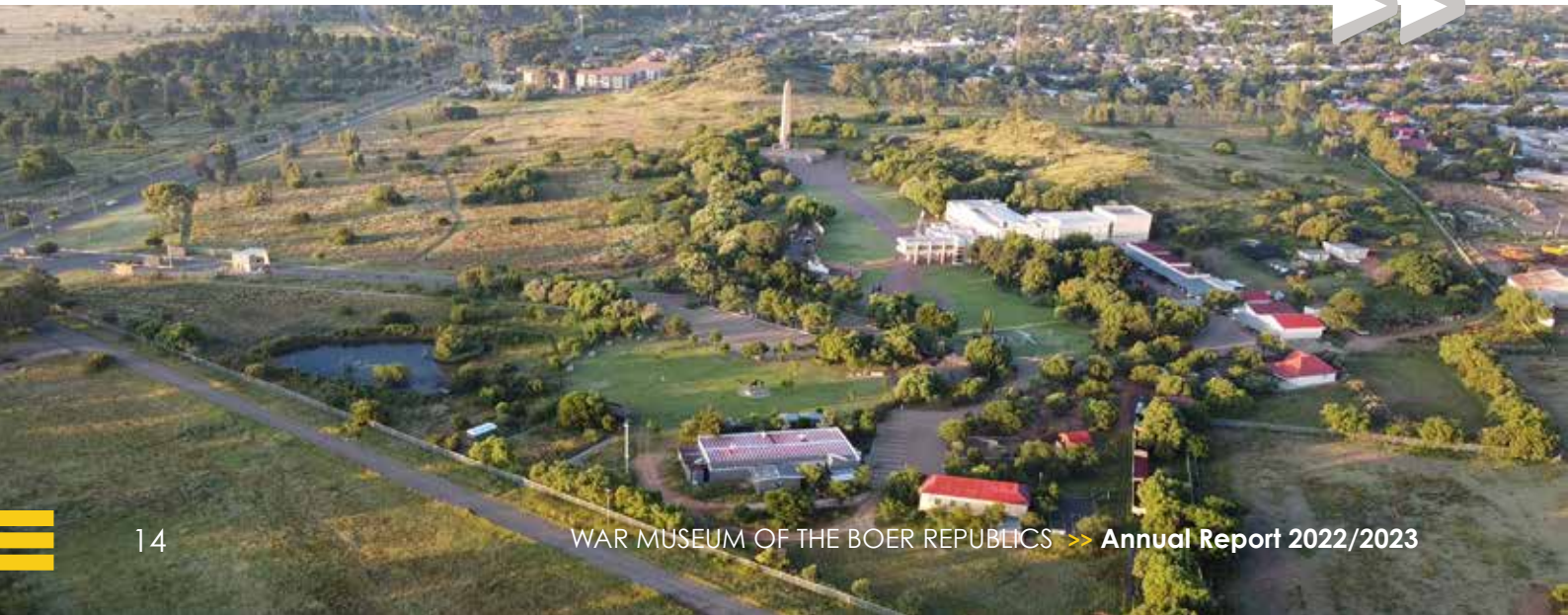
The external auditors are engaged to express an independent opinion on the annual financial statements.

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 2023.

Yours faithfully

**Chief Executive Officer**  
**J.L. Pretorius**  
**31 July 2023**

**Chairperson of the Council**  
**Dr G.C. Benneyworth**  
**31 July 2023**





## >> 6. STRATEGIC OVERVIEW

### 6.1 Vision

To be an institution of excellence whereby the inclusivity and suffering of all communities during the Anglo-Boer War are depicted, thus propagating the message that negotiation is preferable to war

### 6.2 Mission

To collect, curate and display items relating to the Anglo-Boer War of 1899 to 1902; research, publications and education on this theme and cooperation with other organisations, nationally and internationally, in order to develop this theme.

### 6.3 Values

The Museum strives to follow these principles of conduct in carrying out its mission:

- Inclusivity of the institution in its public mission
- Integrity and objectiveness in all activities
- Accountability and transparency in all activities
- Honesty and openness
- Accessibility
- Professionalism
- Competency

## >> 7. LEGISLATIVE AND OTHER MANDATES

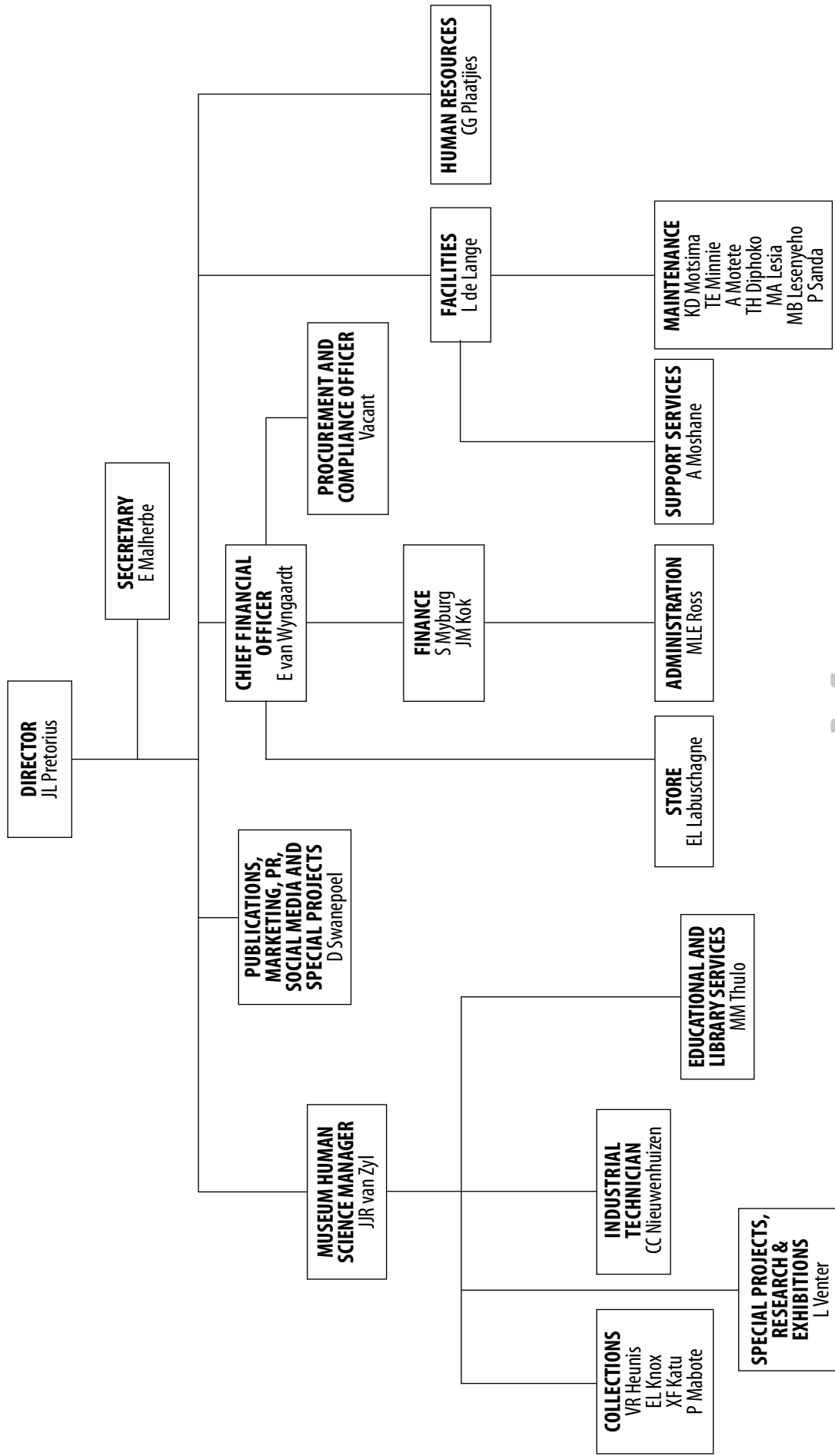
The War Museum of the Boer Republics is a Schedule 3A Public Entity in terms of the PFMA.

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Finance Management Act, 1999 (Act 1 of 1999, as amended by Act 29 of 1999) (PFMA); Treasury Regulations, 2005; Cultural Institutions Act, 1998 (Act 119 of 1998 as amended by the Cultural Laws Second Amendment Act, Act 69 of 2001), and other applicable acts and regulations.

The White Paper on Arts, Culture and Heritage, 1996 is currently the guiding policy document for Museums. A revised White Paper on Arts and Culture, currently in a draft stage, will however have an influence on museums and heritage in general.



8. ORGANISATIONAL STRUCTURE





## 8.1 Council Members

**Term: 1 December 2020 – 30 November 2023**

- Dr G.C. Benneyworth – Chairperson
- Mr. T.A. Ndebele-Monyela – Deputy Chairperson
- Mr. D. Brijlal
- Ms S Mabilane
- Ms D Mangope
- Mrs R. Mulder
- Adv. C. Naidoo
- Mrs S Tsoleli
- Mr J.L. Pretorius (Director – *ex officio*)

## 8.2 Honorary Curators

- Dr R.C. Bester (Fire-arms collection)
- Dr J.D.E. Cronje (Philatelic collection)
- Ms S. Myburgh (Photo collection)
- Dr A. van Dyk (Education)

## 8.3 Staff Members

- **Director:** Mr J.L. Pretorius, B Proc, LLB, LLM (cum laude), Attorney RSA
- **Chief Financial Officer:** Ms Palesa Ramathibe CA (SA) (Resigned 19 October 2022)  
Ms E van Wyngaardt, B Acc (Appointed 1 November 2022)
- **Museum Human Science Manager:** Dr J.J.R. van Zyl, MA PhD History
- **Collections Manager:** Dr V.R. Heunis, MHCS Cultural History, DPhil History
- **Human Resources Manager:** Mr C Plaatjies, BTech: Human Resources Management
- **Facilities officer:** L de Lange, B Proc
- **Procurement and Compliance Officer:** Vacant
- **Publications, Marketing, PR, Social Media and Special Projects:** Mrs D. Swanepoel, MA
- **Educational & Library services:** Ms M.M. Thulo, B.A. Honours (History)
- **Museum assistant:** L Venter, B.A. Honours (History)
- **Collections - Conservation:** Mrs E.L. Knox, Higher Diploma  
Mr X.F. Katu  
Mr P Mabote
- **Industrial Technician (Artist/Photographer):** Mr C.C. Nieuwenhuizen, Higher Diploma
- **Store Clerk:** Mrs E.L. Labuschagne
- **Executive Secretary:** Mrs E. Malherbe
- **Finance Officer:** Mrs S. Myburg, B Tech Internal Auditing
- **Financial Clerk:** Mrs J.M. Kok
- **Administration - Cashier:** Mrs M.L.E. Ross
- **Support services - Security:** Mr R.A. Moshane
- **Workshop Foreman:** Mr K.D. Motsima
- **General Assistants:** Ms T.E. Minnie  
Mr P.T. Mabote  
Mr T.H. Diphoko  
Mr A. Motete  
Mr M.A. Lesia  
Mr M.B. Lesenyeho  
Mr P Sanda



# Part B

## PERFORMANCE INFORMATION





## >> 1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to the Report of the Auditor-General, published as Part F: Financial Information.

## >> 2. OVERVIEW OF PERFORMANCE

### 2.1. Service Delivery Environment

The War Museum has a collection of more than 46 000 heritage assets that must be accommodated in its existing structures and furthermore must also support the strategically identified functions of the institution. These structures must comply with certain minimum criteria acceptable for museums of international stature in order to comply with accepted norms and standards for proper conservation of its heritage assets.

During recent periods the War Museum was upgraded in several areas to comply with the standards set out for reputable museums. These included:

- Renovation of the foyer
- Renovation and upgrading of auditorium and boardroom.
- Renovation of security house
- Upgrading of CCTV camera system.
- Renovation of the Public Bathrooms.
- Renovation of old stores into functional storage areas
- Repairs to paving & carports

In order to continue rendering an effective heritage service for the community, the utilization of technology by the museum was a tipping-point which forever transformed this institution, as it speeded the adoption of digital technology which is here to stay. The increase in the museum's budget to fund digital initiatives, is reflected in various initiatives such as a virtual tour of some of the museum galleries, as well as a digital map of South African War heritage sites in Bloemfontein, which is to be expanded to include the entire Free State. These projects are meant to assist in reviving the tourism trade, thus contributing to economic recovery.

Other gaps where technology is utilised include digital collaboration in the international heritage sector by the museum. This include amongst others the launching of a Hologram Project by four selected international museums of which the War Museum was one. This project, as well as the challenge to keep hosting the annual Olympiad for Schools, resulted in the creation of a digital platform for this event in this financial year.

The challenge to render an effective heritage service delivery when it comes to exhibitions was resolved by experimenting with advanced technologies and innovations. The museum not only encountered a considerable increase in visits to its website by the local and international public, but the interactive social media platform of the museum which was also expanded and upgraded, resulted in an increase in the donation of heritage items to the museum.

The museum also reviewed its online digital information of the South African War by uploading more information and expanding current digitally information available. All heritage services rendered by the

museum were also digitally reviewed and expanded to enable the public to gain access to information without visiting the museum. All of the above is a continual process which is also a learning process for the museum, but with many future possibilities to investigate and to explore.

## 2.2 Organisational environment

Herewith an understanding of the organisational challenges and successes experienced by the War Museum for the reporting period:

Shortage of staff, which resulted from financial constraints.

The War Museum has Human Resources capacity constraints. These include 4 essential vacant staff positions: SCM Compliance Officer, Publications officer, IT and Marketing managers. These appointments will also assist in improving equity figures.

The War Museum staff complement currently consist of 31 staff (which includes 5 contract workers at the end of 2022/2023), this results in staff having to perform various functions for which they were not necessarily appointed.

The strategic planning process was undertaken by Management after a thorough analysis of the War Museum’s strengths, weaknesses, opportunities, threats and risks. After considering the War Museum’s vision, mission, budget and previous strategic plans, this plan was developed. The War Museum further considered and ensured alignment to Government priorities and outcomes of the Executive Authority. The Council during a special strategic planning sitting considered the strategic direction of the War Museum as well as detailed outcomes and outputs.

## 2.3. Key policy developments and legislative changes

There have been no major changes to relevant policies or legislation that affected the operations of the Museum during the period under review.

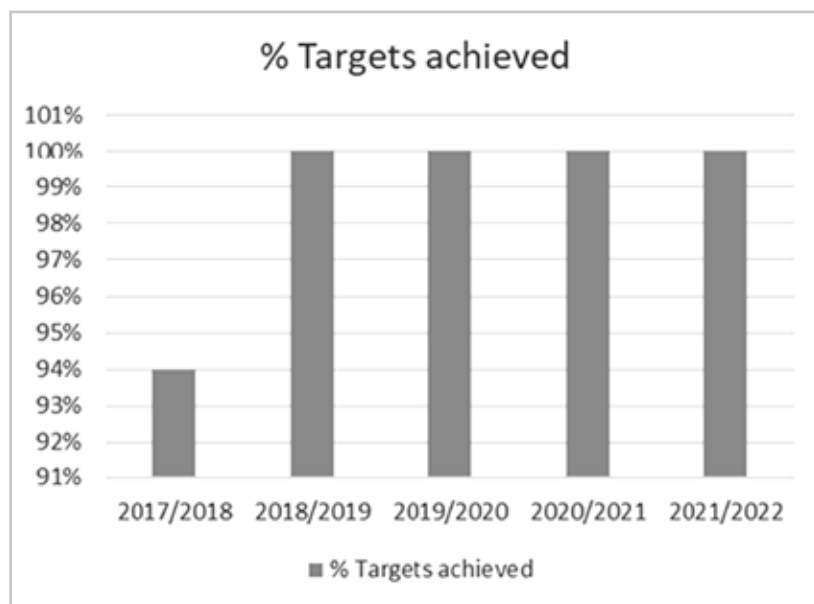
## 2.4. Progress towards achievement of institutional Impacts and Outcomes

The War Museum aligned its objectives to the following outcomes of Government and the Department of Sport, Arts and Culture:

Outcome of Government	Outcome of DSAC
2: Education, skills and health	2.1 Improved access to indigenous languages
	2.2 Improved employability of youth in the sport, arts and culture sector through skills training
5: Social cohesion and safe communities	5.1 Social cohesion and nation building
6: A capable, ethical and developmental state	6.1 Strengthened intergovernmental relations and coordination within the sector
	6.2 Improved governance and oversight structure
	6.3 Skilled and ethical sport, arts and culture civil service
	6.5 Improved service delivery in sport, arts and culture – SOCIAL COMPACTS
	6.7 Corruption reduced in sport, arts and culture sector



The War Museum's achievement of targets over the past 5 audited periods:



The 94% achievement rate 2017/2018 is attributed to the implementation of GRAP 103 on Heritage Assets – the Standard could only be implemented by the War Museum in 2018/2019 after receipt of funds from National Treasury.

The White Paper on Arts, Culture and Heritage, 1996 is currently the guiding policy document for Museums. The Portfolio Committee on Sport, Arts and Culture endorsed the Department's White Paper on 19 February 2020. This will have an influence on museums and heritage in general. The War Museum's outcomes support Government's Outcome 14: A diverse, socially cohesive society with a common national identity.

The War Museum supported priorities relating to women, children, youth and people with disabilities through various initiatives and programmes, i.e. Women's Day events, Youth Day events, events for various community groups including those with disabilities and Heritage Day events. During the 5-year planning period these initiatives will continue to be focus areas so as to alleviate violence against women and children.

The impact of COVID-19 on the War Museum and the heritage sector will remain evident in the immediate future and over the MTEF. Various new and innovative solutions, especially digitally, have to be continuously sought to ensure that pre-determined objectives are met. Visitor statistics are slowly starting to recover, slow but consistent growth is expected.

The War Museum operated with Human Resources capacity constraints. These include 3 essential vacant staff positions: Publications officer, IT and Marketing managers.

The following stakeholders contribute to the War Museum's achievement of its outcomes:

- The Department of Sport, Arts and Culture
- The Mangaung Metro Municipality
- The University of the Free State
- The Friends of the War Museum
- Honorary Curators
- The Communities
- Strategic partners for instance: Leeds Beckett University UK

### 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

#### 3.1. Programme 1: Administration

##### Purpose of the programme

- To ensure sound and effective governance, oversight, management and accountability for all functions and operations
- Encourage ethical behavior and conduct of staff in management of the War Museum, its operations and service delivery
- Foster good relations and coordination with stakeholders
- Strengthening staff skills and capabilities

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

No	Outcome	No	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
1.1	Effective and efficiently functioning governance and oversight structures	1.1.1	Updated and approved Council, Executive Committee and Audit Committee Charters	3 Charters reviewed annually: Council, Executive Committee and Audit Committee	3 Charters reviewed	3 Charters reviewed, updated & approved	3 Charters reviewed (updated and/or approved)	3 Charters reviewed.	N/A - achieved	N/A
		1.1.2	4 Council Meetings (incl. virtual meetings)	4 Council Meetings held annually (incl. virtual meetings)	4 Council Meetings (incl. virtual meetings)	4 Council Meetings (incl. virtual meetings)	4 Council Meetings held.	4 Council meetings	N/A - achieved	N/A
		1.1.3	2 Audit Committee Meetings (incl. virtual meetings)	2 Audit Committee meetings held annually (incl. virtual meetings)	2 Audit Committee meetings	2 Audit Committee meetings (incl. virtual meetings)	2 Audit Committee meetings held	2 Audit Committee meetings held	N/A - achieved	N/A
1.2	Efficient and skilled staff, exhibiting ethical behaviour and conduct	1.2.1	Updated and workshopped Code of Conduct and Ethics	Annual review of the Code of Conduct and Ethics and subsequent workshop with staff	Code reviewed; no workshop done.	Code reviewed, workshop with staff	Code reviewed and/or updated and workshop-ped	Annual review of the Code of Conduct and Ethics and subsequent workshop with staff.	N/A - achieved	N/A

Programme 1: Administration										
No	Outcome	No	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		1.2.2	Productive and Effective staff	Staff training on 4 topics per annum (incl. virtual sessions)	N/A	Staff training on 9 topics	4 topics per annum (incl. virtual sessions)	Staff training on 5 topics	N/A - achieved	N/A
1.3	Unqualified audit reports with no recurring audit findings	1.3.1	Unqualified audit reports	Unqualified audit report	Unqualified audit 19/20	Unqualified audit report	Unqualified audit report	Unqualified audit report 2021/2022	N/A - achieved	N/A
		1.3.2	Non-recurring of audit issues in Management Letter	100% of audit findings addressed by due date as set out in audit implementation plan	100% of issues addressed by due date	100% of issues addressed by due date	100% of issues addressed by due date	100% of issues addressed by due date	N/A - achieved	N/A
1.4	90% Satisfaction rating by public visiting the War Museum	1.4.1	Effective service delivery	Less than 10% negative comments by public in visitor's book per annum.	No negative comments received	Less than 10% negative comments	Less than 10% negative comments	Less than 10% negative comments by public in visitor's book per annum.	N/A - achieved	N/A
1.5	Good relations and coordination with stakeholders	1.5.1	Intergovernmental coordination and contribution by the War Museum	Annually attend all CEO Forum meetings arranged by Executive Authority (incl. virtual meetings)	100% of meetings attended	100% of meetings attended (incl. virtual)	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings)	N/A - achieved	N/A
		1.5.2	Intergovernmental coordination and contribution by the War Museum	Annually attend all CFO Forum meetings arranged by Executive Authority (incl. virtual meetings)	100% of meetings attended	100% of meetings attended (incl. virtual)	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings)	N/A - achieved	N/A
		1.5.3	Intergovernmental coordination and contribution by the War Museum	Annually attend all Heritage Sector Forum meetings arranged by Executive Authority (incl. virtual meetings)	100% of meetings attended	100% of meetings attended (incl. virtual)	100% of meetings attended (incl. virtual meetings)	100% of meetings attended (incl. virtual meetings)	N/A - achieved	N/A



### 3.2. Programme 2: Business Development

#### Purpose of the programme

- Improve the War Museum public profile and media presence whilst promoting and marketing the Heritage Sector
- Heritage preservation and conservation – South African War Heritage
- Dissemination of perspectives on the South African War through research and publication

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

Programme 2: Business Development										
No	Outcome	No	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
2.1	Improved printed and online platform media presence and creating awareness of South African Heritage	2.1.1	Media exposure	6 Articles per annum in the media or other publications (incl. digital media)	12 Articles	16 Articles	6 Articles (incl. digital media)	6 Articles (incl. digital media)	N/A - achieved	N/A
		2.1.2	Updated and current website/social media pages	Quarterly updates to website/social media pages	4 Quarterly updates	4 Quarterly updates	Quarterly updates	Quarterly updates	N/A - achieved	N/A
		2.1.3	Awareness of South African Heritage	Participate in 4 heritage events per annum (incl. virtual events)	4 Events	7 Event (incl. virtual events)	4 Events (incl. virtual events)	4 Events (incl. virtual events)	N/A - achieved	N/A
2.2	Preservation of the South African War Heritage and Collections which are representative of all affected parties in the South African War	2.2.1	Representative collection	Collect items (Black and British participation) – 10 items per annum	9 Items	25 Items	10 Items	10 Items	N/A - achieved	N/A
		2.2.2	Conserved heritage assets	Conserve/maintain 2 categories of items or parts thereof per annum	4 categories of items or parts thereof	4 categories of items or parts thereof	2 categories of items or parts thereof per annum	2 categories of items or parts thereof per annum	N/A - achieved	N/A
2.3	Dissemination of perspectives on the South African War	2.3.1	Contribution to the expansion of the South African War History	Publish 1 internal publication per annum or contribute to the research of 1 external publication per annum (including digital publications)	1 Publication	3 Publication	1 Publication (including digital publications)	1 Publication (including digital publications)	N/A - achieved	N/A

### 3.3. Programme 3: Public Engagement

#### Purpose of the programme

- Promoting inclusivity of the South African War through representative exhibitions
- Supporting National Initiatives with especially focus on prevention of abuse and violence against women and children
- Promoting universal access to the War Museum and its exhibitions
- Educational outreach programmes
- Developing skills of the community

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

Programme 1: Administration										
No	Outcome	No	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3.1	New and/or upgraded inclusive and representative exhibitions	3.1.1	Upgraded and/or new exhibitions	6 Upgraded and/or new exhibitions (permanent or temporary or online/digital)	5 Exhibitions	10 Exhibitions (incl. online/digital)	6 Exhibitions (incl. online/digital)	6 Exhibitions (incl. online/digital)	N/A - achieved	N/A
3.2	Supporting National Initiatives and creating awareness of abuse and violence against women and children	3.2.1	Contribute to Social Cohesion, Nation Building and Nation Healing	5 Projects (event and/or exhibition and/or heritage awareness initiatives – incl. virtual projects) in support of National Initiatives: Youth Day, Mandela Day, Women's Day, Heritage Day and Day of Reconciliation.	6 Events	6 Projects (incl. virtual projects)	5 Projects (incl. virtual projects)	5 Projects (incl. virtual projects)	N/A - achieved	N/A
		3.2.2	Contribute to Social Cohesion, Nation Building and Nation Healing	Social responsibility awareness campaign addressing abuse against women and children (incl. virtual campaigns)	1 Awareness campaign- 16 days of activism	2 Awareness virtual campaigns	1 Awareness campaign (incl. virtual campaigns)	1 Awareness campaign (incl. virtual campaigns)	N/A - achieved	N/A
3.3	Information and Exhibitions to be accessible	3.3.1	Contribute to Social Cohesion, Nation Building and Nation Healing	All new and/or upgraded (permanent or temporary) exhibitions implemented during the period in three languages (i.t.o. Policy) (online/digital exhibitions will only be in English)	N/A	Three languages at 3 new and/or upgraded exhibitions	Three languages at new and/or upgraded exhibitions (online/digital exhibitions will only be in English)	Three languages at new and/or upgraded exhibitions (online/digital exhibitions will only be in English)	N/A - achieved	N/A

Programme 1: Administration										
No	Outcome	No	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
3.4	Contributing to economic empowerment	3.4.1	Skills development and transfer to the community	Host one skills development programme per annum (incl. virtual programmes)	N/A	1 skills development programme (incl. virtual programmes) hosted	1 skills development programme (incl. virtual programmes)	1 skills development programme (incl. virtual programmes)	N/A - achieved	N/A
3.5	Promoting South African War History and universal access to the War Museum	3.5.1	Presenting the South African War History to Educational institutions to supplement CAPS	Visit 16 educational institutions (pre-primary, primary, secondary and tertiary) per annum (incl. virtual/digital programmes) or 16 registrations by schools to the online education platform of the museum.	-	Visited 16 Education institutions	Programmes presented at 16 Education-al institutions (incl. virtual/ digital)	Programmes presented at 16 Education-al institutions (incl. virtual/ digital)	N/A - achieved	N/A
		3.5.2	Improved knowledge on the South African War History	Annual School Olympiad (incl. a virtual event)	-	1 online History Olympiad	1 Olympiad (incl. a virtual event)	1 Olympiad (incl. a virtual event)	N/A - achieved	N/A
		3.5.3	Universal access to the War Museum	Present 4 community outreach and heritage awareness programmes (incl. virtual/digital) per annum to promote universal access (cultural organisations or groups/elderly/orphanages/visually impaired/ect.)	-	5 outreach programmes (incl. virtual or digital)	4 outreach programmes (incl. virtual or digital)	4 outreach programmes (incl. virtual or digital)	N/A - achieved	N/A



### Linking performance with budgets

Programme	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Programme 1: Administration</b>	12 060	12 042	18	13 500	13 463	37
<b>Programme 2: Business Development</b>	2 708	2 771	(63)	2 837	2 711	126
<b>Programme 3: Public Engagement</b>	2 604	2 555	49	2 398	2 260	138
<b>Total</b>	<b>17 372</b>	<b>17 368</b>	<b>4</b>	<b>18 735</b>	<b>18 434</b>	<b>301</b>

### Strategy to overcome areas of under performance

The under performance relates to a reduction in revenue collection in comparison to the budget and thus expenditure was adjusted accordingly to prevent a budget deficit

## >> 4. REVENUE COLLECTION

Sources of revenue	20YY/20ZZ			20XX/20YY		
	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
<b>Subsidy</b>	17 170	17 170	0	17 809	17 809	0
<b>Operational</b>	202	220	18	926	392	534
<b>Total</b>	<b>17 372</b>	<b>17 390</b>	<b>18</b>	<b>18 735</b>	<b>18 201</b>	<b>534</b>

The War Museum's main source of income is the subsidy received from DSAC which constitutes 95% of budgeted revenue. Other sources of income from operational activities is gradually starting to increase after the Covid pandemic as visitor numbers are increasing. The operational budget included an amount of R580 0000 which was expected to be transferred from savings to cover post-retirement medical aid expenditure which was not required as savings on expenses and increased revenue from other operational activities were sufficient to cover the expense.

## >> 5. CAPITAL INVESTMENT

The Museum received the following capital works allocations from the Executive Authority for the stated infrastructure projects:

1. Major Maintenance – R1 300 000
2. CCTV – R1 000 000

**During the year the following was done with the funds received and remaining funds received:**

1. Renovations of the public ablution facilities
2. Installation of a borehole and water reticulation
3. Renovations to the admin block
4. Renovations to the Museum house
5. Restoration of the dam
6. Upgrading of the CCTV camera System

7. Maintenance of Fire System
8. Air-conditioning maintenance, repairs and replacements

**Major projects planned for the coming year are:**

1. Installation of a Turnkey Solar System
2. Repairs and Renovations to the Museum

Infrastructure projects	2021/2022			2022/2023		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Major Maintenance</b>	1 340	1 340	0	1 300	1 300	0
<b>Aircon Maintenance</b>	100	87	13	220	219	1
<b>Fire and HVAC</b>	350	346	4	400	400	0
<b>Asbestos</b>	140	139	1	0	0	0
<b>Workshop</b>	665	663	2	0	0	0
<b>CCTV</b>	0	0	0	1 000	1 000	0
<b>Total</b>	<b>2 595</b>	<b>2 575</b>	<b>20</b>	<b>2 920</b>	<b>2 919</b>	<b>1</b>



*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

No meetings were held with the Department of Sport, Arts and Culture (DSAC) Parliamentary Portfolio Committee during the 2022/2023 financial period.

## >> 3. EXECUTIVE AUTHORITY

The following table provides commentary on reports submitted to the Executive Authority during the financial period, the Department of Sport, Arts and Culture, dates issued, and issues raised by the DSAC.

Submission date	Report	Issues raised
29 April 2022	Submit final Quarterly Report to Department for 2021/23 financial year	None
13 May 2022	Submit list of all banking accounts to Treasury via DSAC	None
31 May 2022	Submit signed unaudited financial statements for 2021/22 and Draft Annual Report to DSAC, Treasury and Auditor- General/External auditor	None
29 July 2022	1st quarter Report to Department for 2022/23 financial year: DSAC Template	None
31 August 2022	Submit printed annual reports 2021/2022 to DSAC	None
30 September 2022	Application to retain surpluses and declaration of deficits	None
30 October 2022	2nd quarter Report to Department for 2022/23 financial year: DSAC Template APP Draft for 2023/24	None
30 January 2023	3rd quarter Report to Department for 2022/23 financial year: DSAC Template Submit final Approved PDF Annual Performance Plan to Dept for 2023/24	None None
15 February 2023	Submit Draft Shareholders Compact to Dept for 2023/24	None

## >> 4. THE COUNCIL

### **Introduction**

The Museum is recognised as a national public entity under Schedule 3A of the Public Finance Management Act 1999 (Act No.1 of 1999), as amended. It is accountable to the Parliament of the Republic of South Africa. The Accounting Authority of the Museum, the Museum Council, is appointed in accordance with the requirements of section 5(1) of the Cultural Institutions Act, Act 119 of 1998, as amended by the Cultural Laws Second Amendment Act 69 of 2001 by, and reports to, its Executive Authority, namely the Minister of Sport, Arts and Culture.



The current Council was appointed for the term 1 December 2020 to 30 November 2023.

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

*PFMA Duties and Responsibilities*

Fiduciary duties – the Accounting Authority must:

- exercise the duty of utmost care to ensure reasonable protection of the assets and records of the Museum;
- act with fidelity, honesty, integrity and in the best interest of the Museum in managing the financial affairs of the Museum;
- on request, disclose to the Executive Authority all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Executive Authority;
- seek, within its sphere influence to prevent any prejudice to the financial interest of the state.

General responsibilities – the Accounting Authority must:

- must ensure that the Museum has and maintains –
  - effective, efficient and transparent systems of financial and risk management and internal control;
  - a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with prescribed regulations and instructions;
  - an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;
  - a system for properly evaluating all major capital projects prior to a final decision on the project;
- must take effective and appropriate steps to –
  - collect all revenue due to the Museum; and
  - prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operation policies of the Museum; and
  - manage available working capital efficiently and economically;
- is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the Museum;
- must comply with any tax, levy, duty, pension and audit commitments as required by legislation;
- must take effective and appropriate disciplinary steps against any employee of the Museum who –
  - contravenes or fails to comply with a provision of the PFMA;
  - commits an act which undermines the financial management and internal control system of the Museum; or
  - makes or permits an irregular expenditure or a fruitless and wasteful expenditure;
- is responsible for the submission by the Museum of all reports, returns, notice and other information to Parliament or the relevant executive authority or treasury, as may be required by the PFMA;
- must comply, and ensure compliance by the Museum, with the provisions of the PFMA and any other legislation applicable to the Museum.

*Cultural Institutions Act*

The Cultural Institutions Act, Act 119 of 1998 constitutes the Museum as a public entity.

The affairs of the Museum shall be managed and controlled by a Council consisting of at least 7 members appointed by the responsible Minister. The chairperson is appointed by the Minister. The Director is a member of the Council with no voting rights.

The functions of Council in terms of the Act are:

- to formulate policy;
- to hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the Museum;
- to receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management;
- to raise funds for the Museum;



- to manage and control the moneys received by the Museum and to utilise those moneys for defraying expenses in connection with the performance of its functions;
- to keep proper record of the property of the Museum, to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of accounts to be kept;
- to determine, subject to the Cultural Institutions Act, and with the approval of the Minister, the objects of the Museum; and
- to generally carry out the objects of the Museum.

Other responsibilities:

- The Council determines the hours during which and the conditions and restrictions subject to which the public may visit the Museum and the admission charges to be paid.
- The Council may appoint such persons as it considers necessary to perform the functions of the Museum.

### ***Council Charter***

The Council Charter is a document that serves to set out the high-level responsibilities of the Museum Council read in conjunction with the Cultural Institutions Act, the PFMA, the applicable Treasury Regulations and the King IV requirements.

The Council conducted its affairs in accordance with the formally adopted Council Charter, the latter is reviewed annually. The last review of the charter was February 2023. The Financial Officer serves as Secretariat to the Council.



## Composition of the Council

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Term end	Qualifications	Area of Expertise	Council / Board/ Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Dr G.C. Benneyworth	Chairperson	1 December 2020	30 November 2023	PhD; MA (Heritage studies)	Academics, Leadership, Business Management, Programme and Project Management; Research and Strategy; Heritage, History, Tourism	War Museum Moral Regeneration Movement	EXCO	3
Mr. T.A. Ndebele-Monyela	Deputy Chairperson	1 December 2020	30 November 2023	Masters in History	Museums Archives	War Museum Heraldry	EXCO	4
Mr. D. Brijlal	Council member	1 December 2020	30 November 2023	BA (Hons) (IndPsy); MBA; Certificate in Advanced Labour Law.	Human Resources	War Museum		4
Ms R. Mulder	Council member	1 December 2020	30 November 2023	BA Social Science (Socio-Cultural Anthropology)	History, research, heritage conservation, writing, social media marketing	War Museum		4
Adv. C. Naidoo	Council member	1 December 2020	30 November 2023	LLB, LLM	Legal	War Museum	EXCO Audit committee	2
Ms S.P. Isoleli	Council member	1 December 2020	30 November 2023	Post Graduate Diploma	Governance Communication	War Museum		3
Ms D. Mangope	Council member	1 December 2020	30 November 2023	Master of Management Sciences in Tourism and Hospitality Management Bachelor Hons with specialisation in Gender Studies	Community based tourism development Tourism management Gender studies	War Museum		4
Ms S. Mabilane	Council member	1 December 2020	30 November 2023	Professional Accountant registered with SAIPA	Accountancy & Finance; Risk Management; Ethics Advocacy	War Museum; Luthuli Museum; Ehlanzeni TVET College	Audit committee	4

EXCO composition and meeting attendance:

Name of members	No. of meetings attended	Term end
Dr G.C. Benneyworth	0	8 December 2023
Adv. C. Naidoo	0	8 December 2023
Mr. T.A. Ndebele-Monyela	0	8 December 2023
Mr J.L. Pretorius	0	N/A

### **Remuneration of Council members**

The Minister of finance annually determines the service benefit packages for office-bearers of amongst others Public Entities. The latest of which was issued 16 January 2023 with effect from 1 April 2022. The Museum remunerates its Council members in accordance with this determination, specifically sub-category D1. In accordance with the issued determination employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving as office-bearers on Public Entities are not entitled to additional remuneration.

Council remuneration is disclosed in full in note 31 to the Financial Statements.

Name	Remuneration	Other allowance	Other re-imbursements	Total
Mr D. Brijlal	-		-	-
Adv. C Naidoo	-		-	
Dr G.C. Benneyworth (Chairperson)	19 548		-	19 548
Mr T. Ndebele-Monyela (Deputy Chairperson)	17 766		920	18 686
Ms R. Mulder	21 487		3 532	25 019
Ms S Mabilane	16 261		16 960	33 221
Ms D Mangope	16 155		-	16 155
Mrs S Tsoleli	12 565		-	12 565

## **>> 5. RISK MANAGEMENT**

The Museum has a risk management policy and strategy in place which have been approved by the Council. Annually a formal risk assessment is conducted by Management in order to identify new and emerging risks. The risk assessment culminates in a formal risk management strategy which is submitted to both the Audit Committee and Council for input and approval.

Risks are monitored on a quarterly basis to determine the effectiveness of the risk management strategies and results are reported to both the Audit Committee and Council as part of the Museum's quarterly reporting processes.

The Audit Committee further advises the Museum on risk management and independently in conjunction with the Internal Auditor, monitors the effectiveness of the system of risk management. The Committee reports regularly to Council on its activities.

## **>> 6. INTERNAL AUDIT AND AUDIT COMMITTEES**

Per the definition by the Institute of Internal Auditors, internal audit is defined as an "independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an

organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

The internal audit function has been outsourced for a three-year term to Be Integrated Chartered Accountants Incorporated from October 2022, previously to Morar Incorporated.

A three year-rolling plan for the audits of 2022/2023, 2023/2024 and 2024/2025 including the detailed plan for 2023/2024 have been tabled and approved by the Audit Committee.

The Internal Auditor reports to Council via the Audit Committee.

Internal audit interventions for 2022/2023 focused on the following (including applicable internal controls in each regard):

- High-level review of the Annual Financial Statements (GRAP compliance)

The Audit Committee met on a regular basis per its approved terms of reference. During the financial year ended 31 March 2023, two sittings of the Audit Committee took place.

The table below discloses relevant information on the audit committee members

Name	Qualifications	Nature of appointment	Date appointed	Date Resigned	No. of Meetings attended
Adv J Lubbe SC Chairperson	Advocate, S.C	Independent Member	9 May 2020	N/A	3
Ms S. Mabilane	Professional Accountant registered with SAIPA BTech in Cost and Management Accounting	Member of Council	25 November 2021	N/A	3
Adv. C. Naidoo	LLB, LLM	Member of Council	9 May 2020	N/A	2
Mr C. Pienaar	B.Com. Honours	Independent Member	9 May 2020	N/A	2
Mrs M.J. Ramaema	MSc Management	Independent Member	9 May 2020	N/A	2

## >> 7. COMPLIANCE WITH LAWS AND REGULATIONS

The Museum is a declared cultural institution in terms of the Cultural Institutions Act. It is imperative for the Museum to comply with its enabling legislation. Failure to do so may result in litigation and reputational damage.

The Management periodically under the guidance and approval of Council reviews the policies of the Museum in order to ensure that these are designed to foster adherence to the various laws and regulations applicable to the Museum.

The Museum further ensures compliance to the PFMA and Treasury Regulations through quarterly compliance reporting to Council and the Executive Authority.

## >> 8. FRAUD AND CORRUPTION

Provide a brief description of the following: The Museum has a zero-tolerance stance towards perpetrators of fraud, theft, corruption and maladministration by either council members, staff, service providers or other stakeholders.

The Museum will, without exception, react on all possible incidents of discovered fraud, theft, corruption and maladministration.

The Museum adopted a Fraud prevention policy and Strategy, this is reviewed annually.

The Museum further supports and promotes the various Fraud Awareness Campaigns launched by the Department of Sport, Arts and Culture among staff. The information is permanently displayed and staff are aware of the Department of Sport, Arts and Culture hotline.

Any allegations of fraud and corruption reported against officials of the Museum are reported directly to the Council. No such reports were received during the 2022/2023 financial period.

## >> 9. MINIMISING CONFLICT OF INTEREST

The Museum minimises conflict of interest through regular declarations by Council, Audit Committee, Supply Chain Management/Procurement Committees as well as all members of Management. This requires the declaration of actual or perceived conflict(s) of each member and his/her immediate family's interests with that of the business operations of the Museum. Should any conflict of interest arise which may in any way compromise or appear to comprise any of the aforementioned, the member is required to abstain from any related decision.

## >> 10. CODE OF CONDUCT

The Museum adopted a formal Code of Conduct which is reviewed on an annual basis.

The Code provides guidelines to employees with regard to their relationship with the Executive Authority, political and executive office-bearers, other employees and the public. It indicates the spirit in which employees should perform their duties, what should be done to avoid conflicts of interest and what is expected of them in terms of their personal conduct in public and private.

The Museum's Code of Conduct is modelled in accordance with that prepared and developed by the Public Service Commission for the Public Servants.

## >> 11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Museum endeavours to keep visitors, staff, collections and buildings safe. Health and safety related incidents are dealt with by the 16.2 appointee and Human resources and where necessary protocols and procedures are revised and improved.

## >> 12. SOCIAL RESPONSIBILITY

Ensuring universal access to the Museum by all communities is imperative. This however must be balanced against the need to generate income in the form of admission fees.



To ensure access to the Museum, Council implemented a diverse pricing structure which includes:

- Discounted entry for pensioners and students;
- Discounted entry for school groups and free entrance concessions upon application;
- Free entry to pre-schoolers;
- Various free entry days linked to National Holidays
  - Human-rights Day
  - Freedom Day
  - Workers Day
  - International Museums Day
  - Africa Day
  - Youth Day
  - Women's Day
  - Heritage Day

The Museum further presents various programmes, educational and otherwise, free of charge to schools, the elderly, the visually, hearing and mobility impaired as well as programmes to orphanages.

## >> 13. AUDIT COMMITTEE REPORT

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

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### **The Effectiveness of Internal Control**

During the year under review no internal control weaknesses were identified or raised by Internal Audit.

### **In-Year Management and Monthly/Quarterly Report**

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

### **Evaluation of Financial Statements**

We have reviewed the annual financial statements prepared by the public entity.

### **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.

**Adv. J Lubbe**  
**Chairperson of the Audit Committee**  
**War Museum**  
**31 July 2023**



*Part 0*

**HUMAN  
RESOURCE  
MANAGEMENT**



## >> 1. INTRODUCTION

Provide commentary on the following:

- Overview of HR matters at the public entity
- Set HR priorities for the year under review and the impact of these priorities
- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce
- Employee performance management framework
- Employee wellness programmes
- Policy development
- Highlight achievements
- Challenges faced by the public entity
- Future HR plans /goals

## >> 2. HUMAN RESOURCE OVERSIGHT STATISTICS

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

### 2.1. Personnel related expenditure

#### Personnel Cost by programme

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1: Administration		8 212		19	411
Programme 2: Business development		2 400		6	400
Programme 3: Public engagement		1 847		3	616

#### Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 867	16	1	1 867
Senior Management	1 875	16	2	937
Professional qualified	4 128	35	8	516
Skilled	706	6	2	353
Semi-skilled	2 865	24	12	239
Unskilled	303	3	3	101
<b>TOTAL</b>	<b>11 744</b>	<b>100</b>	<b>28</b>	<b>419</b>

#### Performance Rewards

The performance of employees is assessed on an annual basis but the Museum does not have a performance rewards system in place.

#### Training Costs

The total training cost for the Museum for the financial year amounted to R33,000.



### Employment and vacancies

Programme/activity/objective	2022/2023 No. of Employees	2022/2023 Approved Posts	2022/2023 Vacancies	% of vacancies
Programme 1: Administration	19	20	1	5
Programme 2: Business development	6	6	0	0
Programme 3: Public engagement	3	3	0	0

Programme/activity/objective	2022/2023 No. of Employees	2022/2023 Approved Posts	2022/2023 Vacancies	% of vacancies
Top Management	1	1	0	0
Senior Management	2	2	0	0
Professional qualified	8	9	1	11
Skilled	2	2	0	0
Semi-skilled	12	12	0	0
Unskilled	3	3	0	0
<b>TOTAL</b>	<b>28</b>	<b>29</b>	<b>1</b>	

The position became vacant during the Covid pandemic. Due to budget constraints during this period, the Museum was unable to fill the position. The position will be filled in the 2023/2024 financial year.

### Employment changes

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

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	2	1	1	2
Professional qualified	8	0	0	8
Skilled	2	0	0	2
Semi-skilled	12	0	0	12
Unskilled	3	0	0	3
<b>Total</b>	<b>28</b>	<b>1</b>	<b>1</b>	<b>28</b>

### Reasons for staff leaving

The CFO that resigned was replaced by appointing a new CFO in the position.

Reason	Number	% of total no. of staff leaving
Death		
Resignation	1	100%
Dismissal		
Retirement		
Ill health		
Expiry of contract		
Other		
<b>Total</b>		

The CFO that resigned was replaced by appointing a new CFO in the position.



**Labour Relations: Misconduct and disciplinary action**

Nature of disciplinary Action	Number
Verbal Warning	None
Written Warning	None
Final Written warning	None
Dismissal	None

**Equity Target and Employment Equity Status**

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management							1	1
Senior Management							1	1
Professional qualified			1	1			2	2
Skilled								
Semi-skilled	9	9					1	1
Unskilled	1	1					1	1
<b>TOTAL</b>	10	10	1	1			6	6

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management							1	1
Professional qualified	1	1					4	4
Skilled	1	1						
Semi-skilled			1	1				
Unskilled	1	1						
<b>TOTAL</b>	3	3	1	1			5	5

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	0	0	0	0



# Part E

## PFMA COMPLIANCE REPORT



## >> 1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

### 1.1. Irregular expenditure

#### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	0	0
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
<b>Closing balance</b>	<b>0</b>	<b>0</b>

#### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to 2022/23 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

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

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

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

e) Details of current and previous year irregular expenditure recovered

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

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

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

*Additional disclosure relating to Inter-Institutional Arrangements*

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

Description
None
<b>Total</b>

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

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

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

Disciplinary steps taken
N/A - none

## 1.2. Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Closing balance	0	0

### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 20XX/YY	0	0
Fruitless and wasteful expenditure that relates to 20XX/YY and identified in 20YY/ZZ	0	0
Fruitless and wasteful expenditure for the current year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

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

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

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

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

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

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

Disciplinary steps taken
N/A - none

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

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

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

- b) Details of other material losses

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

- c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
N/A - None		
<b>Total</b>		

- d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
N/A - None		
<b>Total</b>		



*Part F*

**FINANCIAL  
INFORMATION**





## Opinion

1. I have audited the financial statements of the War Museum of the Boer Republics set out on pages 57 to 101, which comprise the statement of financial position as at 31 March 2023, 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 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 War Museum of the Boer Republics as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

## Basis for opinion

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

## Emphasis of matter

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

## Restatement of corresponding figures

7. As disclosed in note 38.2 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the public entity at, and for the year ended 31 March 2023.

## Other matter

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



## National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

9. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, amongst others, the disclosure of irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in the notes to the financial statements of the public entity when incurred. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the public entity. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

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

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

### Responsibilities of the auditor-general for the audit of the financial statements

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

### Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material

performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to business development, and public engagement presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- 6 articles per annum in the media or other publications (including digital media)
- Quarterly updates to website/social media pages
- Participate in 4 heritage events per annum (including virtual events)
- Collect items (black and british participation) – 10 items per annum
- Conserve/maintain 2 categories of items or parts thereof per annum
- Publish 1 internal publication per annum or contribute to the research of 1 external publication per annum (including digital publications)
- 6 upgraded and/or new exhibitions (permanent or temporary or online/digital)
- 5 projects (event and/or exhibition and/or heritage awareness initiatives – including virtual projects) in support of national initiatives, youth day, mandela day, women's day, heritage day, and day of reconciliation
- Social responsibility awareness campaign addressing abuse against women and children (including virtual campaigns)
- All new and/or upgraded (permanent or temporary) exhibitions implemented during the period in three languages (in terms of policy) (online/digital exhibitions will only be in english)
- Host one skills development programme per annum (including virtual programmes)
- Visit 16 educational institutions (pre-primary, primary, secondary and tertiary) per annum (including virtual/digital programmes) or 16 registrations by schools to the online education platform of the museum
- Annual school olympiad (including a virtual event)
- Present 4 community outreach and heritage awareness programmes (including virtual/digital) per annum to promote universal access (cultural organisations or groups/ elderly/orphanages/visually impaired/etc.)

16. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery of its mandate and objectives.



17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only.

19. I did not identify any material findings on the reported performance information for the selected material performance indicators.

#### Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

23. I did not identify any material non-compliance with the selected legislative requirements.

#### Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report

and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

#### Internal control deficiencies

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

*Auditor General*

Bloemfontein

31 July 2023





## Annexure to the auditor's report

1. The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

### Communication with those charged with governance

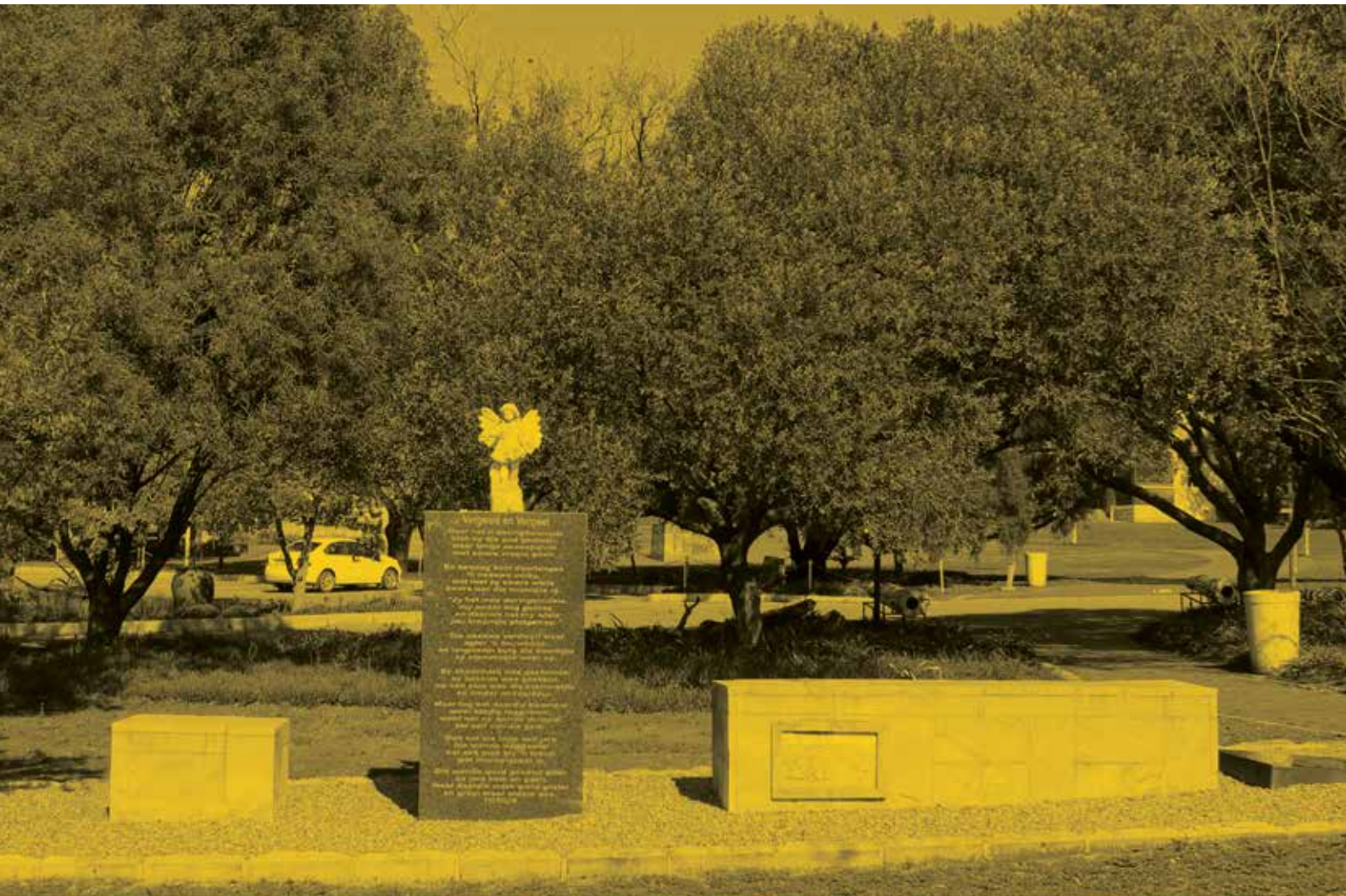
4. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4) Sections 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i) Sections 56(1); 56(2); 57(b); 66(3)(c); 66(5)
Treasury Regulations	Regulations 8.2.1; 8.2.2; 16A 6.1; 16A6.2(a) & (b); 16A6.2(e) Regulations 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d) Regulations 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A.7.1 Regulations 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9 Regulations 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); 16A 9.2(a)(iii) Regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulations 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3, Regulations 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Public Service Regulations	Regulations 18; 18(1); 18(2)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 11.2; Regulations 12.1; 12.2
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1;4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraph 1;2
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraph 4.8; 4.9; 5.1; 5.3
National Treasury SCM Instruction Note 11 of 2020-21	Paragraphs 3.1; 3.4 (b); 3.9
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
National Treasury SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a) ; 3.3.1
National Treasury SCM Instruction Note 3 of 2021-22	Paragraphs 4.3; 4.4; 4.4 (a); 4.4 (c) & (d)
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2







## 2. ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 MARCH 2023

### Statement of Financial Position as at 31 March 2023

		2022/23 R	Restated 2021/22 R
	Notes		
<b>ASSETS</b>			
<b><i>Current assets</i></b>			
Cash and cash equivalents	4	6 541 282	9 365 630
Trade and other receivables from exchange transactions	5	86 436	5 548
Inventories	6	667 283	705 543
<b>Total current assets</b>		<b>7 295 001</b>	<b>10 076 721</b>
<b><i>Non-current assets</i></b>			
Intangible assets	7	15 543	20 386
Property, plant and equipment	8,38	3 115 636	1 867 608
Heritage assets	9,38	99 319 437	98 374 115
<b>Total non-current assets</b>		<b>102 450 616</b>	<b>100 262 109</b>
<b>Total assets</b>		<b>109 745 617</b>	<b>110 338 830</b>
<b>LIABILITIES</b>			
<b><i>Current liabilities</i></b>			
Trade and other payables from exchange transactions	10,38	1 565 141	1 252 839
Liabilities for transfers for special projects DSAC	11	4 876 389	7 234 455
Liabilities for transfers for special projects NLC - Lotto	12	762 453	762 453
Post-employment health care benefit liability	13	219 500	432 000
<b>Total current liabilities</b>		<b>7 423 483</b>	<b>9 681 747</b>
<b><i>Non-current liabilities</i></b>			
Post-employment health care benefit liability	14,15	8 065 500	7 396 000
<b>Total non-current liabilities</b>		<b>8 065 500</b>	<b>7 396 000</b>
<b>Total liabilities</b>		<b>15 488 983</b>	<b>17 077 747</b>
<b>Net assets</b>		<b>94 256 634</b>	<b>93 261 083</b>
<b>NET ASSETS</b>			
Reserves	16	228 228	227 993
Accumulated surplus	16,38	94 028 406	93 033 090
<b>Total net assets</b>		<b>94 256 634</b>	<b>93 261 083</b>

## Statement of Financial Position as at 31 March 2023

		2022/23 R	Restated 2021/22 R
	<b>Notes</b>		
<b>REVENUE</b>			
<i>Revenue from exchange transactions</i>			
Operating revenue	18	316 970	476 045
Rental income	19	36 902	2 400
Interest income	20	34 928	53 576
<i>Revenue from non-exchange transactions</i>			
Gifts, sponsorships and donations received	21	3 509	341 317
Transfers and subsidies received	22	23 133 206	25 788 413
Transfers for special projects NLC	23	-	-
Transfers for special projects DSAC	24	5 115 677	3 173 070
Heritage asset donated	25	953 800	472 940
<b>Total revenue</b>		<b>29 594 992</b>	<b>30 307 761</b>
<b>EXPENSES</b>			
Administrative expenses	26	179 345	89 806
Audit fees	27,38	433 402	671 372
Amortisation charge	28	4 843	3 438
Depreciation charge	29	234 596	213 013
Other expenses	30	9 937 364	13 709 047
Staff costs	31	14 045 568	13 195 285
Transfer of property	8,38	3 881 102	5 087 927
<b>Total expenses</b>		<b>28 716 220</b>	<b>32 969 888</b>
<b>Surplus/(deficit) from operations</b>		<b>878 772</b>	<b>(2 662 127)</b>
Loss from write-off of property, plant and equipment	8	(43 195)	(76 023)
Foreign exchange difference heritage assets	9,38	-	1 096 486
Impairment of heritage assets	9	(10 050)	(44 022)
Actuarial gain	15	170 024	265 868
<b>Surplus/(Deficit) for the year</b>		<b>995 551</b>	<b>(1 419 818)</b>



## Statement of Changes in Net Assets for the year ended 31 March 2023

	Note	Accumulated Surpluses/ (Deficits) R	Reserves R	Total R
<b>Balance at 1 April 2021</b>	<b>16</b>	<b>94 454 879</b>	<b>226 022</b>	<b>94 680 901</b>
Surplus for the year		1 262 908	-	<b>1 262 908</b>
Prior period error	38	(2 682 726)	-	<b>(2 682 726)</b>
Transfers to/(from) reserves	16	(1 971)	1 971	-
<b>Balance at 31 March 2022</b>	<b>16</b>	<b>93 033 090</b>	<b>227 993</b>	<b>93 261 083</b>
Surplus for the year		995 551		<b>995 551</b>
Transfers to/(from) reserves	16	(235)	235	-
<b>Balance at 31 March 2023</b>	<b>16</b>	<b>94 028 406</b>	<b>228 228</b>	<b>94 256 634</b>

## Cash Flow Statement for the year ended 31 March 2023

	Notes	2022/23 R	Restated 2021/22 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from Government Grants and customers		20 878 034	19 547 159
Cash paid to suppliers and employees		(18 328 816)	(18 704 707)
<b>Cash generated from operations</b>	<b>33</b>	<b>2 549 218</b>	<b>842 452</b>
Interest income	20	34 928	53 576
<b>Net cash flows from operating activities</b>		<b>2 584 146</b>	<b>896 028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets	7	-	(16 405)
Purchase of property, plant and equipment	8	(5 406 922)	(2 749 530)
Purchase of heritage assets	9	(1 572)	(39 573)
Pre-paid heritage asset		-	1 998
<b>Net cash flows from investing activities</b>		<b>(5 408 494)</b>	<b>(2 803 510)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2 824 348)</b>	<b>(1 907 482)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>4</b>	<b>9 365 630</b>	<b>11 273 112</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>6 541 282</b>	<b>9 365 630</b>

## Statement of Comparison of Budget and Actual Amounts for the year ended 31 March 2023

Difference between  
Final Budget and  
Actual  
R

Actual Amounts on  
Comparable Basis  
R

Final Budget  
R

Adjustments  
R

Approved Budget  
R

<b>OPERATIONS:</b>							
<b>INCOME</b>		<b>18 077 400</b>	<b>657 224</b>	<b>18 734 624</b>	<b>18 201 310</b>	<b>533 314</b>	
Transfers and subsidies	22	17 809 000	-	17 809 000	17 809 000	-	
Interest income	20	50 000	-	50 000	34 929	15 071	
Entrance fees	18	100 000	20 000	120 000	119 774	226	
Sales	18	94 000	6 000	100 000	97 722	2 278	
Rental income	19	2 400	34 224	36 624	36 902	(278)	
Donations	21	10 000	(5 000)	5 000	3 509	1 491	
Other income	18	12 000	602 000	614 000	99 474	514 526	
<b>EXPENDITURE</b>		<b>18 077 400</b>	<b>657 224</b>	<b>18 734 624</b>	<b>18 250 640</b>	<b>483 984</b>	
Administrative costs	26	100 000	34 000	134 000	179 345	(45 345)	
Audit fees	27	445 000	24 000	469 000	433 402	35 598	
Other expenses	30	3 904 517	191 100	4 095 617	4 120 868	(25 251)	
Staff costs	31	12 529 883	418 124	12 948 007	12 434 496	513 511	
Assets	7, 8	1 098 000	(10 000)	1 088 000	1 082 529	5 471	
<b>Surplus/(deficit)</b>	<b>32**</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49 330)</b>	<b>49 330</b>	
<b>PROJECTS:</b>							
<b>NLC</b>							
Income	12,23	*762 453	-	762 453	762 453	-	
Expenditure	12,30	(762 453)	-	(762 453)	-	(762 453)	
<b>Surplus/(deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>762 453</b>	<b>(762 453)</b>	
Amount carried forward	12	-	-	-	(762 453)	762 453	
<b>Surplus/(deficit)</b>	<b>32**</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

\*Balance carried over from previous year

\*\*Refer to note 32 for explanations for material differences between the original and final budget as well as budget and actual comparable amounts

## Statement of Comparison of budget and Actual Amounts for the year ended 31 March 2023 (continued)

	Approved Budget	Adjustments	Final Budget	Actual Amounts on	Difference between
	R	R	R	Comparable Basis	Final Budget and
				R	Actual
					R
<b>DSAC SPECIAL PROJECTS – UNSPENT CONDITIONAL GRANTS</b>					
Income	*7 234 455	2 300 000	9 534 455	9 534 455	-
Interest on project funds	-	405 986	405 986	405 986	-
Transfer to revenue – project conditions met	-	-	-	(51 625)	51 625
Expenditure	(7 234 455)	(2 705 986)	(9 940 441)	(5 012 427)	(4 928 014)
<b>Surplus/(deficit)</b>	-	-	-	<b>4 876 389</b>	<b>(4 876 389)</b>
Amount carried forward	-	-	-	(4 876 389)	4 876 389
<b>Surplus/(deficit)</b>	-	-	-	-	-
<b>DSAC SPECIAL PROJECTS – RESERVES</b>					
Income	*143 547	-	143 547	143 547	-
Expenditure	(143 547)	-	(143 547)	-	(143 547)
<b>Surplus/(deficit)</b>	-	-	-	<b>143 547</b>	<b>(143 547)</b>
Amount carried forward	-	-	-	(143 547)	143 547
<b>Surplus/(deficit)</b>	-	-	-	-	-
<b>SPONSORSHIPS/ROYALTIES – RESERVES</b>					
Income	*84 446	235	84 681	84 681	-
Expenditure	(84 446)	(235)	(84 681)	-	(84 681)
<b>Surplus/(deficit)</b>	-	-	-	<b>84 681</b>	<b>(84 681)</b>
Amount carried forward	-	-	-	(84 681)	84 681
<b>Surplus/(deficit)</b>	-	-	-	-	-

\*Balance carried over from previous year

\*\*Refer to note 32 for explanations for material differences between the original and final budget as well as budget and actual comparable amounts

## Statement of comparison of budget and actual amounts for the year ended 31 March 2023 (continued)

Reconciliation between actual amounts on a comparable basis presented above to net increase/(decrease) in cash and cash equivalents for the year per the Cash Flow Statement:

	Notes	Operating Activities R	Investing Activities R	Financing Activities R	Total R
Total income on a comparable basis		29 154 806	-	-	29 154 806
<i>Balances carried over from prior period</i>		(8 224 900)	-	-	(8 224 900)
		20 929 906	-	-	20 929 906
		(76 707)	-	-	(76 707)
Adjusted for basis differences:					
Trade and other receivables	5	(80 888)	-	-	(80 888)
Straight-lining of operating lease	19	4 181	-	-	4 181
Interest income	20	(34 929)	-	-	(34 929)
<b>Actual Amount in the Statement of Cash Flows</b>		20 818 270	-	-	20 818 270
Total expenditure on a comparable basis		(23 263 066)	-	-	(23 263 066)
Adjusted for basis differences:		4 994 014	(5 408 494)	-	(414 481)
Purchases of property, plant and equipment	8	5 406 922	(5 406 922)	-	-
Purchases of intangible assets	7	-	-	-	-
Purchase of heritage assets	9	1 572	(1 572)	-	-
Trade creditors	10	226 250	-	-	226 250
Medical aid benefits continuation members	15	(388 976)	-	-	(388 976)
Retention fees movement	10	(54 543)	-	-	(54 543)
Projects from surplus		(197 212)	-	-	(197 212)
Special project leave accrued	10	-	-	-	-
<b>Actual Amount in the Statement of Cash Flows</b>		(18 269 052)	(5 408 494)	-	(23 677 547)
Interest income	20	34 928	-	-	34 928
<b>Net increase/(decrease) in cash and cash equivalents</b>	4	2 584 146	(5 408 494)	-	(2 824 349)

## 1. Accounting Policies

These financial statements are for The War Museum of the Boer Republics. The following are the principle accounting policies of the Museum which are, in all material respects, consistent with those applied in the previous financial year, except as otherwise indicated:

### 1.1 Basis of preparation

The financial statements, to the extent that it is practicable, have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (PFMA), Act 1 of 1999

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, unless specified otherwise.

The cash flow statement has been prepared in accordance with the direct method.

The amount and nature of any restrictions on cash balances are disclosed, where appropriate.

### 1.2 Currency

These financial statements are presented in South African Rand (R) since that is the currency in which the majority of the Museum's transactions are denominated. Amounts presented have been rounded to the nearest R1.

### 1.3 Going concern assumption

These financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. Funds were obtained and used in accordance with a legally adopted budget.

### 1.4 Revenue recognition

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

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

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

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

#### ***Income received from entrance fees, sale of goods and royalties***

Revenue from the sale of goods and royalties is recognised when significant risks and rewards of ownership of the goods have been transferred to the purchaser and the amounts of revenue can be measured reliably.



#### **1.4 Revenue recognition (continued)**

Revenue from the sale of tickets for entrance fees is only recognised when the Museum's related obligation to perform has been extinguished.

Revenue is measured at the fair value of the consideration received or receivable.

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

###### *Interest income*

Interest income is recognised on a time proportion basis, considering the principal outstanding and the effective rate over the period to maturity.

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

These are transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

###### *Government Grants, sponsorships and donations*

Income received from grants, sponsorships and donations are recognised as revenue when the entity gains control of the resources that meet the definition of an asset and thus where it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. Revenue is recognised to the extent that a liability is not also recognised in respect of the same income, i.e. where no conditions exist with a corresponding requirement to return the income to the transferor. When a condition exists with a corresponding requirement to return the income to the transferor, a liability is recognised until such time as the condition is fulfilled and no further obligation to return the income to the transferor exists in which case revenue is recognised.

###### *Services in-kind*

Services in-kind that are significant to the Museum's operations and/or service delivery objectives are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity. Services in-kind, such as the free use of the building in which the Museum is housed, are measured at their fair value as at the date of acquisition.

#### **1.5 Retirement benefit costs**

The Museum operates a defined contribution retirement plan, the assets of which are generally held in separate trustee-administered funds. The plan is generally funded by payments from the Museum's employees, taking into account the recommendations of independent qualified actuaries.

Payments to defined contribution retirement plans are charged to the statement of financial performance in the year to which they relate.

The museum also operates a post-employment health care benefit plan. The current service cost, interest cost and liability are determined by means of an actuarial valuation. The vested current service cost is immediately acknowledged in the statement of financial performance as an expense, while the non-vested current service cost, if any, is acknowledged as an expense on a straight-line basis over the average period until the benefit will be vested.

Actuarial gains and losses are recognised through surplus and deficit in the period in which they occur.

### 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services or for administrative purposes and are expected to be used during more than one year. Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the Museum and the cost or fair value of the item can be measured reliably.

Property, plant and equipment are stated at cost (where acquired through exchange transactions) less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment acquired through non-exchange transactions are measured at their fair value as at the date of acquisition.

Depreciation is charged so as to systematically write off the cost or valuation of assets over their estimated useful lives to its residual value, using the straight-line method.

Annual depreciation rates are based on the following ranges of estimated asset useful lives:

Vehicles	10 - 21 years
Computer equipment	5 - 19 years
Electronic equipment	5 - 30 years
Donated assets	5 - 20 years
Other assets	2 - 38 years

Depreciation commences when the asset is ready for its intended use.

If the cost of a part of an item is considered to be significant in relation to the total cost of the item, that part is depreciated separately. The useful lives and residual value of assets are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of financial performance.

The museum at each reporting date assesses whether there is any indication that assets may be impaired. Where the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the surplus and deficit.

### 1.7 Intangible assets

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

Intangible assets are recognised in the Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Museum and the cost can be reliably measured.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the Museum for no consideration, the cost is deemed to be equal to the fair value of the asset on the date acquired. Subsequent to initial recognition, intangible assets shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to systematically write off the cost or valuation of assets over their estimated useful lives to its residual value, using the straight-line method on the following bases.

### 1.7 Intangible assets (continued)

The annual amortisation rates are based on the following estimated average asset lives:

Computer software	2 - 13 years
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The residual value of an intangible asset with a finite useful life shall be assumed to be zero.

The amortisation period and the amortisation method are reviewed at each financial year-end.

The museum at each reporting date assesses whether there is any indication that assets may be impaired. Where the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the surplus and deficit.

The gain or loss arising from the derecognition of an intangible asset (upon disposal or when no future economic benefits/service potential are expected from its use or disposal) is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and is recognised in surplus and deficit when the asset is derecognised.

### 1.8 Inventories

Inventories are carried at the lower of cost or net realisable value. Net realisable value represents the estimated selling price in the ordinary course of operations less the estimated cost of completion and estimated cost necessary to make the sale, exchange or distribution. Inventories are measured using the first-in-first-out technique. Inventory acquired at no cost are carried at its fair value as at the date of acquisition.

### 1.9 Financial instruments

#### ***Recognition***

Financial assets and financial liabilities are recognised on the Museum's statement of financial position when and only when the Museum becomes a party to the contractual provisions of the instrument.

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

#### ***Measurement***

Financial instruments are initially measured at fair value, plus, in the case of a financial asset or financial liability not subsequently measured at fair value, transaction costs directly attributable to the acquisition or use of the financial asset or financial liability.

Subsequent to initial recognition these instruments are measured as set out below:

#### ***Financial assets***

The Museum's principle financial assets are trade and other receivables and cash and cash equivalents.

- Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition. Subsequent to initial measurement, trade and other receivables are

### 1.9 Financial instruments (continued)

stated at amortised cost, less provisions for impairment. All trade and other receivables are assessed at least annually for possible impairment.

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

- Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

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

#### Financial liabilities

The Museum's principle financial liabilities include accounts and other payables.

- Trade and other payables

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

### 1.10 Provisions and contingencies

Provisions are liabilities of uncertain timing or amount. Provisions are recognized when the Museum has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably.

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

A contingent liability 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 Museum; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Museum does not recognise contingent assets and liabilities. Contingent liabilities are disclosed in note 17.

### 1.11 Comparative figures

When the presentation or classification of items in the financial statements are amended, prior period comparative amounts are also restated and reclassified. The nature and reason for the reclassification will be disclosed where necessary. Where accounting errors relating to prior periods have been identified in the current year, the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy

### 1.11 Comparative figures (continued)

in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

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

### 1.12 Post reporting date events

Where an event occurs after the reporting date that has an effect on a situation that occurred before the reporting date, the effect will be acknowledged in the financial statements.

However, where an event occurs after the reporting date that has no effect on a situation that occurred before the reporting date, the effect will be acknowledged in a note to the financial statements, if the fair presentation of the financial statements is affected.

### 1.13 Income taxation

In terms of section 10(1) of the Income tax Act, No. 58 of 1962, the War Museum of the Boer Republics is exempted from taxation and approval for exemption was granted in terms of section 18A.

### 1.14 Heritage assets

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:

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

The Museum will assess the degree of certainty attached to the flow of future service potential or economic benefits:

- a) If the Museum holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
- b) For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include: purchase, donation, bequeath, loan or transfer.
- c) The research required to identify, analyse and classify heritage items often spans several months, even years. These items cannot be recognised in the financial statements, but will be recorded and controlled in the register. Relevant and useful information about them shall be disclosed in the notes to the financial statements.

#### 1.14 Heritage assets (continued)

##### Measurement:

The value of assets has been determined using cost. If the asset is acquired in a non-exchange transaction – fair value on acquisition is deemed the acquisition cost.

Values have been assigned to the heritage assets, which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of “Open Market” principles in determining value, however, values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation.

##### Directive 7 – Use of deemed cost for heritage assets upon initial recognition and adoption of a standard

The following terms are used in this Directive with the meanings specified:

- a) Acquisition cost: When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.
- b) Deemed cost: Deemed cost is a surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP (measurement date).
- c) Measurement date (for purposes of this Directive): Measurement date 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.

For the purpose of this Directive, measurement of assets at fair value on the adoption of the Standards of GRAP, does not constitute:

- a) a revaluation in accordance with the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets; or
- b) the application of the fair value model in the Standards of GRAP on Investment Property, paragraph A4, which states that subsequent depreciation, if applicable, is based on that deemed cost, and starts from the measurement date.

##### Initial entries using deemed cost

When an entity initially measures assets using the deemed cost approach in this Directive, it recognises the effect:

- a) as an adjustment to the opening balance of accumulated surpluses or deficits in the opening statement of financial position prepared using Standards of GRAP; or
- b) in revaluation surplus if an entity adopts the revaluation model in the Standards of GRAP on Property, Plant and Equipment, Intangible Assets or Heritage Assets.

The Museum has adopted the cost model for heritage assets.

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

### 1.14 Heritage Assets (continued)

#### Valuation of heritage assets

The existence of published price quotations in an active market is the best evidence of the fair value, such as the quoted price from recent auctions published in local newspapers; however, if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; 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. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.46).

The valuation of heritage assets was performed by a member of the valuation profession.

Valuation of heritage assets:

a) Valuation techniques

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, the entity may use that technique in determining the fair value (GRAP 103.47).

b) Inability to value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements. These items are controlled in the asset register.

c) Valuing an entire collection

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection. Under such circumstances, the carrying value of the entire collection may need to be reassessed, when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed (GRAP 103.45).

#### Heritage asset classification

A class of heritage assets is a grouping of heritage assets of a similar nature or function in the Museum's operations, which is shown as a single item for the purpose of disclosure in the financial statements. The Museum has recognised the following classes of heritage assets:

- Philatelic
- Documents
- Photographic
- Library Material ("Library")
- 3 Dimensional Objects ("Objects")

### 1.14 Heritage Assets (continued)

#### Heritage assets on loan to other institutions

The financial statements shall disclose information on heritage assets that are borrowed from, or on loan to other entities.

#### Impairment

At each reporting date, the Museum assesses whether there is an indication that it may be impaired. If any such indication exists, the Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are made when, and only when, the particular asset no longer meets the definition of a heritage asset. Transfers to heritage assets are made when, and only when, the particular asset meets the definition of a heritage asset.

#### De-recognition

The carrying amount of a heritage asset is de-recognised:

- 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 de-recognition 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 the heritage asset is de-recognised.

### 1.15 Budget information

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

### 1.16 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term.

### 1.17 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 other national entities where control exists are considered to be related parties and to be under common control.

Management is regarded as related parties of the Museum. Management is defined as being comprised of those individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals from the level of Senior Management, as well as the members of the Accounting Authority are considered Management.



### 1.17 Related parties (continued)

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in governing its financial and operating decisions, or if the related party and another entity are subject to common control.

Related party disclosures for transactions which occur within

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

are not disclosed in accordance with GRAP 20 Related Party Disclosure. However narrative information about the nature of the transactions and the related outstanding balances are disclosed.

## 2. Adoption of Standards of Generally Recognised Accounting Practice

The Museum did not adopt new GRAP standards during the current financial year.

## 3. Critical accounting estimates and judgements in applying accounting policies

The Museum makes estimates and assumptions that affect the reported amounts of assets and liabilities at date of financial position as well as the reported income and expenses for the year.

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

### 3.1 Post-employment health care benefit liabilities

The costs of the benefits and the present value of the post-employment health care benefit liability depend on a number of factors that are determined by an actuarial valuation using a number of assumptions. The main assumptions used in determining the charge to the income statement arising from these obligations include discount rates, medical aid inflation and expected retirement age. Any changes in these assumptions will impact the charge to the statement of financial performance.

#### *Discount rate*

The discount rate should be derived from government bond yields consistent with the estimated term of the post-retirement liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The methodology of setting the financial assumptions is duration specific. The duration of liabilities was estimated to be 12.23 years.

A discount rate of 12.11% per annum was used. The corresponding index-linked yield at this term is 7.42%. These rates were deduced from the interest rate data obtained from the JSE after the market closed on 31 March 2023.

These rates were calculated by using a liability-weighted average of the yields for the two components of the liability. Each component's fixed-interest and index-linked yields were taken from the respective bond yield curves at that component's duration, using an interactive process (because the yields depend on the liability, which in turn depends on the yields).

### 3. Critical Accounting estimates and judgements in applying accounting policies (continued)

#### *Health Care Cost Inflation Rate*

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 8.92% has been assumed, a net discount rate of 2.93%.

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. These increases were considered to be not sustainable and have assumed that medical aid contribution increases would out-strip general inflation by 1.5% per annum over the foreseeable future.

#### *Expected retirement age*

The normal retirement age is 65. It was assumed that all members will retire at 63 on average, which then implicitly allows for expected rates of ill-health and early retirement.

Additional information is provided in Note 14 and 15 of these financial statements.

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

Assets are depreciated over its useful life, and takes into account its residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, extent of usage and maintenance requirements are also considered. Residual value assessments consider the current market value for similar assets that were already of the age and condition expected at the end of the asset's life should it be disposed of.

#### **3.3 Fair value of the free use of buildings**

The Museum is housed in Government owned buildings. The buildings are used free of charge.

The fair value of this service in-kind is estimated by applying market related rental rates per square metre for office buildings during the financial period to the calculated area of use. In the absence of recent reliable market related rentals adjustments are made to the rental rates previously used/available for inflation and other economic factors.

#### 4. Cash and cash equivalents

	2022/23 R	2021/22 R
Cash at bank:		
ABSA – account: 047 060 1302	780 415	2 060 884
Corporation Public Deposits – account: 95181172	890 465	29 536
Corporation Public Deposits – account: 95271074	4 864 667	7 269 010
Cash on hand	5 735	6 200
<b>Total</b>	<b>6 541 282</b>	<b>9 365 630</b>

There are no restrictions on title or disposal of cash balances nor have any of the balances been pledged as security for any liabilities.

As required in sections 7(2) and 7(3) of the Public Finance Management Act, the National Treasury has approved the banks where the bank accounts are held.

Also refer to note 36 on Financial Instruments.

#### 5. Trade and other receivables from exchange transactions

Trade receivables	85 611	4 723
Deposits with suppliers	825	825
<b>Total</b>	<b>86 436</b>	<b>5 548</b>

#### 6. Inventories

	2022/23 R	2021/22 R
Consumables	20 809	22 165
Publications	644 107	678 784
Curio items	2 367	4 594
<b>Total</b>	<b>667 283</b>	<b>705 543</b>

## 7. Intangible Assets

	Computer Software	Total
<b>Year ended 31 March 2022</b>		
Cost	65 964	65 964
Accumulated amortisation	(58 547)	(58 547)
<b>Opening net carrying amount</b>	<b>7 417</b>	<b>7 417</b>
Additions	16 405	16 405
Amortisation	(3 436)	(3 436)
<b>Net carrying amount 31 March 2022</b>	<b>20 386</b>	<b>20 386</b>
<b>Reconciliation at 31 March 2022</b>		
<b>Cost price</b>	<b>82 370</b>	<b>82 370</b>
Cost price	82 370	82 370
Write-off at cost	-	-
<b>Accumulated amortisation</b>	<b>(61 984)</b>	<b>(61 984)</b>
Accumulated amortisation	(61 984)	(61 984)
Write-off - accumulated amortisation	-	-
	<b>20 386</b>	<b>20 386</b>
<b>Year ended 31 March 2023</b>		
Opening net carrying amount	20 386	20 386
Amortisation	(4 843)	(4 843)
<b>Net carrying amount 31 March 2023</b>	<b>15 543</b>	<b>15 543</b>
<b>Reconciliation at 31 March 2023</b>		
<b>Cost price</b>	<b>68 317</b>	<b>68 317</b>
Cost price	68 317	68 317
Write-off at cost	-	-
<b>Accumulated amortisation</b>	<b>52 774</b>	<b>52 774</b>
Accumulated amortisation	52 774	52 774
Write-off - accumulated amortisation	-	-
	<b>15 543</b>	<b>15 543</b>

There are no restrictions on the title or the disposal of intangible assets.  
None of the assets have been pledged as security for any liabilities.  
There are no contractual commitments related to intangible assets.

**8. Property, Plant and Equipment**

	Buildings WIP	Computer equipment	Electronic equipment	Vehicles	Donated assets	Other assets	Total
<b>Year ended 31 March 2022:</b>							
Cost	2 783 045	533 781	922 560	806 244	74 937	774 426	5 894 993
Accumulated depreciation		(251 460)	(500 351)	(224 288)	(73 867)	(349 985)	(1 399 951)
<b>Opening net carrying amount</b>	<b>2 783 045</b>	<b>282 321</b>	<b>422 209</b>	<b>581 956</b>	<b>1 070</b>	<b>424 441</b>	<b>4 495 042</b>
Additions	2 304 882	26 796	200 080	-	-	217 771	2 749 529
Depreciation	-	(67 314)	(75 748)	(26 153)	(170)	(43 628)	(213 013)
Transfer of property	(5 087 927)	-	-	-	-	-	(5 087 927)
Write-off at carrying value	-	(101)	(69 761)	-	-	(6 161)	(76 023)
<b>Net carrying amount 31 March 2022</b>	<b>-</b>	<b>241 702</b>	<b>476 780</b>	<b>555 803</b>	<b>900</b>	<b>592 423</b>	<b>1 867 608</b>

**Reconciliation at 31 March 2022:**

<b>Cost price</b>	<b>-</b>	<b>548 221</b>	<b>928 714</b>	<b>806 244</b>	<b>74 937</b>	<b>942 948</b>	<b>3 301 064</b>
Cost price	-	560 577	1 122 640	806 244	74 937	992 197	3 556 595
Write-off at cost	-	(12 356)	(193 926)	-	-	(49 249)	(255 531)
<b>Accumulated depreciation</b>	<b>-</b>	<b>(306 519)</b>	<b>(451 934)</b>	<b>(250 441)</b>	<b>(74 037)</b>	<b>(350 525)</b>	<b>(1 433 456)</b>
Accumulated depreciation	-	(318 774)	(576 100)	(250 441)	(74 037)	(393 613)	(1 612 965)
Write-off accumulated depreciation	-	12 255	124 166	-	-	43 088	179 509

**Year ended 31 March 2023:**

Opening net carrying amount	-	241 702	476 780	555 803	900	592 423	1 867 608
Additions	5 060 030	191 105	8 791	74 000	-	72 995	5 406 921
Depreciation charge	-	(70 000)	(61 699)	(35 635)	(118)	(67 144)	(234 596)
Transfer of property	(3 881 102)	-	-	-	-	-	(3 881 102)
Write-off at carrying value	-	(138)	-	(40 461)	(248)	(2 348)	
<b>Net carrying amount 31 March 2023</b>	<b>1 178 928</b>	<b>362 669</b>	<b>423 872</b>	<b>553 707</b>	<b>534</b>	<b>595 926</b>	<b>3 115 636</b>



	Buildings	WIP	Computer equipment	Electronic equipment	Vehicles	Donated assets	Other assets	Total
<b>Reconciliation at 31 March 2023:</b>								
<b>Cost price</b>	<b>1 178 928</b>		<b>595 656</b>	<b>927 423</b>	<b>827 245</b>	<b>39 189</b>	<b>999 240</b>	<b>4 567 681</b>
Cost price	1 178 928		739 327	937 505	880 245	74 937	1 016 069	4 827 011
Write-off at cost	-		(143 671)	(10 082)	(53 000)	(35 748)	(16 829)	(259 330)
<b>Accumulated depreciation</b>	<b>-</b>		<b>(232 987)</b>	<b>(503 551)</b>	<b>(273 538)</b>	<b>(38 655)</b>	<b>(403 314)</b>	<b>(1 452 045)</b>
Accumulated depreciation	-		(376 520)	(513 633)	(286 077)	(74 154)	(417 796)	(1 668 180)
Write-off accumulated depreciation	-		143 533	10 082	12 539	35 499	14 482	216 135
	<b>1 178 928</b>		<b>362 669</b>	<b>423 872</b>	<b>553 707</b>	<b>534</b>	<b>595 926</b>	<b>3 115 636</b>

There are no restrictions on the title or the disposal of property, plant and equipment. Buildings (WIP) are additions to buildings owned by the Department of Public Works and Infrastructure (DPWI). After capital works are completed the balance is transferred to DPWI through the Statement of Financial Position as transfers of property. None of the assets have been pledged as security for any liabilities.

## 9. Heritage assets

	Objects	Documents	Philatelic	Library	Photographic	Total
<b>Year ended 31 March 2022:</b>						
<b>Opening balance</b>	<b>75 411 997</b>	<b>12 865 071</b>	<b>2 481 048</b>	<b>2 263 755</b>	<b>3 787 267</b>	<b>96 809 138</b>
Additions	34 173	-	-	1 400	4 000	39 573
Donations	320 360	65 920	10 800	71 100	4 760	472 940
Exchange differences	-	-	-	1 096 486	-	1 096 486
Impairment	-	-	-	(44 022)	-	(44 022)
<b>At 31 March 2022</b>	<b>75 766 530</b>	<b>12 930 991</b>	<b>2 491 848</b>	<b>3 388 719</b>	<b>3 796 027</b>	<b>98 374 115</b>
<b>Year ended 31 March 2023:</b>						
<b>Opening balance</b>	<b>75 766 530</b>	<b>12 930 991</b>	<b>2 491 848</b>	<b>3 388 719</b>	<b>3 796 027</b>	<b>98 374 115</b>
Additions	540	-	-	1 032	-	1 572
Donations	432 320	386 381	6 870	91 899	36 330	953 800
Impairment	(10 000)	-	-	-	(50)	(10 050)
<b>At 31 March 2023</b>	<b>76 189 390</b>	<b>13 317 372</b>	<b>2 498 718</b>	<b>3 481 650</b>	<b>3 832 307</b>	<b>99 319 437</b>

### Additions

For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include purchase, donation, bequeath, loan or transfer.

### Loans

Valid and duly authorised Loan Agreements have been concluded with the following entities in accordance with the Museums Heritage Asset Management Policy:

Loans from

- Ditsong National Cultural History Museum
- Andrew Read
- Friends of the War Museum
- Free State Provincial Museum Services
- National Afrikaans Literary Museum (NALN)
- Bethulie Museum
- Genealogical Society
- Free State Philatelic Society
- MC Heunis
- Frans Du Randt
- National Women's Memorial Commission
- Twin Tower Church
- Oranje Vrijstaat Artillerie Corps (OVSAC)
- Kedar Heritage Lodge
- War Museum Support Trust
- Tiaan Jacobs
- Castiglione Moths

#### Loans to

- National Army Museum New Zealand
- Magersfontein Museum
- Voortrekker Monument
- Dutch Reformed Church Bultfontein

#### Impairment

At each reporting date, the Museum assesses its heritage assets to determine whether there is an indication that they may be impaired. If any such indication exists, the Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset:

- Where acquisitions have been fair valued and assessed, the valuation surplus/loss has been disclosed accordingly.
- Where acquisitions have been assessed with no significant change in fair value for the period under review, they are disclosed at cost or fair value.
- All remaining items valued and disclosed have been assessed and fair valued as at the date of recognition.

#### Inability to Value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the Museum holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

#### Assets Not Valued and Not Affecting the Annual Financial Statements

- Items on exhibition. The items include replicas which are used for exhibition and educational purposes, these are expensed.
- The nature of the museum library collection is diverse in its composition. Some of its collection items meet the definition of a heritage asset and some do not. The Museum has identified materials of research value which are held as reference materials but are not valued- these include annual publications, theses and reports.

#### Disposal and other restrictions

None of the heritage assets have been pledged as security for liabilities. There are no restrictions on the title of the heritage assets. No contractual commitments related to heritage assets existed at period end.

Section 4(6) of the Cultural Institutions Act prevents the Museum from selling or otherwise alienating any collection without prior approval of the Minister of Sport, Arts and Culture.



## 10. Trade and other payables from exchange transactions

	2022/23 R	2021/22 R
Trade payables	300 600	128 893
Trade creditors	283 299	57 048
Retention fees payable	17 301	71 845
Accrued Leave	1 264 541	1 123 946
Opening balance	1 123 946	1 093 153
Increase during the year	199 171	202 165
Amounts paid during the year	(58 576)	(171 372)
<b>Total</b>	<b>1 565 141</b>	<b>1 252 839</b>

## 11. Liabilities for transfers for special projects DSAC

In accordance with the conditions attached to the grants, the grants must be utilised exclusively for the purposes stated above and the Museum will be required to repay the funds should it be used for purposes other than those stated above without prior authorisation from National Treasury. Income is

recognised to the extent that expenditure has been incurred. The unspent amounts represent the liability. The funds received for the projects stated above are held at the Corporation for Public Deposits (South African Reserve Bank) in order to earn interest during periods in which expenses are not payable. Interest earned is added to the unspent portions disclosed.

### 11.1 Infrastructure Projects

	2022/23 R	2021/22 R
GRAP 103 – Heritage Assets implementation	4 636 433	6 406 357
Major maintenance	18 957	18 967
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	-	448 058
Workshop	22 581	21 307
Air-conditioning maintenance	155 536	359 188
Upgrading IT systems	5 572	5 246
DSAC – Asbestos	19 564	19 564
CCTV	7 435	-
Retention fees	(17 302)	(71 845)
<b>Total</b>	<b>4 848 776</b>	<b>7 206 842</b>

Amounts received from the Department of Sport, Arts and Culture were for the following purposes:

Major maintenance 3	-	1 000 000
Major maintenance 4	1 300 000	-
CCTV	1 000 000	-
<b>Total</b>	<b>2 300 000</b>	<b>1 000 000</b>

Refer to note 8, 24 and 30 for income and expenditure.

## 11. Liabilities for transfers for special projects DSAC (continued)

### Reconciliation at 31 March 2023:

	2022/23 R	2021/22 R
<b>Opening balance:</b>	<b>7 206 842</b>	<b>8 566 261</b>
GRAP 103 – Heritage Assets implementation	6 406 357	6 537 689
Major maintenance	18 967	352 466
Workshop	21 307	127 894
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	393 515	433 009
Air-conditioning maintenance	359 188	431 026
Asbestos	2 262	679 125
IT	5 246	5 052
<b>Amounts received during the period - DSAC:</b>	<b>2 300 000</b>	<b>1 000 000</b>
CCTV	1 000 000	-
Major maintenance	1 300 000	1 000 000
<b>Amounts spent during the period:</b>	<b>(5 064 053)</b>	<b>(2 665 801)</b>
GRAP 103 – Heritage Assets implementation	(2 151 583)	(388 915)
Major maintenance	(1 300 010)	(1 339 541)
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	(401 235)	(345 569)
Prior year retention fees reversed	-	341 721
Retention Fees provided	-	(54 543)
Workshop	-	(138 780)
Asbestos	-	(663 033)
Prior year retention fees reversed	-	26 894
Retention fees provided	-	(17 302)
Air-conditioning maintenance	(218 660)	(86 733)
CCTV	(992 565)	-
<b>Interest earned on project funding:</b>	<b>405 987</b>	<b>306 382</b>
GRAP 103 – Heritage Assets implementation	381 659	257 582
Major maintenance	-	6 042
Fire and heating, ventilation and air-conditioning (incl. back-up generator)	7 720	18 897
Workshop	1 275	5 299
Air-conditioning maintenance	15 007	14 896
Asbestos	-	3 472
Upgrading IT systems	326	194
<b>Closing balance</b>	<b>4 848 776</b>	<b>7 206 842</b>

## 11. Liabilities for transfers for special projects DSAC (continued)

### 11.2 Pan Africanism

	2022/23 R	2021/22 R
Pan Africanism	27 613	27 613
<b>Reconciliation at 31 March 2023:</b>		
Opening balance	27 613	-
Amounts received during the period:	-	200 000
Amounts spent/utilised during the period:	-	172 387
<b>Closing balance</b>	<b>27 613</b>	<b>27 613</b>
<b>TOTAL</b>	<b>4 876 389</b>	<b>7 234 455</b>

## 12. Liabilities for transfers for special projects NLC - Lotto

NLC – Lotto # 43147	12 067	12 067
NLC – Lotto # 73476	750 386	750 386
<b>Total</b>	<b>762 453</b>	<b>762 453</b>

### NLC – Lotto # 43147

The Museum received an award of R2 173 000 (Tranche 2 - 2012/2013: R866 200) (Tranche 1 - 2010/2011: R1 306 800.00) from the National Lotteries Commission (NLC), for projects portraying black participation in the War of 1899-1902. Income is recognised to the extent that expenditure has been incurred. The unspent amounts are recognised as a liability, due to certain conditions attached thereto, stipulating that should the grant agreement be breached funds must be returned to the transferor. Refer to note 31 for the amount of expenditure incurred and note 23 for income recognised.

### NLC – Lotto # 73476

The Museum received an award of R2 313 000 (Tranche 2 - 2016/2017: R956 000) (Tranche 1 - 2015/2016: R1 357 000) from the National Lotteries Commission (NLC), for projects relating to education, conservation, access for the blind and publications. Income is recognised to the extent that expenditure has been incurred. The unspent amounts are recognised as a liability, due to certain conditions attached thereto, stipulating that should the grant agreement be breached funds must be returned to the transferor. Refer to note 31 for the amount of expenditure incurred and note 23 for income recognised.

### Reconciliation at 31 March 2023:

NLC – Lotto # 43147		
Opening balance	12 067	12 067
Amounts spent during the period	-	-
<b>Closing balance</b>	<b>12 067</b>	<b>12 067</b>
NLC – Lotto # 73476		
Opening balance	750 386	750 386
Amounts spent during the period	-	-
<b>Closing balance</b>	<b>750 386</b>	<b>750 386</b>

### 13. Post-employment health care benefit liability

	2022/23 R	2021/22 R
Short term portion	219 500	432 000
<b>Total</b>	<b>219 500</b>	<b>432 000</b>

Refer to notes 14 and 15.

### 14. Post-employment health care information

Employees of the Museum participate in various medical schemes.

The post-employment subsidy policy valued is summarised as follows:

#### *Employees receiving 100% subsidy*

- Members who were employed before 1 April 2006 and were receiving a medical aid subsidy on that date (and will continue to do so without interruption until retirement) are entitled to 100% of medical scheme contributions in retirement;

#### *Employees receiving a partial subsidy*

- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for at least 10 years of service (continuous) when they retire, are entitled to a 66.67% subsidy of medical scheme contributions in retirement.
- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for at least 5 years (continuous), but less than 10 years of service when they retire, are entitled to a 50% subsidy of medical scheme contributions in retirement.
- Members who were employed before 1 April 2010, who belonged to or partook in the in-service medical aid subsidy programme for less than 5 years of service when they retire are not entitled to a subsidy of medical scheme contributions in retirement.

#### *Employees not eligible for subsidy*

- Members who were employed on or after 1 April 2010 will not be entitled to any subsidy in medical scheme contributions in retirement.

#### *Other stipulations*

- Employees must be members of a medical scheme for a continuous period prior to retirement in order to be eligible for the subsidy in retirement and for the stated number of years as set out above.
- Dependants of eligible continuation members will receive a subsidy before and after the death of the principal member.
- If a member eligible for a retirement subsidy dies while in service, their dependants are not eligible for a subsidy of medical scheme contributions as described above.
- Continuation members will only be funded as far as they remain on the same type of medical aid benefit structure as to which they belonged directly prior to retirement.

An actuarial valuation of the medical aid benefit is done on an annual basis, starting on 31 March 2006.

#### Valuation Method:

The actuarial valuation method used by valuers, ZAQ Consultants and Actuaries, to value the liabilities is the Projected Unit Credit Method.

#### 14. Post-employment health care information (continued)

The main actuarial assumptions used on reporting date:

Expected retirement age	63	63
-------------------------	----	----

The valuation has been performed on the assumption that the current subsidy arrangement and members' current options will remain in force.

It was assumed that all employees will retire at age 63.

#### 15. Post-employment health care benefit liability

	2022/23 R	2021/22 R
Present value of liability	8 285 000	7 828 000
Current portion of the liability	(219 500)	(432 000)
<b>Net liability</b>	<b>8 065 500</b>	<b>7 396 000</b>
Reconciliation of movement in net liability during the year:		
Opening benefit liability	7 828 000	7 487 000
Service cost	230 000	252 000
Interest cost	786 000	754 000
Actuarial gain	(170 024)	(265 868)
Benefits paid	(388 976)	(399 132)
<b>Closing benefit liability</b>	<b>8 285 000</b>	<b>7 828 000</b>

All actuarial gains are recognised in surplus/ during the year in which it occurs.

#### Trend information:

End of financial period:	2018/19 R	2019/20 R	2020/21 R	2021/22 R	2022/23 R
Present value of obligations	5 923 000	5 279 000	7 487 000	7 828 000	8 285 000
Fair value of plan assets	-	-	-	-	-
<b>Present value of obligations in excess of plan assets</b>	<b>5 923 000</b>	<b>5 279 000</b>	<b>7 487 000</b>	<b>7 828 000</b>	<b>8 285 000</b>
Experience adjustments (gain/loss):					
In respect of present value of obligations	238 000	197 000	145 000	252 000	230 000
In respect of fair value of plan assets	-	-	-	-	-

## 15. Post-employment health care benefit liability (continued)

### Sensitivity Results:

The results of the valuation are dependent on the assumptions used. The tables below outline firstly how the accrued liability as at 31 March 2023 is impacted by changes in the assumptions and secondly how the income statement expenses (interest and service cost) are impacted by changes in the assumptions

In order to illustrate the sensitivity of the results to changes in certain key variables, the liabilities was recalculated using the following assumptions:

- 20% increase/decrease in the assumed level of mortality;
- 1% increase/decrease in the Medical Aid inflation

	<b>-20% Mortality rate</b>	<b>Valuation Assumption</b>	<b>+20% Mortality rate</b>
Total Accrued Liability	R 8 973 000	R 8 285 000	R 7 729 000
Interest Cost	R 1 075 000	R 991 000	R 923 000
Service Cost	R 241 000	R 224 000	R 210 000

	<b>-1% Medical aid inflation</b>	<b>Valuation Assumption</b>	<b>+1% Medical aid inflation</b>
Total Accrued Liability	R 7 459 000	R 8 285 000	R 9 257 000
Interest Cost	R 889 000	R 991 000	R 1 111 000
Service Cost	R 195 000	R 224 000	R 258 000

## 16. Reserves and Accumulated Surplus/(Deficit)

### RESERVES:

	DSAC - UNSPENT FUNDS R	UNSPENT SPONSORSHIP FUNDS R	ROYALTIES R	TOTAL R
<b>Balance at 1 April 2021</b>	<b>143 547</b>	<b>26 882</b>	<b>55 593</b>	<b>226 022</b>
Net movement during the year	-	-	1 971	<b>1 971</b>
Income	-	-	1 971	<b>1 971</b>
Expenditure	-	-	-	-
<b>Balance at 1 April 2022</b>	<b>143 547</b>	<b>26 882</b>	<b>57 564</b>	<b>227 993</b>
Net movement during the year	-	-	235	<b>235</b>
Income	-	-	235	<b>235</b>
Expenditure	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>143 547</b>	<b>26 882</b>	<b>57 799</b>	<b>228 228</b>

### ACCUMULATED SURPLUS:

<b>Balance at 1 April 2021</b>	<b>94 454 880</b>
Surplus for the year	1 262 907
Prior period errors	(2 682 726)
Transfer to/(from) reserves	(1 971)
<b>Balance at 31 March 2022</b>	<b>93 033 090</b>
Surplus for the year	995 551
Transfer to/(from) reserves	(235)
<b>Balance at 31 March 2023</b>	<b>94 028 406</b>

## 17. Contingent Liabilities

### Post-employment health care benefit liability

Five (5) employees who were appointed before 1 April 2010 and who qualify for post-employment health care benefits are currently not participating in the Museum's medical benefits arrangement. It is regarded as unlikely that they will opt to participate in the medical benefits arrangement in future due to affordability and other personal circumstances.

The valuation of the post-employment health care liability recognised in the statement of financial position and determined by the actuary does not include these employees.

Management has assessed the situation again in the current year, and has concluded that the possibility of a liability arising in respect of these employees in future is remote. Therefore, a contingent liability in the current year will not be disclosed, as was the case in the prior year.

## 18. Operating revenue

	2022/23	2021/22
	R	R
Recovery of expenses	68 089	1 466
Entrance fees	119 774	86 350
Sales of goods (photos)	3 588	6 850
Sales of goods (publications and DVD's)	94 134	59 683
Royalties – publications	235	1 971
Other	300	4 500
Insurance	-	315 225
Conference	30 850	-
<b>Total</b>	<b>316 970</b>	<b>476 045</b>

## 19. Rental income

Rental received from employees	2 400	2 400
Rental of facilities	34 502	-
	<b>36 902</b>	<b>2 400</b>
Future minimum rental income:		
<b>Employees</b>		
-Due within one year	2 400	2 400
-Due between one and five years	9 600	9 600
<b>Facilities</b>		
-Due within one year	36 791	-
-Due between one and five years	69 803	-
	<b>118 594</b>	<b>12 000</b>

Employees fulfilling a security function and staying on the property of the Museum, have to pay rent of R200 per month, according to the regulations of the Department of Public Works and Infrastructure.

The restaurant was leased out on a fixed term contract from 1 December 2009, the contract later being extended upon agreement between the parties up to 30 November 2025. No rental was charged during 2022 due to impact of Covid on the restaurant as was approved by Council.



**20. Interest income**

	<b>2022/23</b>	<b>2021/22</b>
	R	R
Balances at Corporation for Public Deposits	34 928	53 576
<b>Total</b>	<b>34 928</b>	<b>53 576</b>

**21. Gifts, sponsorships and donations received**

National Treasury - income audit fees	-	338 519
Anonymous cash donations	3 509	2 798
<b>Total</b>	<b>3 509</b>	<b>341 317</b>

**22. Transfers and subsidies received**

National Department of Sport, Arts and Culture	17 809 000	17 170 000
Fair value of free use of buildings	5 324 206	8 618 413
<b>Total</b>	<b>23 133 206</b>	<b>25 788 413</b>

**Fair value of free use of buildings:**

The Museum has been housed in buildings which are the property of the Department of Sport, Arts and Culture since the early 1950's. These buildings include a main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used to house a restaurant and hospice shop. The use of the buildings is provided free of charge and recognised at its estimated fair value based on marked related rental.

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

**23. Transfers for special projects NLC**

Income from NLC – Lotto # 73476	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Museum received funding for various projects from the National Lotteries Commission (NLC), see note 12. Income is recognised to the extent that expenditure has been incurred. The remaining unspent amount is regarded as a liability due to certain conditions attached to it which stipulates that should the grant agreement be breached, funds must be returned to the transferor, refer to note 30 for the amount of expenditure incurred and note 12 for the liability.

## 24. Transfers for special projects

	2022/2 R	2021/22 R
Income from Department of Sport, Arts and Culture (DSAC)	5 115 677	3 134 937
Income from National Arts Council (NAC)	-	38 133
<b>Total</b>	<b>5 115 677</b>	<b>3 173 070</b>

The Museum received funding for various projects from the Department of Sport, Arts and Culture over the 2021/22 and 2022/23 periods, see note 11. Due to conditions attached to these grants, income is recognised to the extent that expenditure has been incurred. The remaining unspent amount is recognised as a liability. Refer to notes 8 and 30 for the amount of expenditure incurred and note 11 for the liability.

The museum further received funding from the NAC for the publication of “The Road to Transformation since 2009”. The amount received was utilised in full in the previous year and transferred to revenue.

## 25. Heritage assets donated

Objects	432 320	320 360
Historical documents	386 381	65 920
Philatelic	6 870	10 800
Library	91 899	71 100
Photographic	36 330	4 760
<b>Total</b>	<b>953 800</b>	<b>472 940</b>

Heritage assets are continuously donated to the Museum by the public. The non-exchange revenue recognised in this regard comprises the fair value of the assets.

## 26. Administrative expenses

Travel and subsistence	179 345	89 806
<b>Total</b>	<b>179 345</b>	<b>89 806</b>

**27. Audit fees**

	<b>2022/23</b>	<b>2021/22</b>
	<b>R</b>	<b>R</b>
External audit fees	316 259	653 323
Audit fees in excess of 1% of current and capital expenditure which must be defrayed from National Treasury's vote	-	338 518
Audit fees paid by the Museum	316 259	314 805
Internal audit fees	117 143	18 049
<b>Total</b>	<b>433 402</b>	<b>671 372</b>

The Auditor-General on an annual basis in terms of statutory requirements (Section 11 of the Cultural Institutions Act and Section 58 of the PFMA) performs an audit of the Museum's financial affairs and issues an audit report to parliament.

Section 23(6) of the Public Audit Act, which deals with audit fees, states that:

"If the audit fee exceeds 1% of the total current and capital expenditure of such auditee for the relevant financial year, such excess must be defrayed from the National Treasury's vote, provided that the National Treasury is of the view that the auditee has financial difficulty to settle the cost. This excludes national and provincial departments."

The Museum has always in the past been among Entities listed by National Treasury with financial difficulty to settle cost of audit fees. The subsidy and income of the Museum does not allow for the budget provision of audit fees in excess of 1% of the Museum's total current and capital expenditure.

Therefore, audit fees in excess of 1% of the total current and capital expenditure must be defrayed from the National Treasury's vote and thus be paid by National Treasury to the Auditor-General.

It is the practice of National Treasury that invoices in excess of the 1% which is to be defrayed from its vote be submitted for payment to National Treasury by the Auditor-General directly, payment of such is then made by National Treasury to the Auditor-General.

**28. Amortisation charge**

Computer software	4 843	3 438
<b>Total</b>	<b>4 843</b>	<b>3 438</b>

**29. Depreciation charge**

Computer equipment	70 000	67 314
Electronic equipment	61 699	75 748
Vehicles	35 635	26 153
Donated assets	118	170
Other items	67 144	43 628
<b>Total</b>	<b>234 596</b>	<b>213 013</b>

### 30. Other expenses

#### Operating expenses

	2022/23	2021/22
	R	R
Advertisements	56 648	4 600
Bank charges	48 143	39 828
Books and periodicals	5 988	2 097
Cafeteria and curio purchases	8 697	5 075
Conference fees/ Staff training	128 057	33 963
Consumables	236 302	133 999
Consignment stock – payment of supplier portion	34 699	25 784
Costs of compliance	483	286 899
Education	25 045	38 484
Entertainment/Functions	121 256	83 994
Exhibitions and artefacts	121 804	576 269
Gifts and flowers	3 583	2 744
Heritage assets conservation/maintenance:	400	10 178
<i>Conservation materials</i>	400	10 178
Insurance	158 228	161 761
Inventory – opening balance	705 543	514 255
Inventory – closing balance	(670 249)	(705 543)
Loss due to impairment of inventory	2 966	-
License fees	39 389	29 590
Maintenance, repairs and running costs:	509 987	1 022 048
- <i>General maintenance and repairs</i>	332 752	915 784
- <i>Vehicle maintenance, repairs and running costs</i>	177 235	106 264
Membership fees	29 270	29 041
Municipal charges	1 358 955	863 137
Publications	196 683	299 976
Security	684 458	714 893
Telephone and postage	233 515	230 151
Use of buildings – fair value of free use (estimated rental)	5 324 206	8 618 413
Valuation and other costs	35 880	28 908
Website costs	50 800	98 400
Workmen’s compensation	17 245	17 418
<b>Total</b>	<b>9 467 981</b>	<b>13 166 362</b>

**30. Other expenses (continued)****Expenses due to fraudulent activity**

	2022/23	2021/22
	R	R
Fraudulent security expense	-	50 773
<b>Total</b>	<b>-</b>	<b>50 773</b>

During the previous year the museum fell victim to a phishing incident. Fraudsters duplicated the information of our security company and sent an email that the banking details of the security company had changed. We proceeded to pay the security invoice for that month into the “new” bank account, only to receive a query from the security company that their invoice had not been paid. Investigations then revealed that the museum had fallen victim to a scam, and all documents sent originally were falsified.

The matter was reported to the SAPS and the relevant banks. Attempts to recover the money have been unsuccessful.

**Project expenses funded from special project funds (also see note 8, 11 and 24):-**

Pan- Africanism	-	155 863
National Arts Council	-	38 133
GRAP 103 – Heritage assets implementation	390 565	196 297
Air-conditioning maintenance	13 254	35 957
Fire system maintenance	65 564	65 662
<b>Total</b>	<b>469 383</b>	<b>491 912</b>

**Expenses relating to NLC-Lotto projects (also see note 12 and 23):**

Conservation	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>9 937 364</b>	<b>13 709 047</b>



### 31. Staff costs

	2022/23 R	2021/22 R
<b>Normal Staff complement:</b>		
Wages and salaries:		
Basic salaries	5 297 796	5 078 698
Leave payments	140 595	51 299
Overtime payments	202 687	71 563
Bonuses	864 966	831 229
Service awards	300	3 900
Social contributions (Employer’s contributions):		
Medical aid fund	649 680	591 610
Pension fund	1 177 362	1 129 207
Pension fund – stabilisation account	97 584	92 176
Unemployment Insurance Fund	49 119	45 391
Social contributions (State contributions):		
Housing subsidy	248 400	245 700
Post-retirement medical aid benefit:		
Current service cost	230 000	252 000
Interest cost	786 000	754 000
Senior management salaries	3 801 396	3 865 362
Council honorarium	103 782	99 710
<b>Total</b>	<b>13 649 667</b>	<b>13 111 845</b>
<b>GRAP 103 – Heritage Assets Implementation: Temporary Staff</b>		
Wages and Salaries:		
Basic salaries	313 895	10 646
Overtime payments	78 394	67 596
Social contributions (Employer’s contributions):		
Unemployment Insurance Fund	3 612	5 198
<b>Total</b>	<b>395 901</b>	<b>83 440</b>
<b>TOTAL</b>	<b>14 045 568</b>	<b>13 195 285</b>

### 31. Staff costs (continued)

#### Council Honorarium (as required by Treasury Regulation 28.1.3 and GRAP 20)

	2022/23 R	2022/23 R	2021/22 R	2021/22 R
	Council Honorarium	Travel and Subsistence	Council Honorarium	Travel and Subsistence
Mr D. Brijlal	-	-	-	-
Adv. C Naidoo	-	-	-	-
Dr G.C. Benneyworth (Chairperson)	19 548	-	26 363	3 327
Mr T. Ndebele-Monyela (Deputy Chairperson)	17 766	920	21 087	610
Ms R. Mulder	21 487	3 532	10 452	570
Ms S Mabilane	16 261	16 960	12 194	9 707
Ms D Mangope	16 155	-	13 936	-
Mrs S Tsoleli	12 565	-	15 678	-
	<b>103 782*</b>	<b>21 412**</b>	<b>99 710*</b>	<b>14 214**</b>

\*Council Honorarium (included in staff costs above)

\*\* Travel and Subsistence (included in note 26)

Mr D Brijlal and Adv. C Naidoo, as a result of their employment at local government and other government entities respectively did not qualify for receipt of the Council Honorarium as prescribed by National Treasury. They rendered their services as members of the Council for no consideration.

#### Senior Management Salaries (as required by Treasury Regulation 28.1.3 and GRAP 20)

	Salary	Bonus	Pension	Medical	Other	Total
<b>Executive Director: JL Pretorius</b>						
2022/2023	1 168 972	200 662	287 815	102 104	107 925	<b>1 867 478</b>
2021/2022	1 203 972	200 662	293 468	96 824	72 925	<b>1 867 851</b>
<b>Deputy director: JH du Pisani</b>						
2021/2022	58 770	-	13 223	5 151	156 614	<b>233 758</b>
<b>CFO: E van Wyngaardt</b>						
2022/2023	268 100	-	60 323	21 524	5 386	<b>355 333</b>
<b>CFO: PB Ramathibe</b>						
2022/23	375 340	53 620	85 649	28 551	66 115	<b>609 275</b>
2021/22	571 308	83 316	136 578	49 679	11 848	<b>852 729</b>
<b>Human Science Manager: JJR van Zyl</b>						
2022/2023	601 459	97 959	147 771	109 196	12 925	<b>969 310</b>
2021/2022	571 308	95 218	139 256	91 238	12 925	<b>909 945</b>
<b>TOTAL: 2022/2023</b>	<b>2 413 871</b>	<b>352 241</b>	<b>581 558</b>	<b>261 375</b>	<b>192 351</b>	<b>3 801 396</b>
<b>TOTAL: 2021/2022</b>	<b>2 405 358</b>	<b>379 196</b>	<b>582 525</b>	<b>242 892</b>	<b>254 312</b>	<b>3 865 362</b>

### 32. Reasons for variances between budget and actual

The budget is approved on a cash basis by economical classification. The approved budget covers the fiscal period 1 April 2022 to 31 March 2023 and is exclusively for the Museum.

The budget basis is different from the accounting basis. The financial statements are prepared on the accrual basis and by economical classification.

The Museum is mainly subsidised by the National Department of Sport, Arts and Culture. The subsidy received is in accordance with that communicated by the Department and has been utilised in terms of an appropriately approved budget.

Reasons for material variances between the approved and final budget - Operations:

- Various re-prioritisations between different line items.

Reasons for material variances between final budget and actual amounts on a comparable basis:

- The biggest variances between budget and actual amounts are on other income. The budget included an estimated amount of R580 000 to be transferred from savings, if needed, to operational to utilise for costs relating to post-retirement medical aid expenditure which was not necessary to implement .
- Interest received 30% less than budgeted for.
- Over- and underspending on all line items was, however, monitored closely, savings realised on some line items compensated for overspending on others.



**33. Reconciliation of surplus/(deficit) to cash generated/(utilised) from operations**

	2022/23 R	2021/22 R
<b>Surplus/(deficit)</b>	<b>995 551</b>	<b>(1 419 818)</b>
Adjusted for:		
Depreciation of property, plant and equipment	234 596	213 014
Amortisation of intangible assets	4 843	3 438
Income on financial assets	(34 928)	(53 576)
Increase/(decrease) in NLC liability – transfer arrangement	-	-
Increase/(decrease) in DSAC liability – transfer arrangement	(2 358 066)	(1 331 807)
Impairment of heritage assets	10 050	44 022
Loss from write-off of property, plant and equipment	43 195	76 022
Health care benefit liability costs	457 000	341 000
Transfer of property	3 881 102	5 087 927
Foreign exchange difference (Heritage assets)	-	(1 096 485)
Heritage asset donations	(953 800)	(472 940)
<b>Operating cash flows before working capital changes</b>	<b>2 279 543</b>	<b>1 390 797</b>
<b>Working capital changes</b>	<b>269 675</b>	<b>(548 345)</b>
Decrease/(increase) in inventories	38 260	(191 287)
Decrease/(increase) in receivables	(80 887)	1 077
Increase/(decrease) in payables	312 302	(358 135)
<b>Cash generated from operations</b>	<b>2 549 218</b>	<b>842 452</b>

**34. Other contractual commitments**

	2022/23	Total
Fire and Heating, ventilation and air-conditioning (incl. back-up generator)	-	-
Retention fees *	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Council entered into various agreements for the commitments disclosed. All commitments were met during the 2021/2022 financial period. The project is funded from conditional grants received from the Department of Sport, Arts and Culture – see note 11.

\* Retention fees were recognised as trade and other payables from exchange transactions – see note 10.

**34. Other contractual commitments (continued)**

	2021/22	Total
Fire and Heating, ventilation and air-conditioning (incl. back-up generator)	71 845	71 845
	71 845	71 845
Retention fees *	71 845	71 845
<b>Total</b>	<b>71 845</b>	<b>71 845</b>

No other Capital Commitments exist.

**35. Related parties**

As required by GRAP 20:

***National Department of Sport, Arts and Culture – Executive Authority***

The Museum is a declared institution resorting under the National Department of Sport, Arts and Culture in terms of the Cultural Institutions Act, No 119 of 1998. The Minister of Sport, Arts and Culture is the Executive Authority of the Museum. The Museum is ultimately controlled by the national executive.

The following transfers were received from the Executive Authority:

	2022/23	2021/22
	R	R
Transfers and subsidies received	17 809 000	17 170 000
Infrastructure projects	2 300 000	1 000 000
Use of buildings – fair value of free use	5 324 206	8 618 413
<b>Total</b>	<b>25 433 206</b>	<b>26 788 413</b>

The subsidy is provided for the Museum's operations. Additional amounts were received for infrastructure projects (see note 11).

The balances of unspent conditional grants for infrastructure and other projects provided to the Museum by the Executive Authority are disclosed in note 11. There were no amounts owing to the Museum by the Executive Authority.

The Museum has been housed in buildings which are the property of the Department of Sport, Arts and Culture since the early 1950's. These buildings include the main building in which the museum and office facilities are situated, a residential house and a separate general hall which is currently used for storage. The use of the buildings is provided free of charge and the benefit is recognised at the estimated fair value. No lease agreement exists between the Museum and the Department of Sport, Arts and Culture.

## 35. Related parties (continued)

### *National Department of Sport, Arts and Culture – Related Entities*

The Museum is controlled by the National Executive. It is therefore related to all other public sector entities within the national government.

The Museum used several national public sector entities as service providers during the year. These transactions were concluded on normal operating terms. The amounts are included in payables on the statement of financial position and expenses on the statement of financial performance.

Transactions undertaken with entities within the national public sector entities included:

- Air travel supplied by the National Carrier (SAA);
- Audit services supplied by the Auditor-General;
- TV licences paid to the National Broadcaster (SABC);
- Interest earning bank accounts with the SARB;
- Occasional minor expenses with other Museums for training, workshops, etc.
- Payroll taxes (PAYE), UIF and other taxes – the Museum merely acts as an agent on behalf of its employees and the relevant authorities.

### *Management and Council*

The Museum is governed by a Council, comprising eight members appointed by the Minister of Sport, Arts and Culture. These Council members, together with Management are responsible for planning, directing and controlling the activities of the entity. Remuneration of Management and Council, as required, is disclosed in note 31.

## 36. Financial instruments

### **Credit risk**

#### Cash and cash equivalents

Financial assets, which potentially subject the Museum to concentrations of credit risks, consist primarily of cash and cash equivalents and trade receivables. Credit risk is regarded to be insignificant and is mitigated by the fact that the Museum only deposits and invests funds with registered banks.

#### Trade receivables

The Museum does not consider there to be any significant concentration of credit risk, which had not been adequately provided for. Trade receivables are presented net of impairment losses and exposure is limited to the fair value of trade receivables as disclosed in note 5.

### **Liquidity risk**

Liquidity risk is managed by keeping sufficient cash available. The Museum manages liquidity risk through monitoring of cash flow requirements and optimising cash return on investments. Adequate reserves and liquid resources are also maintained.

### **Market risk**

Cash and cash equivalents consist of deposits held at registered banks with high credit ratings. These deposits attract interest at rates linked directly to the prime overdraft rate.

### **Fair value**

The Museum's financial instruments consist mainly of cash and cash equivalents, trade receivables and trade payables.

### 36. Financial Instruments (continued)

No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets.

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

#### Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets and financial liabilities.

#### Trade receivables

The fair value of trade receivables is determined by discounting the future cash flows involved at a market related rate (prime lending rate), the difference of which is considered to be negligible and therefore trade receivables were not recalculated at amortised cost. The carrying amount approximates the fair value.

#### Trade payables

The fair value of trade payables is determined by discounting the future cash flows involved at a market related rate (prime lending rate), the difference of which is considered to be negligible and therefore trade payables were not recalculated at amortised cost. The carrying amount approximates the fair value.

#### **Sensitivity analysis**

Market risk (Interest rate risk) is presented by way of a sensitivity analysis. This illustrates the effect of changes in the market on the interest income. The sensitivity analysis is based on the assumption that changes in the market will affect the interest income.

One percentage movement in the effective interest rate would have the following effect on the net income for the year:

	+1%	-1%
	R	R
Cash and Cash equivalents (Note 4)	65 413	(65 413)

### 37. Subsequent Events

There were no events that occurred after the reporting period that have an effect on the financial statements.

## 38. Changes in accounting estimates and prior period errors

### 38.1 Changes in accounting estimates

Changes in accounting estimates were applied during the current year in line with GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors. The details of the effect on the Statement of Financial Position and Statement of Financial Performance is explained below:

1. In the prior year the fair value of this free use of buildings were estimated during the year prior to that using the rental charged by the Free State Department of Public Works for similar sized buildings adjusted to the exact square meters' size of the Museum's buildings. This amount was adjusted with CPI (2.9 % at 28 February 2021) to determine the fair value of the service in-kind. In the current year the market related office rental per square metre for Bloemfontein was obtained and this year's estimate revised accordingly. The effect of this revision has decreased the free rental use value for the current period by R3 906 115.

### 38.2 Prior period errors

Prior period errors were identified during the current year and corrected in line with GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors. The details of the correction of errors and their effect on the Statement of Financial Position and Statement of Financial Performance is explained below;

1. During the current year, it was identified that a heritage items previously purchased was incorrectly deducted from the exchange rate differences amount. The effect of the restatement is as follows:

#### AFS 2021/22

Increase in heritage assets	3 419
<i>Increase in foreign exchange difference</i>	<i>(3 419)</i>
Increase in accumulated surplus	<u>(3 419)</u>

2. During the current year, it was identified that projects were included in WIP but which has been completed and were not transferred to DPWI properties. Furthermore, project expenses which was transferred to properties were not included in additions. The effect of the restatement is as follows:

#### AFS 2021/22

Decrease in assets	(2 702 622)
<i>Increase in other expenses</i>	<i>101 619</i>
<i>Increase in transfer of property</i>	<i>2 601 003</i>
Decrease in accumulated surplus	<u>2 702 622</u>

3. During the current year, it was identified that unpaid audit fees which was included in expenses and payables was written off by the Auditor General. The effect of the restatement is as follows:

#### AFS 2021/22

Decrease in trade payables	16 478
<i>Decrease in audit fee expense</i>	<i>(16 478)</i>
Increase in accumulated surplus	<u>(16 478)</u>

### 39. Standards approved but not yet effective

The following standards of GRAP and/or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The Museum did not early-adopt any of these new Standards or amendments thereto.

Reference	Topic
GRAP 1	Amendments to GRAP 1 on Presentation of Financial Statements (effective date: 1 April 2025)
GRAP 1	Improvements to GRAP 1 on Presentation of Financial Statements (effective date: 1 April 2023)
IGRAP 21	The effect of past decisions on materiality (effective date: 1 April 2023)
GRAP 25 (and IGRAP 7)	Amendments to Employee Benefits (effective date: 1 April 2023)
GRAP 103	Amendments to Heritage Assets (effective date: To be determined)
GRAP 104	Amendments to Financial Instruments (effective date: 1 April 2025)
Guideline on The Application of Materiality to Financial Statements	(Effective date: 1 April 2023)
Guideline on Accounting for landfill sites	(Effective date: 1 April 2023)

The Museum is in the process of assessing the impact of these standards but does not foresee that the adoption of these standards in the effective periods will have a significant impact on the financial statements of the Museum.









TER HERINNERING AAN DIE ONSTAAN VAN  
KONSENTRASIEKAMPE  
110 JAAR GELEDE, 1900

Die Bethulie-kamp as versinnelingsbeeld van lyding  
Die Bethulie-kamp het op 23 April 1901 ontstaan. Die "Holkamp" aldus gen. C.D. De Wet, is een van die kampe  
met die hoogste sterftesyfers per capita. W. A. Coetzee het in sy oorspronklike, die kamp ontgelyk.

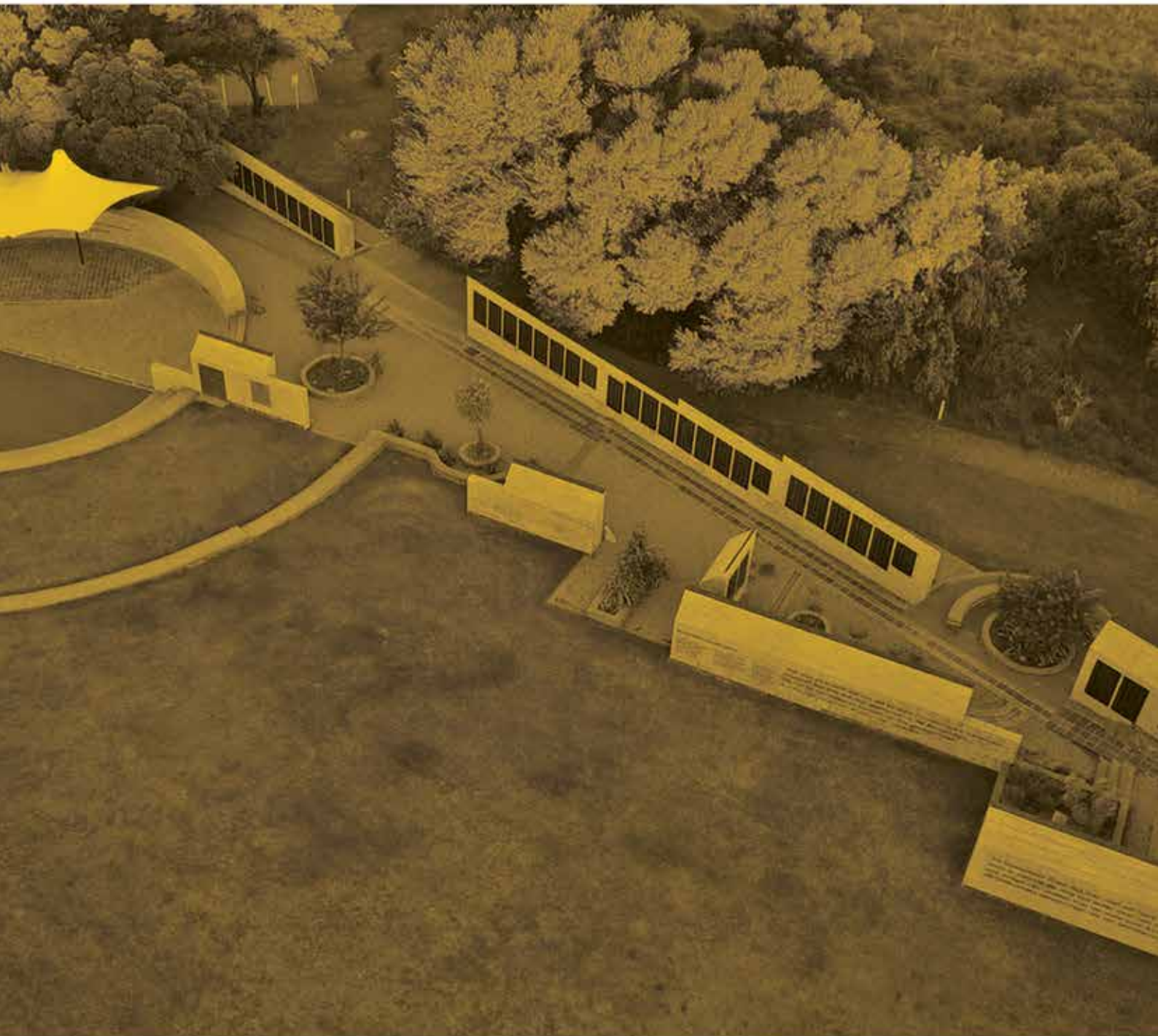
"Twaalf begrafnisse in die oggend en sewe in die middag in die Bethulie-kamp... Dit was genoeg om die hartse  
hart te breek. Vir enige minute moes ek dikwels eersaam ween voor ek kon preek." (Dagboek van dr. N.J.C. Beckel)  
Die Gariensdam het tot gevolg gehad dat die begraafplaat in 1966 na 'n nuwe terrein verskuif is. Die grafbekleding  
is egter nie verskuif nie. Die Bethulie-gemeenskap het van die klippe en 'n angelbesid aan die museum geskenk  
wat in die monument geïnkorporeer is.

'n Groep vroue in die Bethulie-kamp het Matt 10:29 as oorlewingsleuse gekies "Nou hie moesies nie vir 'n stuiver  
verkoop nie? En nie een van hulle sal op die aarde val sonder julle Vader nie." Die twee moesies is in 1923, as  
gevolg van bemiddeling deur mev Tibbie Steyn op Suid-Afrika se kwartpenne geplaas.

Tasbare ondersteuning van die projek deur:

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Henning Familiebond  
Bethulie-gemeenskap  
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