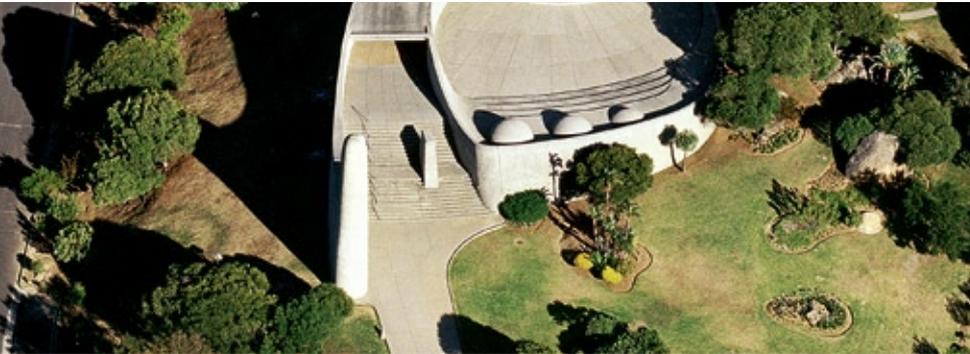


# ***ANNUAL REPORT 2009/2010***




**Die Afrikaanse  
Taalmuseum  
& -monument  
35 jaar 1975-2010**



**Die Afrikaanse Taalmuseum en –monument**

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\* These documents are available only in the English version of the annual report.



# General information

## 1.1 Submission of the annual report to the Minister

In accordance with the provisions of the Public Financial Management Act, 1999 (Act 1 of 1999), it is our privilege to present this report on the activities of Die Afrikaanse Taalmuseum en -monument (The Afrikaans Language Museum and Monument) (ATM), Paarl, for the financial year which ended 31 March 2010, to the Minister for submission to Parliament.

## 1.2 Relevant legislation and other information

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Financial Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999); Treasury regulations, 2001; and other relevant laws and regulations.

### 1.2.1 Mandate

In terms of the powers vested in him according to section 3 of the previous Cultural Institutions Act, 1969 (Act 29 of 1969), the minister of education at the time declared the ATM, Paarl an institution that would fall under the provisions of said Act. Since then the Cultural Institutions Act of 1969 has been replaced by the Cultural Institutions Act, 1998 (Act 119 of 1998).

### 1.2.2 Vision

The vision of the ATM is to operate the national Afrikaans language museum and monument in such a manner that all South Africans are able to respect and appreciate Afrikaans.

### 1.2.3 Mission

The mission of the ATM is to:

- build relationships with all South Africans through the medium of Afrikaans and in the context of multilingualism
- collect relevant material and information related to the origin and development of Afrikaans
- conduct research that would deepen and broaden existing knowledge about Afrikaans
- portray the origin, development, benefit and expansion of Afrikaans; thereby stimulating visitor interaction
- give exposure to the different facets of Afrikaans by means of lectures and articles
- promote and stimulate Afrikaans at all levels of society by offering educational programmes, guided tours and cultural activities
- manage the ATM on sound financial principles and strive for its independent economic management
- increase the number of visitors and generate funds
- maintain the ATM's culture-historical buildings and heritage sites and the heritage of Afrikaans for the benefit of visitors.

### 1.2.4 Values

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

We strive always to work candidly and transparently. High standards are maintained in educational presentations to learners and other groups of visitors. A strong emphasis is placed on operating within the framework of the relevant legislation and the requisite rules and policies.

To survive and flourish, and at the same time maintain a high standard of work performance, we strive for high levels of integrity, reliability, transparency and professionalism.



### 1.3 Report by the Director of the ATM

True to the mission of the ATM, our staff have committed themselves to building good relationships with all South Africans. To this end, relationships were built individually and collectively on a multicultural and multilingual basis, for example, through the collaboration with Princess Dr Gcwalisile Cynthia Zulu-Kabanyane in Mbekweni during Language Week. A number of other projects and programmes contributed to making the ATM the focal point in its environment.

Without the expert contributions of the Chairperson and the Council of the ATM, many of the activities would not have been executed. To them we express great thanks and appreciation. Collaboration with the Department of Arts and Culture was effective and to the advantage of the ATM. In this regard, the additional funds granted for safety guards may be mentioned.

To Minister Lulu Xingwana and Deputy Minister Paul Mashatile, we would like to express our thanks for excellent management, and we wish them well for the future.

An exciting new year lies ahead and I wish every person involved with the ATM a productive year.



J.P. LOUW  
Director



Prof. EL van Harte (Chairperson)



Dr. LE Combrink



Prof. WAM Carstens



Dr. DWR Hertzog



Mr. DJJ de Villiers



Prof. G Olivier



Prof. H Willemse



Dr. MLA le Cordeur

## **1.4 Performance information**

### **1.4.1 Strategic overview and important policy developments for 2009/2010**

#### **1.4.1.1 Socio-economic development**

With exciting educational programmes the ATM staff has succeeded year after year in drawing large numbers of school groups. On special days, like International Mother Tongue Day, International Museum Day, World Teachers' Day, and others, the theme of the day is conveyed to learners in an enriching manner with programmes like the Incredible Race, Treasure Hunt and Jackal and Wolf. Information gathered from the Namaqualand Oral Traditions Project offered a variety of childrens' games, folk songs and linguistic phenomena. An exciting new venture for the ATM was to offer Time Travel in collaboration with the Kalmar Läns Museum in Sweden. Time Travel is an educational technique based on the national curriculum and teaches learners and educators more about their local environment through a historical experience.

#### **Achievements**

- The ATM was targeted by the Swedish Kalmar Läns Museum as the only national museum in South Africa where Time Travel would be offered.
- A sponsorship of R50 000 was obtained for free transportation of needy learners to the ATM.
- The ATM participated in the Roots project at the University of the Western Cape by staging an exhibition on the historical roots of Afrikaans.

#### **1.4.1.2 Communication and marketing initiatives**

A wide range of projects was launched, among which:

1. the second Museum and Heritage Expo at Paarl Mall in celebration of International Museum Day
2. the popular production "Ommietafel met stories" (Stories round the table), presented as part of the ATM's Heritage Day celebrations and the Paarl Cultivaria Festival, focussing on award-winning writers this year
3. the presentation of the third Mathews Phosa lecture with Prof. Nico Koopman from Stellenbosch University as guest speaker and "Transformerende Afrikaans" (Afrikaans that is transforming) as topic
4. International Monument Day, presented at the Taalmonument in the form of a treasure hunt with clues and facts about the monument, its design and its construction to make learners aware, in a playful and active manner, of the monument and its surroundings
5. an outreach initiative to involve other language groups, where ties were forged with Dr. Gcwalisile Kabanyane, a Zulu princess, by means of the ATM's Zulu Experience programme. Seventy guests (some from the Netherlands) attended the event in Mbekweni, which included a traditional Zulu meal.

The popularity of the full-moon picnics and stargazing evenings offered at the Taalmonument is increasing greatly.

#### **Achievements**

- Altogether 22 museums and heritage institutions were brought together by the ATM to participate in the Museum and Heritage Expo.
- "Ommietafel met stories" was the third production on the Cultivaria programme to be sold out.

#### **1.4.1.3 Utilisation of human resource potential**

To ensure that the human resource potential is utilised optimally, planning is of cardinal importance in keeping staffing costs low and stimulating productivity. Instead of addressing a problem only superficially, a visible shift was made in the ATM with the appointment of a researcher and the establishment of a research centre. An important requirement receiving attention was the organised pursuit of occupational health and safety. To this end a safety representative was appointed in each building or unit. Skills development – in which all staff participated – included courses in gardening, health and safety, financial administration and information technology.

#### **Achievements**

- The curator presented a paper at the Commonwealth workshop held in Durban.
- A researcher was appointed to found a research centre and establish a network with all relevant institutions.

#### **1.4.1.4 Sustainability of a viable financial policy**

It is with confidence that we can declare that the ATM's finances stand on sound footing. Continuous, strict adherence to financial rules ensure a strong, stable platform from which the financial affairs of the ATM can be run. Unavoidable qualified audit opinions over the past number of years, resulting simply from the receipt of donations, have been taken up on ministerial level and strategic changes were made to prevent the occurrence of similar evaluations in future. With the recession making itself felt everywhere, the ATM has also suffered. Low visitor numbers and low commercial income, among which filming fees, donations and sponsorships, have been contributing factors.

#### **Achievements**

- The ATM generated 16% of the institution's total income itself.

## 1.4.2 Key objectives

The institution will pursue the achievement of the following key objectives: **Income**

Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestone	Actual performance target reached	Reason for variance
<b>1.4.2.1 Entrance fees</b>						
Increase entrance revenue at the museum and monument.	Charge fair entrance fees. Apply discretion regarding pensioners and disabled visitors. Supply relevant information about attractions.	Collect information on number and nationality of visitors, as well as information on company tour buses. Reconcile entrance fees.	Increase entrance revenue by 10% p.a.  Increase the number of visitors by 10% p.a.	Budget for R450 000 in entrance revenue.  Attract 50 000 visitors p.a.	Collected R420 823 by 31 Mar. 2010. Achieved a 6% increase from the previous year.  Attracted 49 511 visitors.	Shortfall due to recession.  Shortfall due to recession.
<b>1.4.2.2 Fundraising and marketing</b>						
Allow commercial enterprise, e.g. commercial photography and renting of space.	Advertise facilities to increase use.	Advertise in brochure and on website.	Increase funds by 10% p.a.	Budget for R81 180.	Collected R40 800 by 31 Mar. 2010.	Shortfall due to recession.
Raise income from groups using the grounds for recreation purposes.	Advertise facilities in the media and on the Internet. Provide recreation facilities at the monument: walking trails, picnic facilities, mountain biking trails, view sites. Provide guided tours on request.	Liaise with local tourism bureaus and tourism companies and other museums. Adapt to changing needs of visitors. Market the panoramic view from the monument.	Host the following events: monthly full-moon picnics and stargazing evenings during the summer, one writers' event.	Host seven full-moon picnics, five stargazing evenings and a writers' event in celebration of Heritage Day as part of the Paarl Cultivaria Festival.	Hosted seven full-moon picnics, five stargazing evenings and a writers' event in celebration of Heritage Day as part of the Paarl Cultivaria Festival. Attendance at the stargazing evenings increased by 62.2% and at the full-moon picnics by 39%.	
Apply for additional funding from DAC.	Apply for installation of a lift for the disabled at the museum.	Apply for funds from DAC.	Apply for R400 000 to complete installation of lift by Dec. 2009.	Apply for R400 000 to complete installation of lift by Dec. 2009.	R400 000 received from DAC and chair lift installed in Oct. 2009.	Owing to the nature of the building a chair lift was installed instead of a normal passenger lift.
Acquire funds from the public in the form of donations and bequests.	Apply for funding for transport of needy learners to special events.	Apply for funds from Het Jan Marais Nationale Fonds.	Apply for R90 000 to transport learners.	Budget for R10 000.	R50 000 received from Het Jan Marais Nationale Fonds for transporting learners.	Sponsor could not fully comply.
Apply for grant aids overseas and locally.	Apply for funding to host the second annual Museum and Heritage Expo in Paarl Mall.	Apply for funds from Cape Winelands District Municipality.	Apply for R41 500 to host the expo.	Apply for R41 500 to host the expo.	R30 000 received from Cape Winelands District Municipality.	Sponsor could not fully comply.



Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestone	Actual performance target reached	Reason for variance
<b>1.4.2.3 Contract income</b>						
Lease amphitheatre.	Advertise facilities. Draw up a long-term leasing contract.	Receive rent from leasing contracts.	Receive rent for amphitheatre of R40 000 p.a. by 31 Mar. 2010  Negotiate a long-term rent contract of R60 000 p.a. for amphitheatre	Receive rent for amphitheatre of R40 000 p.a. by 31 Mar. 2010. Present at least one show every month during the summer season at the amphitheatre.	Rent for amphitheatre R32 000 p.a. by 31 Mar. 2010. Presented one show every month from Dec. to Mar., one of which was cancelled owing to bad weather.  Annual long-term rent contract still under negotiation.	Decrease due to recession.
Lease restaurant	Advertise facilities. Draw up a long-term leasing contract.	Receive rent from leasing contracts.	Negotiate rent of R6 000 p.m. for the restaurant.	Rent of R60 000 p.a. for restaurant by 31 Mar. 2010	Rent lowered to R3 000 p.m. Total rent received: R41 000.	Decrease due to recession.
Lease plot for commercial use.	Advertise facility. Draw up a long-term leasing contract.	Receive rent from leasing contracts.	Negotiate rent of R133 p.m. Increase rent by 10% every year.	Rent for R1 596 p.a. by 31 Mar. 2010.	Rent for R1 996 p.a. by 31 Mar. 2010.	Budgeted amount reached.
<b>1.4.2.4 Investment income</b>						
Invest in a fixed deposit account and a call account at the best interest rate as per museum policy.	Get best returns on surplus funds.	Reinvest return on money and apply towards running costs.	Earn interest on capital invested.	Budget for R110 000 by 31 Mar. 2010.	Total interest received: R94 570 by 31 Mar. 2010.	Some funds were used during the financial year and the interest rate decreased.
<b>1.4.2.5 Sale of services</b>						
Sell expertise on the establishment and development of Afrikaans.	Advertise services on website and link up with other Afrikaans and language institutions.	Give presentations to visitors and groups at ATM and other venues.	Attract at least 100 visits to the website p.a.	Deliver at least 30 presentations p.a.	Curator delivered three presentations. Communication manager delivered five presentations.	Fewer opportunities for presentations arose.
Sell commercial merchandise.	Target potential buyers and interested parties.	Increase interest in services offered.	Increase sales by at least 10%.	Budget for R10 000 by 31 Mar. 2010.	R12 255 by 31 Mar. 2010.	Budget exceeded by 18%.

The institution will pursue the achievement of the following key objectives: **Expenditure**

Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestone	Actual performance target reached	Reason for variance
<b>1.4.2.6 Human resource management</b>						
Define present and future human capital needs.	Formulate HR policy and processes.	Appoint two professional assistants on ad hoc basis.	Appoint two professional assistants on permanent staff by 31 Mar. 2009.	Apply to DAC for additional funding.	Assistants still on ad hoc basis.	Funding was denied by DAC.
Empower staff.	Coordinate and manage training. Budget for training for every staff member.	Attend workshops and training sessions.	Have all staff trained by end of every financial year.	All staff trained by 31 Mar. 2010.	All staff attended training courses by 31 Mar. 2010.	
Apply performance management.	Define core functions.	Do an individual evaluation.	Complete evaluation by 31 May every year.	Complete evaluation by 31 May every year.	Evaluation completed by 17 Nov. 2009.	Council members only returned their evaluation of the director by 17 Nov. 2009.

Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestone	Actual performance target reached	Reason for variance
<b>1.4.2.7 Property management</b>						
Maintain buildings, structures and equipment.	Monitor buildings, structures and equipment. Draw up a work programme. Liaise with DPW.	Implement capital projects, painting.	Renovate buildings and structures annually depending on condition.  Take stock of equipment every three months.	Museum completed by 30 June 2009.  Monument completed by 31 July 2009.  Amphitheatre completed by 31 Aug 2009.  Stocktaking in June, Sept., Dec., Mar.	Museum maintenance completed Dec. 2009.  Monument maintenance completed Jan. 2010.  Amphitheatre maintenance completed Mar. 2010.  Stock taken in June, Sept., Dec., Mar.	Security cameras could only be installed after approval of revised capital works budget.  Paving of parking area could only be done after approval of revised capital works budget.
Eco-manage gardens, invasive alien plants, erosion, walking trails and firebreaks.	Monitor the growth and establishment of fynbos vegetation. Apply conservation measures.	Liaise with nature conservation institutions, neighbours and horticulturist. Provide recreation facilities for visitors.	Clean up water ditches before rainy season.  Remove invasive alien plants.  Clear firebreaks once a year.	Ditches cleaned by 31 May.  Plants removed by 30 Nov.  Firebreaks cleared by 31 Oct.	Ditches cleaned by 31 May.  Plants removed by 30 Nov.  Firebreaks cleared by 31 Oct.	
<b>1.4.2.8 Collection management</b>						
Collect, acquisition and document artefacts, and manage artefacts to be accessible to visitors.	Undertake field trips to collect artefacts and information.	Document artefacts. Answer queries concerning the collections.	Document 50 artefacts p.a.	Document 50 artefacts by 31 Mar. 2010.	Purchased and implemented new cataloguing programme. Reclassified and recatalogued 100 documents in document collection by 31 Mar. 2010.  Facilitated donation of 217 Africana books from CPUT.	Researcher (appointed on 1 Aug. 2009) recommended that document collections be reclassified and recatalogued to improve access.
<b>1.4.2.9 Conservation</b>						
Conserve relevant artefacts and documents for reference and display.	Draw up a conservation policy.	Store artefacts and documents at museological level: 19°C, RH = 54%.	Display artefacts in pristine condition.	Upgrade conservation methods in the light of new technology on a continuous basis.	Ultraviolet protection was applied on the museum windows by 31 Mar. 2010.	
Conserve buildings, facilities and museum collections for posterity.	Budget and plan for conservation equipment.	Apply day-to-day maintenance.	Use conservation equipment.	Conservation equipment brought into use by 31 Mar. 2010.	The museum building was sprayed for pests by 31 Mar. 2010.	



Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestone	Actual performance target reached	Reason for variance
<b>1.4.2.10 Research</b>						
Place emphasis on the variants of Afrikaans and the influence of Afrikaans on other indigenous languages and vice versa.	Develop new projects aimed at creating greater awareness of variants of Afrikaans.	Undertake field trips to Namaqualand as part of projects.	Complete visits to Namaqualand.	Process data from Namaqualand project by 31 Mar. 2010. Produce tangible material by 31 Sept. 2010.	Data partially processed by 31 Mar. 2010. Radio interviews were done, lectures and talks were done at one international and two local conferences and workshops.	Postponed as curator took over education portfolio with additional duties from Sept. 2009.
Do research on traditional childrens' games.	Develop a database of various traditional childrens' games.	Process current data.	Upgrade current database.	Produce a CD on various traditional childrens' games by 31 Mar. 2010.	CD not yet produced.	Postponed as curator took over education portfolio with additional duties from Sept. 2009.
Identify and disseminate knowledge on artefacts.	Acquire knowledge from relevant sources.	Visit libraries and museums to gather information.	Liaise with relevant organisations.	Close formal and informal collaboration agreements.	Researcher appointed. Closed formal collaboration agreement with CPUT. Closed informal collaboration agreement with education department of the US.	
Produce scientific and popular articles and lectures.	Ensure that research results are of high quality for publication or lecture.	Present popular lectures and articles to various audiences.	Produce one article or lecture every three months.	Produce four articles/lectures annually.	Produced a total of four articles/lectures. Researcher published one article in Maandblad Zuid-Afrika. Curator presented three lectures: one at the South African Museum Association (SAMA) conference in Port Elizabeth; one at the Commonwealth workshop in KwaZulu-Natal, and one at the Klein Karoo National Arts Festival's Kontreifees in Oudtshoorn.	
<b>1.4.2.11 Exhibitions</b>						
Interpret the exhibitions in three languages and present state-of-the-art information and displays.	Plan, design and budget displays. Use advanced technology.	Use audio-visual equipment for interpretations. Provide recordings in three languages.	Present two interesting and insightful displays in keeping with the ideals of edutainment. Update and upgrade displays once a year.	Present display: Dynamics of Afrikaans, with reference to Afrikaans abroad, by 31 Mar. 2010.  Upgrade displays: Afrikaans Nicknames and Afrikaans in the Media, by 31 Mar. 2010.  Upgrade GRA Room by 31 Mar. 2010.	Afrikaans Abroad completed by 31 Mar. 2010.  Afrikaans Nicknames and Afrikaans in the Media upgrades completed by 31 Mar. 2010.  Upgrade of GRA (now Early Written Afrikaans) Room not completed.	Only one display for the year, as curator took on additional educational duties.  Previous display board for Afrikaans Nicknames was too heavy and fell off the wall. Documentary film was added to Afrikaans in the Media display.  Theme changed to Early Written Afrikaans. The change of theme increased the amount of work to be done. A compact display was exhibited at the Bargain Books Book Fair from 4 to 7 Mar. 2010.

Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestone	Actual performance target reached	Reason for variance
<b>1.4.2.12 Education</b>						
Enlighten school groups and visitors to the museum and monument.	Conduct guided tours. Plan special educational programmes.	Compile and design educational package and work cards (Gr. 1–12). Plan Museum Day, Heritage Day, etc.	Host one school group per week.  Arrange programmes for specific special days.	Host 40 school groups by 31 Mar. 2010.  International Mother Tongue Day in Feb.  World Book Day in Apr.  Museum Week in May.  Youth Day in June.  Language Day in Aug.	Hosted 61 school groups by 31 Mar. 2010.  International Mother Tongue Day, 23 Feb. 2010. World Book Day, 20, 21 and 23 Apr. 2009. Museum Week, 18–19, 22 May 2010 and 2–3, 10 June 2010. International Monument Day, 15. Apr. 2010. Language Day, 11–14 Aug. 2009 Time Travel, 13–22 Oct. 2009	More school groups applied to visit the ATM.  Youth Day was not held as it fell in the school holidays. It was replaced with International Monument Day. Time Travel is a new concept presented in cooperation with Kalmar Läns Museum (Sweden), Paarl Museum and the Department of Cultural Affairs and Sport.
Liaise with schools and launch outreach programmes.	Liaise with schools and related institutions.	Transport needy schools to the museum.  Organise language competitions.	Transport ten school groups p.a.  Hold two language competitions p.a.	Transport 10 school groups.  Hold a public-speaking competition and workshop by 31 Mar. 2010.	Transported 22 school groups by 31 Mar. 2010.  Held a public-speaking competition in Apr. 2009.  Presented a public-speaking workshop in Feb. 2010.	Additional funds received from Het Jan Marais Nationale Fonds increased the number of groups that could be sponsored.
Increase knowledge of educational activities.	Diversify and co-ordinate educational programmes with school curriculum.	Attend seminars and lectures related to curriculum.	Attend one seminar or lecture p.a.	Attend one seminar or lecture p.a.	Attended Commonwealth Association of Museums workshop 24–29 Oct. 2009.	
<b>1.4.2.13 Communication</b>						
Convey the ATM's commitment to the promotion of Afrikaans.	Host annual cultural events.	Host Afrikaans and/or multicultural and multilingual events.	Host at least two events.	Host annual Mathews Phosa lecture.  Host "Ommietafel met stories" writers' event.	Mathews Phosa lecture held in Aug. "Ommietafel met stories" held in Sept. A Zulu Experience held in Aug. A woman's tea held in Aug.	More opportunities for events arose.
Increase the public's knowledge about the ATM.	Increase visibility through marketing and communication.	Distribute information.	Print and distribute brochures; keep up an online presence; regular e-communication.	Print and distribute 5 000 brochures; place 10 paid advertisements; actively use web and social media; maintain an e-mail database of approximately 5 000 subscribers.	Printed and distributed 5 000 brochures; placed 10 paid advertisements; started a Facebook group; e-mail database consists of approximately 5 000 subscribers.	
Perform as a leader in the heritage industry.	Host an annual expo.	Host an expo relevant to the ATM.	Host an annual museum and heritage expo.	Host the second Museum and Heritage Expo.	Hosted the Museum and Heritage Expo in May.	

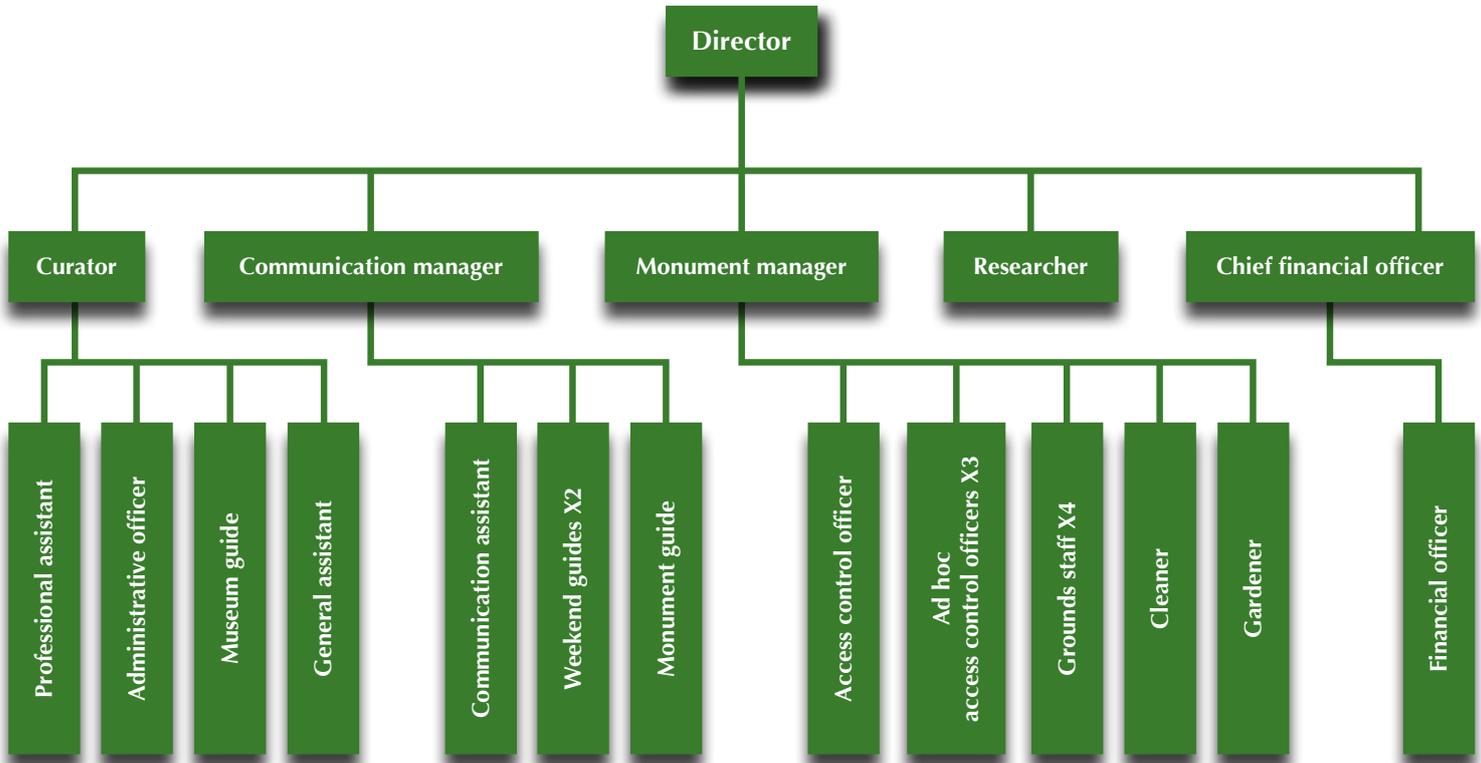


JP LOUW  
31 Mei 2010

# 2. Human resources management

## 2.1 Organogram

### STAFF ORGANOGRAM



## 2.2 Expenditure on staff budget

Table 1: Staff costs 2009/2010

Total expenditure	Staff expenditure	Course expenditure	Consultation services	Pension fund contributions	Staff costs as % of total expenditure	Average staffing cost per employee (21 employees)
R4 619 140	R2 784 907	R26 895	R0	R419 422	60%	R132 615

Table 2: Salaries, overtime, housing allowance, medical support, pension fund contributions, other allowances, leave payouts granted, 2009/2010

Salaries		Overtime		Housing allowance		Medical support	
Amount	Salary as % of the staffing cost	Amount	Overtime as % of the staff cost	Amount	Housing allowance as % of staffing cost	Amount	Medical support as % of staffing cost
R2 232 083	80%	R0	0%	R115 504	4%	R154 000	6%

Pension fund contributions		Other allowances		Leave payouts granted	
Amount	Pension fund contributions as % of staffing cost	Amount	Other allowances as % of staffing cost	Amount	Leave payouts as % of staffing cost
R419 442	15%	R0	0%	R544	0%

## 2.3 Employment and vacant posts

Total staff	Director	Curator/ educational division	Communication division	Financial division	Research division	Tourism	Gardens	Admin
21	1	2	2	2	1	4	7	2

During the year, ad hoc staff members are appointed for short periods of time to meet specific work needs. Some ad hoc posts are more urgent to fill than others, such as regular relief staff over weekends, guides and safety guards.

## 2.4 Post evaluation

Post evaluations take place continually in cooperation with the staff, but in particular every term and at the end of the financial year. All permanent staff received a notch increase.

## 2.5 Changes in posts

The post of educational officer has been rescinded. A new post was created for a researcher and is remunerated from the reserve fund.



## 2.6 Employment equity

Post level	Number	African		Coloured		Indian		White	
		M	F	M	F	M	F	M	F
Management	1							1	
Middle management and high-level specialists	5			1	1				3
Supervisor and high-level skill/clerical	3				3				0
Low-level skill/clerical	5			1	3			1	
Very low skills level	7			5	2				
<b>Total</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>
		0	0	33.3%	42.9%	0	0	9.5%	14.3%

## 2.7 Performance awards

Fourteen staff members qualified for a performance bonus.

## 2.8 Leave for the period 1 April 2009 to 31 March 2010

### Summary of leave 1 April 2009 to 31 March 2010

One staff member left our services and no leave payments were made for the financial year.

Number of permanent staff	Number of days taken for the year	Average number of days taken per person for the year	Cost of leave taken during the year
14	326.5	23	R270 312.34

### Summary of accumulated leave 1 April 2009 to 31 March 2010

As from 2002 annual leave may no longer be accumulated. However, certain members of staff still have leave carried forward from 2001. This is indicated separately.

Number of staff with accumulated leave	Number of leave days in work days	Average number of days per person	Monetary value of leave days
3	41	14	R48 805.82

### Summary of sick leave 1 April 2009 to 31 March 2010

Staff receive sick leave of 36 working days per three-year cycle running from 2007 to 2009 and from 2010 to 2012.

Number of permanent staff	Number of days taken during the year	Average number of days taken per person for the year	Cost of sick leave taken during the year
14	69.5	6	R54 085.59

## 2.9 HIV/AIDS and health programmes

For the ATM, as for any other establishment, it is important that absence from work be minimised. Although no direct costs are saved this way, since salary expenditure remains the same, indirect costs are saved. Examples of indirect costs are payments to substitute workers for staff that have fallen ill, the possible payment of overtime to staff who stand in for absent staff, and the effect that absenteeism has on other workers and general productivity. In this regard, HIV/Aids talks were given by a representative of the Simondium Clinic in December. The ATM designated a safety representative and there is a health and safety committee that meets quarterly and consists of two staff representatives per building. Four talks were given to staff members: environmental safety and general safety in the workplace (by the Paarl SAPD), fire prevention and control (by the Paarl Fire Department) and healthy eating habits (by a dietician).

## 2.10 Labour relations

Three disciplinary hearings were held and two verbal warnings were given for three separate counts of misbehaviour. Two team-building events were held.

## 2.11 Skills development

The following training courses, workshops and seminars were presented and attended during the period of this report.

<b>Director</b>	Course: Financial reports – how to read them, Paarl
<b>Curator</b>	Paper: “Children’s games as a non-tangible product of inheritance and how it can be included in the school curriculum”. South African Museum Association (SAMA) conference, Port Elizabeth and Commonwealth workshop, KwaZulu Natal. Paper: “ATM’s Namaqualand Project: Planning, interviews, pitfalls, research material”, Klein Karoo National Arts Festival’s Kontreifees, Oudtshoorn. Training: Safe Tech fire training, level 1, Paarl
<b>Chief financial officer</b>	Course: Financial reports – how to read them, Paarl
<b>Financial officer</b>	Course: Financial reports – how to read them, Paarl
<b>Communication manager</b>	Training: Joomla website software, Cape Town
<b>Training officer</b>	D.Phil degree: “Die Afrikaner-identiteit en Afrikaanse feeste” (The identity of the Afrikaner and Afrikaans festivals), Stellenbosch University
<b>Monument manager</b>	Training: Safe Tech fire training, level 1, Paarl Course: Gardening, Paarl
<b>Administrative officer</b>	Training: Safe Tech fire training, level 1, Paarl
<b>Researcher</b>	Training: Safe Tech fire training, level 1, Paarl Workshop: Digitisation, Kimberley
<b>Communication assistant</b>	Training: Safe Tech fire training, level 1, Paarl
<b>Professional assistant</b>	Training: Safe Tech fire training, level 1, Paarl
<b>Guides</b>	Theoretical and practical training sessions by the curator
<b>Access control officer</b>	Training: Safe Tech fire training, level 1, Paarl Course: Gardening, Paarl
<b>General assistants</b>	Training: Safe Tech fire training, level 1, Paarl Course: Gardening, Paarl

## 2.12 Use of consultants

No consultants were used.



# 3. Annual Financial Statements

## 3.1 Corporate governance arrangements

Governance of the institution was streamlined through a system of subcommittees of Council corresponding to the following areas: Core Functions, Marketing and Fundraising, Operations and an Audit Committee. The internal audit function was outsourced to an outside company in 2004.

The Council recognises that good governance and compliance practices are crucial for the development and sustainment of the Museum and is committed to instilling good governance and compliance processes into all its operations going forward.

## 3.2 Report of the Audit Committee required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999

We are pleased to present our report for the financial year ended 31 March 2010.

### Audit committee members and attendance

The Audit Committee consists of the members listed hereunder and meets four times per year as per its approved terms of reference. During the current year three meetings were held.

Name of member	Number of meetings attended
Dr. DWR Hertzog (Chairperson)	2
Dr. MLA le Cordeur	3
Dr. LE Combrink	3
Mr. DJJ de Villiers	3
Mr. JP Louw	3
Ms. T Laing	3
Ms. M Oczenaschek	3

### Audit committee responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective Actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, the matter of emphasis and management letter of the Auditor-General/external auditors, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

### Evaluation of annual financial statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General/other external auditor and the Accounting Officer;
- Reviewed the Auditor-General/other external auditor's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General/other external auditor's conclusions 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-General/other external auditor.



Dr. DWR Hertzog  
Chairperson of the Audit Committee

Date: 1 August 2010

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### **3.3 Report of the Auditor-General**

#### **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT FOR THE YEAR ENDED 31 MARCH 2010**

##### **REPORT ON THE FINANCIAL STATEMENTS**

###### **Introduction**

1. I have audited the accompanying financial statements of the Afrikaans Language Museum and Language Monument, which comprise the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 21 to 31.

###### **Accounting Authority's responsibility for the financial statements**

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

###### **Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

###### **Basis for qualified opinion**

###### **Funding and marketing income**

7. The entity did not have an adequate system of control over funding and marketing income on which I could rely for the purpose of my audit, and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all funding and marketing income was properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself about the completeness of funding and marketing income of R109 638 (2008-09: R186 303).

## Qualified opinion

8. In my opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Afrikaans Language Museum and Language Monument as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with SA Standards of GRAP and in the manner required by the PFMA.

## Additional matters

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

## Unaudited supplementary schedules

9. The supplementary information set out on pages 32 to 33 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In terms of the PAA of South Africa and *General notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

## Findings

### Predetermined objectives

### Non-compliance with regulatory and reporting requirements

### Public Finance Management Act

#### ***Lack of effective, efficient and transparent systems and internal controls regarding performance management***

11. The accounting authority did not ensure that the entity has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 51(1)(a)(i) and (b) of the PFMA.

### Treasury Regulations of 2005

#### ***Inadequate content of strategic plan***

12. The strategic plan of the entity did not include the indicators (measures) and/or targets for all of the entity's objectives, as required by Treasury Regulation 30.1.3.

#### ***Inadequate quarterly reporting on predetermined objectives***

13. The quarterly reports of the entity did not track progress against outputs, indicators and targets as per the approved strategic plan and therefore did not facilitate effective performance monitoring, evaluation and corrective action, as required by Treasury Regulation 30.2.1.

### Usefulness of reported performance

14. The following criteria were used to assess the usefulness of the planned and reported performance:
- Consistency: Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
  - Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
  - Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

#### ***Reported information not consistent with planned objectives, indicators and targets***

15. The entity has not reported on its performance against predetermined indicators and/or targets which is consistent with the approved strategic plan.

### ***Changes to planned predetermined objectives not approved***

16. The entity reported on indicators and targets in addition to, and that differ from those as per the approved strategic plan. Furthermore, these additional and different indicators and targets were not approved subsequent to the strategic planning process.

### **Reliability of reported performance**

17. The following criteria were used to assess the usefulness of the planned and reported performance:
- **Validity:** Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?
  - **Accuracy:** Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately.
  - **Completeness:** All actual results and events that should have been recorded have been included in the reported performance information.

The following audit finding relates to the above criteria:

### ***Reasons for major variances between planned and actual reported targets were not supported by adequate and reliable corroborating evidence***

18. Adequate and reliable corroborating evidence to support the reasons for major variances between the planned and the actual reported targets could not be obtained. 50% of the reasons for major variances could not be verified for audit purposes.

### **Compliance with laws and regulations**

#### **Public Finance Management Act of South Africa and Treasury Regulations of 2005**

##### **Non-adherence to requirements**

19. Contrary to the requirements of Treasury Regulation 27.2 and section 51(1)(a)(ii) of the PFMA, the internal audit function was only effective for one month of the financial year and not for the entire period as the internal audit charter and internal audit plan were only presented and approved by the audit committee on 26 February 2010.
20. Contrary to the requirements of Treasury Regulation 27.2.1 and section 51(1)(a)(i) of the PFMA, the entity did not undertake a risk assessment to assess any risks of fraud and has consequently not developed a fraud prevention plan.

#### **Treasury Regulations of 2005**

##### **Non-adherence to requirements**

21. Contrary to the requirements of Treasury Regulation 26.1.1, quarterly reports, detailing information on its actual revenue and expenditure up to the end of that quarter, as well as a projection of expected expenditure and revenue for the remainder of that financial year were not submitted within 30 days of the end of each quarter.

### **INTERNAL CONTROL**

22. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

#### **Leadership**

23. Appropriate actions were not taken to address risks relating to the achievement of complete and accurate financial reporting. Although the entity developed detailed procedures in 2008 to address the collection and processing of income, in response to the audit outcomes of the 2007-08 financial year, these procedures were not adequately implemented to resolve the internal control deficiencies.
24. The entity did not have documented and approved internal policies and procedures to address planning, implementation, monitoring and reporting processes and events pertaining to performance management and reporting on predetermined objectives. This resulted in numerous instances of non-compliance with the PFMA and the Treasury Regulations. Actions were also not taken to address risks relating to the achievement of complete and accurate performance reporting.
25. The accounting authority did not adequately exercise oversight responsibility over compliance with laws and regulations. This is evidenced by the extent of non-compliance with the treasury regulations, as well as the PFMA as it relates to risk processes (risk assessments, fraud prevention plan and internal audit function) and timely quarterly reporting on actual revenue and expenditure.

## Financial and performance management

26. As a result of not implementing the procedures developed by management, the entity did not keep proper records to verify the completeness of funding and marketing income.
27. Pertinent information is not identified and captured in a form and time frame to support performance reporting. Adequate processes have also not been established to ensure that the report on predetermined objectives is accurate and complete and that all variances are substantiated by sufficient appropriate evidence.

## Governance

28. Internal audit did not substantially fulfil its responsibilities as required by law and regulations and in accordance with accepted best practice and standards, as the internal audit charter and internal audit plan were only approved by the audit committee on 26 February 2010. Consequently the risks resulting in the qualification on income and the findings relating to the report on predetermined objectives were not addressed.
29. No risk assessments were performed for the 2009-10 financial year and consequently an assessment of the risks relating to reporting on predetermined objectives and the processes to ensure that performance objectives are measured and achieved were not addressed.



Cape Town  
24 July 2010



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

### 3.4 Statement of responsibility

The Public Finance Management Act, 1999 (Act 1 of 1999), as amended, requires the Council of Die Afrikaanse Taalmuseum en -monument (ATM) to keep full and proper records of its financial affairs. It also requires that the annual financial statements fairly present the state of affairs of the ATM, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of each financial year, and that they are presented in terms of generally recognised accounting practice (GRAP). The financial statements are the responsibility of the Council of the ATM. The Auditor-General is responsible for independently auditing and reporting on the annual financial statements. The council relies on systems of internal control as well as accounting and information systems that seek to offer reasonable assurance that assets are safeguarded and that the risk of mistakes, fraud or losses are minimised in an effective way. The ATM's control measures, contained in policy documents and procedures, include delegating responsibilities and powers within a clearly defined framework, effective accounting procedures and segregation of duties and monitoring by contracted internal auditors. All material risks at the ATM have been identified and documented in a risk framework. The financial statements were compiled in accordance with the standards of generally recognised accounting practice (GRAP). The accounting policies applied are appropriate, have been applied consistently and are supported by reasonable and prudent judgement and estimates. Where necessary, the financial statements are explained further in other reports which are included in the annual report. It is the council's opinion that the ATM will be a going concern in the year ahead, and the financial statements have therefore been prepared on a going-concern basis. The annual financial statements for the year ended 31 March 2010, set out on pages 21 to 31, were submitted for auditing on 25 May 2010 and approved by the council in terms of section 51(1)(f) of the PFMA, 1999 (Act 1 of 1999), as amended, and are signed on its behalf by:



Mr. JP Louw  
(Director)



Prof. EL van Harte  
(Chairperson)

Date: 31 July 2010

### **3.5 Management Report**

Report by the accounting officer to the executive authority and Parliament of the Republic of South Africa.

#### **3.5.1 General review of the state of affairs**

During the past year new challenges have presented themselves to the institution owing to active and opportunistic endeavours. This has resulted in the increase of the total revenue from R4 034 633.00 to R4 545 655.00. The ratio between the grant received from the Department of Arts and Culture and our own revenue generated was 84% to 16%. Our staff component consists of 21 staff members. Four additional ad hoc staff members are also employed.

Operating expenditure for 2009/2010 entailed 70% fixed costs on personnel, 8% administrative costs and 22% on core functions.

Despite the economic decline our revenue from entrance fees increased from R393 424 in 2008/2009 to R420 823 in 2009/2010. While continuing with a wide range of fundraising activities, another highlight was a significant increase in sponsorship revenue. Our aim is to provide excellent service to tourist groups and visitors to the ATM.

#### **3.5.2 Services rendered by the ALM**

##### **3.5.2.1 Services**

The core service activities take place at the museum, monument and amphitheatre. A full scale marketing project was undertaken when the ATM organised the second Museum and Heritage Expo at the Paarl Mall inviting a number of other partaking museums. The expo was focused on the general public and highlighted the ATM's activities and services.

##### **3.5.2.2 Tariff policy**

Tariffs of the ATM are determined by means of policy and minutes of the council meetings. Tariffs are reviewed annually and include tariffs charged for entrance fees, rental of facilities and film shoots.

##### **3.5.3 Capacity constraints**

A shortage of posts for skilled staff remains a stumbling block to more effective and comprehensive outputs.

##### **3.5.4 Use of donor funds**

Although donations only comprise approximately 0.7% of our total income, funds are mainly used to promote programmes and activities at the ATM.

##### **3.5.5 Business address**

Physical address:  
11 Pastorie Avenue  
Paarl 7646

Postal address:  
P.O. Box 498  
Paarl 7620

##### **3.5.6 New and proposed activities**

Plans are in progress to use the monument grounds for a wide variety of events like weddings, mountain biking and performing entertainment. The vision of erecting an office block at the monument is becoming a reality as the building plans are nearing completion and the tender stage is imminent. The office block will form a base from which marketing and administrative activities could be performed.

##### **3.5.7 Approval**

The annual financial statements on pages 21 to 31 have been approved and authorised for issue on behalf of the ATM council on 31 July 2010.



Mr. JP Louw  
(Director)



Prof. EL van Harte  
(Chairperson)

### **3.6 Directors' report for the year ended 31 March 2010**

The director presents the annual report which forms part of the audited financial statements of the entity for the year ended 31 March 2010.

#### **1. Legal form and country of incorporation**

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

#### **2. Principal activities of the entity**

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

#### **3. Geographical location and segmentation**

The Afrikaans Language Museum and Language Monument is situated at the following addresses:  
Museum and administration - 11 Pastorie Avenue, Paarl  
Language Monument - Gabemma Street, Paarl

#### **4. Statement of responsibility**

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

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

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

#### **5. Operating results**

The entity's business and operations are clearly reflected in the attached financial statements.

#### **6. Property, plant and equipment**

There were no major changes in property, plant and equipment during the year. Costs with regard to the museum property at Malherbe Street, Paarl were in the past capitalised as part of the land and buildings of the Museum. This property is, however registered to the National Government and not to the Museum. The capitalised cost of R843 077 were set-off against the accumulated surpluses in the 2004 financial year.

#### **7. Director and chief financial officer**

The entity's director is Mr. J.P. Louw and the chief financial officer is Ms. T. Laing.

#### **8. Events subsequent to balance sheet date**

The director is not aware of any event or circumstance that have occurred since the end of the financial year, which are not dealt with in the annual financial statements and which may have a material effect on the operations of the entity or the results of any such operation.



J.P. LOUW  
Director  
22 June 2010

### 3.7 Statement of Financial Position

STATEMENT OF FINANCIAL POSITION AT 31 MARCH		2010	2009
	Notes	R	R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	2	1 046 619	693 684
Investment	3	913 751	1 084 813
<b>Current assets</b>			
Inventories	4	11 465	16 400
Trade- and other receivables	5	45 584	73 823
Cash and cash equivalents	6	231 125	545 209
<b>Total assets</b>		<b>2 248 544</b>	<b>2 413 929</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated surpluses and reserves		1 766 048	1 744 963
<b>Non-current liabilities</b>			
Provisions	7	53 246	49 092
<b>Current liabilities</b>			
Trade- and other payables		303 942	483 255
Accruals		125 308	136 619
<b>Total net assets and liabilities</b>		<b>2 248 544</b>	<b>2 413 929</b>
<b>NET ASSETS</b>			
Capital contributed by other government entities		-	-
Reserves		-	-
Accumulated surpluses		1 766 048	1 744 963
		1 766 048	1 744 963
Minority interest		-	-
<b>Total net assets</b>		<b>1 766 048</b>	<b>1 744 963</b>

### 3.8 Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH		2010	2009
	Notes	R	R
Income other than investment income	8	4 545 655	4 034 633
Investment income	9	94 570	139 043
<b>Total revenue</b>		<b>4 640 225</b>	<b>4 173 676</b>
<b>Expenses</b>			
Administration costs		(1 226 705)	(1 231 497)
Employee benefit costs		(3 231 244)	(2 816 635)
Depreciation and amortisation expense		(114 885)	(107 437)
Other expenses		(46 306)	(66 920)
<b>Surplus/(deficit) for the year</b>	10	<b>21 085</b>	<b>(48 813)</b>

### 3.9 Statement of Changes in Net Assets

#### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH

2010

	Accumulated surpluses	Total
	<u>R</u>	<u>R</u>
Balance at 1 April 2008	1 793 776	1 793 776
Net deficit for the year	(48 813)	(48 813)
Balance at 31 March 2009	1 744 963	1 744 963
Opening retained earnings as previously reported	1 714 963	1 714 963
Adjustment for error in prior period as per note 10	30 000	30 000
Net surplus for the year	21 085	21 085
Balance at 31 March 2010	1 766 048	1 766 048

### 3.10 Cash Flow Statement

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH

2010

2009

	<u>Notes</u>	<u>R</u>	<u>R</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net cash flow from operating activities</b>	13.1	(17 326)	503 081
Receipts			
Funding and marketing		159 913	266 751
Sales of goods and services		470 323	479 368
Grants		3 887 418	3 251 000
Rent received		1 996	1 508
Interest received		94 570	139 043
Other income		26 005	36 006
Payments			
Employee cost		(3 231 244)	(2 816 635)
Post-employment benefits		(15 404)	(14 424)
Other payments		(1 410 903)	(839 536)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Net cash flow from investing activities</b>		(296 758)	15 895
Purchase of plant and equipment	13.2	(469 241)	(91 429)
Return on disposal and scrapping of plant and equipment		1 421	-
Purchase of investments		171 062	107 324
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash flow from financing activities</b>		-	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		(314 084)	518 976
<b>Cash and cash equivalents at beginning of year</b>		545 209	26 233
<b>Cash and cash equivalents at end of year</b>	13.3	231 125	545 209

**3.11.1 ACCOUNTING POLICY****3.11.1.1** Principles and basis of preparation

The financial statements will be prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of Government Gazette no 31021 of 9 May 2008.

The standards comprise the following:

- GRAP 1** - Presentation of financial statements
- GRAP 2** - Cash flow statements
- GRAP 3** - Accounting policies, changes in accounting estimates and errors
- GRAP 4** - The effect of changes in foreign exchange rates
- GRAP 5** - Borrowing costs
- GRAP 6** - Consolidated and separate financial statements
- GRAP 7** - Investment in associates
- GRAP 8** - Investments in joint ventures
- GRAP 9** - Revenue from exchange transactions
- GRAP 10** - Financial reporting in hyperinflationary economies
- GRAP 11** - Construction contracts
- GRAP 12** - Inventories
- GRAP 13** - Leases
- GRAP 14** - Events after the reporting date
- GRAP 16** - Investment property
- GRAP 17** - Property, plant and equipment
- GRAP 19** - Provisions, contingent liabilities and contingent assets
- GRAP 100** - Non-current assets held for sale and discontinued operations
- GRAP 101** - Agriculture
- GRAP 102** - Intangible assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards will be developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures will be based on the pronouncements of the following standard setters, in descending order, to the extent that the requirements are not in conflict with the standards of GRAP:

- International Public Sector Accounting Standards Board (IPSASB);
- International Accounting Standards Board (IASB);
- Accounting Practice Board (APB); and
- Accounting Practice Committee (APC) of the South African Institute of Chartered Accountants.

A summary of the significant accounting policies, which will be consistently applied except where an exemption has been granted, are disclosed below.

**3.11.1.2** Property, plant and equipment

Property, plant and equipment are shown at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on the straight-line basis so as to write off the cost of the assets (less its residual value) over their expected useful lives. The expected useful lives are as follows:

Land and buildings	50 years
Furniture and machinery	6 years
Computer equipment	3 years
Vehicles	5 years

During the period the Afrikaans Language Museum carried out a review of the recoverable amounts of its property, plant and equipment. The review led to the conclusion that no recognition of any impairment loss was necessary.

In addition, following the revisions to IAS 16, Property, plant and equipment that are effective for the current and previous periods, the Afrikaans Language Museum has reviewed the residual values used for the purposes of depreciation calculations in the light of the amended definition of residual value in the revised Standard.

In line with the new requirements, these recoverable amounts and residual values will be reviewed and updated annually in the future.

*Financial assets*

Financial assets are recognised in the Afrikaans Language Museum Statement of financial position when the museum becomes a party to the contractual provisions of an instrument. Regular way purchases and sales of financial assets are recorded on the trade date.

Financial instruments are initially measured at fair value, plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The Afrikaans Language Museum uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised (which in accordance with IAS 39, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

The Afrikaans Language Museum classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale. The classification depends on the purpose for which the Afrikaans Language Museum acquired the financial assets.

*Financial assets at fair value through profit or loss*

This category has two sub-classifications, namely financial assets held for trading and financial assets designated as at fair value through profit or loss at the inception of the instrument. Derivative instruments are classified as held for trading unless they qualify as designated hedging instruments.

Cash and cash equivalents are classified as financial assets at fair value through profit or loss. Cash and cash equivalents consist of cash in the bank and short-term deposits, and other short-term investments that are highly liquid and can readily be converted into cash.

Financial assets are designated into this category when their accounting treatment in terms of this category results in more relevant information than accounting in terms of another category (i.e. it significantly reduces an accounting mismatch or it represents a group of financial instruments that are managed and evaluated internally on a fair value basis) or it is a contract that contains one or more embedded derivative(s).

Financial assets at fair value through profit or loss are initially measured at fair value excluding any transaction costs. Subsequently these assets are measured at fair value, with gains and losses recognised in profit or loss. Net gains or losses consist of fair value adjustments and gains and losses on derecognition and they are included in "other income" or "other expenses". Interest and dividend income are reported separately from net gains or losses. Interest income, calculated using the effective interest rate method, is included in "interest income".

*Held-to-maturity financial assets*

This category represents non-derivative financial assets with a fixed maturity date and with fixed and determinable payments. The Afrikaans Language Museum has the positive intention and ability to keep the asset to maturity date. This category may also include financial assets that would have been impaired or past due if the terms of the instrument were not renegotiated.

Financial assets held to maturity are initially measured at fair value plus transaction costs; and they are subsequently measured at the amortised cost, and the interest income is recognised in profit or loss for the period. Net gains or losses represent reversals of impairment losses, impairment losses and gains and losses on derecognition. Net gains or losses are included in "other income" or "other expenses".

Impairment losses are recognised on financial assets held to maturity when there is objective evidence of impairment. An impairment loss is recognised in profit or loss when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate of the instrument. Assets that are individually significant are considered separately for impairment. When these assets are impaired, any impairment loss is recognised directly against the related asset. Assets that are individually significant and that are not impaired, and groups of small balances are considered for impairment on a portfolio basis, based on similar credit risk. Impairment losses are recognised in an "allowance account for credit losses" until the impairment can be identified with an individual asset, and, at that point, the allowance is written off against the individual asset.

*Loans and receivables*

This category represents non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. It includes short-term receivables, such as trade and other receivables, and long-term receivables, such as loans granted. This category may also include financial assets that would have been impaired or past due if the terms of the instrument were not renegotiated.

Short-term receivables with no stated interest rate are measured at the original invoice amount, if the effect of discounting is immaterial.

## Available-for-sale financial assets

This category contains non-derivative financial assets that are designated into this category or are not classified into any of the other categories. This category may also include financial assets that would have been impaired or past due if the terms of the instrument were not renegotiated.

### *Financial liabilities*

Financial liabilities are recognised in the Afrikaans Language Museum Statement of financial position when the museum becomes a party to the contractual provisions of the instrument.

The Afrikaans Language Museum classifies its financial liabilities in the following categories: at fair value through profit or loss, financial guarantee contracts, loan commitments and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued/obtained.

### *Financial liabilities at fair value through profit or loss*

This category has two sub-classifications, namely financial liabilities held for trading and financial liabilities, designated as at fair value through profit or loss at the inception of the instrument. Derivative instruments are classified as being held for trading, unless they qualify as designated hedging instruments.

A financial liability is designated in this category when its accounting treatment in terms of this category results in more relevant information than its accounting treatment in terms of another category (i.e. doing so significantly reduces an accounting mismatch, or the liability is part of a group of financial instruments that are managed and evaluated internally on a fair value basis) or it is regarded as a contract that contains one or more embedded derivative.

Financial liabilities at fair value through profit or loss are initially measured at the fair value excluding any transaction costs. Subsequently, these liabilities are measured at fair value with gains and losses recognised in profit or loss. Interest expense is separated from the net gains and losses on these items. Interest expense, calculated using the effective interest method, is included in "finance costs". Net gains or losses consist of gains or losses on the derecognition of items and they are included in "other income" or "other expense".

### *Other financial liabilities*

This category represents financial liabilities that are not classified as belonging in any of the other categories.

Other financial liabilities are initially measured at fair value, plus transaction costs. Subsequently, these items are measured at the amortised cost, using the effective interest method. Interest expenses on these items are recognised in profit or loss for the period and they are included in "finance costs". Net gains or losses represent gains or losses on derecognition and they are included in "other income" or "other expenses".

#### **3.11.1.4**      Antique collection

The antique collection of the museum is not accounted for on the fixed asset register or in the annual financial statements, but in the acquisition register.

#### **3.11.1.5**      Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of inventory comprises direct costs of purchase and excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

#### **3.11.1.6**      Employment benefit cost

##### *Employment pension fund contributions*

The entity's contributions to the defined contribution pension plans are charged to the income statement in the year to which they relate.

##### *Employment medical aid contributions*

Contributions to a defined medical aid scheme in respect of services in a particular period are recognised as an expense in that period. Post-employment benefit liabilities with regards to contributions relating to past service cost are determined by using the projected future outstanding contributions discounted at current rates. Actuarial gains and losses are recognised as income or expense.

#### **3.11.1.7**      Revenue recognition

Government grants are accounted for in the period to which each grant applies. Funding and marketing income is acknowledged on a cash basis. Other income is acknowledged on the accrual basis. Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

### 3.11.1.8 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### *Post-employment benefit liability*

Determining the post-employment benefit liability requires an estimation of the expected future life expectancy of the retired employees on who's behalf the contributions are being made as well as an estimation of the expected annual contributions during that period. The carrying amount of the post-employment benefit liability at the reporting date was R53 246 (2009: R49 092) and was calculated using the official life expectancies of the retired employees and discounting the current annual contributions over that period at the official interest rates.

### 3.11.2 **PROPERTY, PLANT AND EQUIPMENT**

	<b>Beginning of year</b>	<b>Additions/ Provided for</b>	<b>Disposals/ Scrapped</b>	<b>End of year</b>
	<u>R</u>	<u>R</u>	<u>R</u>	<u>R</u>
<b>3.11.2.1</b> <u>Cost</u>				
Land and buildings	491 395	249 717	-	741 112
Furniture and equipment	905 956	219 524	45 494	1 079 986
Vehicles	152 776	-	-	152 776
	<u>1 550 127</u>	<u>469 241</u>	<u>45 494</u>	<u>1 973 874</u>

#### **3.11.2.2** Accumulated depreciation

Land and buildings	52 862	12 063	-	64 925
Furniture and equipment	715 606	78 523	44 074	750 055
Vehicles	87 975	24 300	-	112 275
	<u>856 443</u>	<u>114 886</u>	<u>44 074</u>	<u>927 255</u>

#### **3.11.2.3** Carrying value

	<b>2010</b>	<b>2009</b>
	<u>R</u>	<u>R</u>
Land and buildings	676 187	438 533
Furniture and equipment	329 931	190 350
Vehicles	40 501	64 801
	<u>1 046 619</u>	<u>693 684</u>

#### **3.11.2.4** Included in the above are the following for each class of property, plant and equipment:

3.11.2.4.1	Temporarily idle property, plant and equipment	-	-
3.11.2.4.2	The gross carrying amount of fully depreciated property, plant and equipment	645 354	562 257
3.11.2.4.3	Property, plant and equipment retired from active use and held for disposal	-	-

#### **3.11.2.5** The land and buildings consists only of improvements erected on erven 11827, Paarl. This property of which the Afrikaans Language Museum and Language Monument has the unrestricted right of use is owed by the Department of Public Works.

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**3.11.3 INVESTMENTS****3.11.3.1** Unlisted investments*At cost and fair value*

Fixed Deposit - ABSA Bank Ltd	335 704	517 304
Money Market Fund - Sanlam Ltd	578 047	567 509
	<u>913 751</u>	<u>1 084 813</u>

**3.11.4 INVENTORIES**

Inventories at cost	<u>11 465</u>	<u>16 400</u>
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**3.11.4.1** Inventories are stated at cost as the net realisable value thereof exceeds the cost (see note 1.5). The cost is calculated using the first-in-first-out basis (FIFO) method.

**3.11.5 TRADE AND OTHER RECEIVABLES**

Trade and other receivables consist of the following:

Sundry debtors	3 629	33 627
Prepaid expenses	41 955	40 196
	<u>45 584</u>	<u>73 823</u>

**3.11.6 CASH AND CASH EQUIVALENTS**

Current account - ABSA Bank Ltd	225 523	541 201
Cash on hand	5 602	4 008
	<u>231 125</u>	<u>545 209</u>

**3.11.7 PROVISIONS****3.11.7.1** Post-employment benefit liability

Present value of projected future obligations	<u>53 246</u>	<u>49 092</u>
Reconciliation of post-employment benefit liability		
Present value of obligation at beginning of year	49 092	46 159
Interest cost	6 241	7 307
Benefits paid	(15 404)	(14 424)
Fair value adjustment	13 317	10 050
Present value of obligation at end of year	<u>53 246</u>	<u>49 092</u>

The principal actuarial assumptions are as follows:

Expected future life expectancy	5.45 years	5.78 years
Expected annual contributions	62 409	56 208
Official interest rate	10%	13%
Analysed as:		
Non-current liabilities	<u>53 246</u>	<u>49 092</u>

**3.11.8 DEFICIT FROM OPERATIONS**

The following items are included in net deficit:

Revenue from:

- Government grant	3 887 418	3 251 000
- Sale of goods	26 005	36 006
- Rendering of services	632 232	747 627

Expenses:

Auditors remuneration - Audit fees	85 933	72 115
Cost of goods sold	14 110	21 333
Inventories at beginning of year	16 400	14 678
Purchases	8 679	22 167
Rent received	496	888
	25 575	37 733
Less: Inventories at end of year	(11 465)	(16 400)
Depreciation	114 886	107 437
Land and buildings - owned	12 063	10 687
Furniture and equipment - owned	78 523	72 450
Vehicles - owned	24 300	24 300
Director's remuneration (chief executive officer)		
- Basic salary	412 440	366 930
- Bonuses	35 370	31 577
- Other allowances	9 000	9 000
- Medical aid contributions	12 000	12 000
Chief financial officer's remuneration		
- Basic salary	287 364	255 657
- Bonuses	24 947	21 825
- Other allowances	9 000	9 000
- Medical aid contributions	12 000	12 000
Curator's remuneration		
- Basic salary	287 364	255 657
- Bonuses	24 947	21 825
- Other allowances	9 000	9 000
- Medical aid contributions	12 000	12 000
Monument manager's remuneration		
- Basic salary	105 911	93 168
- Bonuses	9 824	8 764
- Other allowances	9 000	9 200
- Medical aid contributions	12 000	12 000
Marketing manager's remuneration		
- Basic salary	287 264	255 657
- Bonuses	24 947	21 825
- Other allowances	9 000	9 000
- Medical aid contributions	12 000	12 000

	2010	2009
	R	R
Councillor's remuneration		
- Honorariums	29 553	31 605
Pension fund contributions	419 442	381 611
Post employment benefit cost		
- Interest cost	6 241	7 307
- Fair value adjustment for the year	13 317	10 050
<b>3.11.9 INVESTMENT INCOME</b>		
Interest on short term deposits, bank accounts and debtors	94 570	139 043
<b>3.11.10 PRIOR PERIOD ERRORS</b>		
<b>3.11.10.1</b> Correction of errors relates to sponsorships recognised as income in the current financial year which were for functions concluded in the previous financial year. The income should accordingly be recognised in the previous financial year. The effect of the adjustments of these errors on the results for the year are as follows:		
Increase in funding and marketing income	-	30 000
Decrease in funding and marketing income	(30 000)	-
(Decrease)/increase in nett surplus for the year	(30 000)	30 000
Increase in trade- and other receivables	-	30 000
Increase in equity	-	30 000
<b>3.11.11 TAXATION</b>		
No provision for taxation has been made during the current financial year as an application has been made for tax exemption in terms of Section 10(1) of the Income Tax Act.		
<b>3.11.12 OPERATING LEASE ARRANGEMENTS</b>		
Minimum lease payment under operating		
Leases recognised as an expense in the year	24 587	18 340
At the reporting date, the Afrikaans Language Museum and Monument has outstanding commitments under non-cancelable operating leases, which fall due as follows:		
Within one year	27 497	14 452
In the second to fifth year inclusive	98 576	5 922
After five years	-	-
	126 073	20 374
<b>3.11.12.1</b> Operating lease payments represent rentals payable for office equipment. The leases are negotiated for a term of five years and are fixed for the duration of the lease agreement.		

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**3.11.13 CASH FLOW STATEMENT****3.11.13.1** Reconciliation of net cash flow from operating activities to the surplus/(deficit)

Net surplus/(deficit)	21 085	(48 813)
Non-cash movements		
Depreciation	114 885	107 437
(Decrease)/increase in provision for accumulated leave	(11 311)	41 080
Post employment benefit cost	4 154	2 933
	<u>128 813</u>	<u>102 637</u>
Changes in working capital	(146 139)	400 444
Decrease/(increase) in inventories	4 935	(1 722)
Decrease/(increase) in trade- and other receivables	28 239	(16 869)
(Decrease)/increase in trade- and other payables	(179 313)	419 035
	<u>(17 326)</u>	<u>503 081</u>

**3.11.13.2** Property, plant and equipment

During the period, the economic entity acquired property, plant and equipment with an aggregated cost of R469 241 (2009: R91 429) of which R381 418 (2009: R Nil) was acquired by means of capital grants by the National Government.

**3.11.13.3** Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprises the following amounts indicating financial position:

Cash on hand and balances with banks	231 125	545 209
Short-term investments	-	-
	<u>231 125</u>	<u>545 209</u>

**3.11.14 CONTINGENT LIABILITIES**

The Afrikaans Language Museum and Language Monument received R938 000 in transformation grants of which R500 000 is to be used for the transformation of exhibitions and R438 000 for researched and development, specifically with regard to the e-training of students at the University of Stellenbosch who are not fluent in Afrikaans. Funds totalling R331 194 remain to be spend in the manner described above.

**3.11.15 RELATED PARTY TRANSACTIONS****3.11.15.1** Directors and director-related entities

The director and chief financial officer named in the attached director's report each held office during the years ended 31 March 2009 and 31 March 2010. Remuneration received or receivable by the director and chief financial officer are disclosed in note 8.

**3.11.15.2** Transactions with associate undertakings

The Afrikaans Language Committee was controlled by the same board as the Afrikaans Language Museum and Language Monument. The Historium (Erven 1747, Paarl) was bought by the Afrikaans Language Committee, but since the Afrikaans Language Committee is not a legal entity the property had to be registered in the name of the Afrikaans Language Museum and Language Monument. The Afrikaans Language Committee is responsible for the maintenance of the property. The Historium Trust was registered to replace the Afrikaans Language Committee. The Afrikaans Language Museum and Language Monument is currently in the process of transferring the property to the Historium Trust. There are no amounts owing between these associated undertakings.

The following rent, relating to the historium, was paid by the Departement of Public Works to the Afrikaans Language Committee:

Rent received - Department of Public Works	303 717	258 821
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**3.11.16 FINANCIAL INSTRUMENTS****3.11.16.1 Credit risk management**

Financial assets that potentially subject the Afrikaans Language Museum and Language Monument to concentrations of credit risk consist principally of cash, short-term deposits and trade receivables. The Afrikaans Language Museum and Language Monument's cash equivalents and short-term deposits are placed with high credit quality financial institutions. Trade receivables are presented net of the allowance for doubtful debts. The credit risk associated with trade receivables is limited due to the large number of customers comprising the Afrikaans Language Museum and Language Monument's customer base and their dispersion across different industries and geographical areas. Accordingly the Afrikaans Language Museum and Language Monument has no significant concentration of credit risk.

**3.11.16.2 Liquidity risk management**

The Afrikaans Language Museum and Language Monument manages its cash flow by constantly monitoring it and by assuring that adequate borrowing facilities are maintained to provide in the Afrikaans Language Museum and Language Monument's cash needs.

**3.11.16.3 Reasonable value of financial instruments**

The reasonable value of trade- and other receivables, trade- and other payables, loans, cash and bank balances agree with the values as disclosed in the Statement of financial position.

**3.11.16.4 Cash flow and fair value interest rate risk**

The museum is exposed to interest rate risk to the extent of its cash investments and interest bearing borrowings, details of which is set out in the notes to these instruments. Interest rate risk is managed through diversification of investments into different assets classes, taking into account current market conditions and liquidity needs. The impact on after tax earnings of an increase or decrease of 100 basis points in interest rates at the reporting date, is as follows:

	<b><u>2010</u></b>	<b><u>2009</u></b>
Cash investments	11 393	16 260
Interest bearing borrowings	-	-

**3.11.17 IRREGULAR EXPENDITURE****3.11.17.1 Reconciliation of irregular expenditure**

Opening balance	-	-
Irregular expenditure - current year	9 020	-
Irregular expenditure condoned	(9 020)	-
Transfer to receivables for recovery	-	-
Irregular expenditure awaiting condonement	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The irregular expenditure was approved and disciplinary steps were taken against the person responsible.

**3.11.17 BUDGET INFORMATION**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<u>R</u>	<u>R</u>	<u>%</u>
Income other than investment income	4 545 655	4 101 488	11%
Investment income	94 570	109 988	-14%
<b>Total revenue</b>	<u>4 640 225</u>	<u>4 211 476</u>	
<b>Expenses</b>			
Administration costs	(1 226 705)	(1 037 394)	18%
Employee benefit costs	(3 231 244)	(3 100 830)	4%
Depreciation and amortisation expense	(114 885)	-	
Other expenses	(46 306)	(73 252)	-37%
<b>Surplus for the year</b>	<u>21 085</u>	<u>-</u>	

**3.12 DETAILED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH**

	<b>2010</b>	<b>2009</b>
	R	R
<b>INCOME</b>		
	4 545 655	4 034 633
Government grant	3 887 418	3 251 000
Entrance fees	420 823	393 424
Funding and marketing	159 913	266 751
Business ventures	49 500	85 944
Rent received	1 996	1 508
Other income	26 005	36 006
Interest received	94 570	139 043
	<u>4 640 225</u>	<u>4 173 676</u>
<b>EXPENSES</b>	(4 619 140)	(4 222 489)
Audit fees	85 933	72 115
Bad debts	36 300	14 687
Bank charges	16 219	16 264
Cleaning materials	16 965	14 684
Computer expenses	9 468	28 795
Consultants	27 224	47 543
Curator expenses	17 087	31 934
Depreciation	114 885	107 437
Director's remuneration	468 810	419 507
Educationalist	49 003	19 551
Entertainment	11 936	13 447
Exhibitions	37 370	32 680
(Decrease)/increase in provision for accumulated leave	(11 311)	41 080
Insurance	53 669	58 859
Loss on write-off of inventories	496	888
Marketing	156 897	132 506
Meetings and functions	40 442	44 526
Operating lease expenses	24 587	18 340
Pension fund contributions	419 442	381 611
Post employment benefit cost	19 558	17 357
- Interest cost	6 241	7 307
- Fair value adjustment for the year	13 317	10 050
Printing and stationery	68 931	45 475
Purchases of inventory	8 679	22 167
Repairs and maintenance	140 974	261 204
Security	236 896	47 636
Staff expenditure	2 316 097	1 998 871
Staff training and development	26 895	16 646
Subsistence and transport expenses	65 488	74 199
Sundry expenses	46 306	66 920
Telephone	66 093	64 118
Transformations	47 801	111 442
Net surplus/(deficit) for the year	<u>21 085</u>	<u>(48 813)</u>

**3.13 COMPARISON OF THE ACTUAL PERFORMANCE TO THE BUDGET FOR THE YEAR ENDED 31 MARCH 2010**

	Actual	Budget	Difference	Var
	R	R	R	%
<b>INCOME</b>	4 545 655	4 101 488	444 167	
Government grant	3 887 418	3 436 002	451 416	11.6%
Entrance fees	420 823	450 000	(29 177)	-6.9%
Funding and marketing	159 913	103 385	56 528	35.3%
Business ventures	49 500	100 000	(50 500)	-102.0%
Rent received	1 996	1 597	399	20.0%
Other income	26 005	10 504	15 501	59.6%
Interest received	94 570	109 988	(15 418)	-16.3%
	4 640 225	4 211 476	428 749	
<b>EXPENSES</b>	(4 619 140)	(4 211 476)	(407 664)	8.8%
Audit fees	85 933	110 000	(24 067)	-28.0%
Bad debts	36 300	-	36 300	0%
Bank charges	16 219	19 981	(3 762)	-23.2%
Cleaning materials	16 965	16 002	963	5.7%
Computer expenses	9 468	27 251	(17 783)	-187.8%
Consultants	27 224	63 841	(36 617)	-134.5%
Curator expenses	17 087	14 502	2 585	15.1%
Depreciation	114 885	-	114 885	100.0%
Director's remuneration	468 810	-	468 810	100.0%
Educationalist	49 003	23 001	26 002	53.1%
Entertainment	11 936	15 209	(3 273)	-27.4%
Exhibitions	37 370	14 994	22 376	59.9%
Increase in provision for accumulated leave	(11 311)	-	(11 311)	100.0%
Insurance	53 669	72 990	(19 321)	-36.0%
Loss on right-off of inventories	496	-	496	100.0%
Marketing	156 897	101 765	55 132	35.1%
Meetings and functions	40 442	53 516	(13 074)	-32.3%
Operating lease expenditure	24 587	-	24 587	100.0%
Pension fund contributions	419 442	393 326	26 116	6.2%
Post employment benefit cost	19 558	-	19 558	100.0%
Printing and stationery	68 931	76 506	(7 575)	-11.0%
Purchases of inventory	8 679	6 999	1 680	19.4%
Repairs and maintenance	140 974	249 831	(108 857)	-77.2%
Security	236 896	4 008	232 888	98.3%
Staff expenditure	2 316 097	2 679 508	(363 411)	-15.7%
Staff training and development	26 895	27 996	(1 101)	-4.1%
Subsistence and transport expenses	65 488	74 994	(9 506)	-14.5%
Sundry expenses	46 306	73 252	(26 946)	-58.2%
Telephone	66 093	92 004	(25 911)	-39.2%
Transformations	47 801	-	47 801	100.0%
Net deficit for the year	21 085	-	21 085	100.0%

# 4. Appendices

## 4.1 Materiality and significance framework for the period ending 31 March 2010

### 4.1.1 Definitions and standards

- Audited financial statements: 2008/2009 (AFS)
- Approved annual budget: 2009/2010 (AAB)
- Approved strategic plan: 2009/2012 (ASP)
- Event: An activity that has the elements of income and expenditure

### 4.1.2 Applicable sections of the PFMA

- Section 54(2)
- Section 55(2)

### 4.1.3 Treasury regulation

- 28.3: For purposes of material [section 55 (2)] and significant [section 54 (2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

### 4.1.4 Framework

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
54 (2)	<p>Before a public entity concludes any of the following transactions, the Accounting Authority for the entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction:</p> <p>(a) establishment of participation in the establishment of a company;</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>(c) acquisition or disposal of a significant shareholding in a company;</p> <p>(d) acquisition or disposal of a significant asset;</p> <p>(e) commencement or cessation of a significant business activity;</p> <p>(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement</p>	<p>(a) Each and every instance</p> <p>(b) Each and every instance</p> <p>(c) Each and every instance</p> <p>(d) Above R500,000</p> <p>(e) Each and every instance</p> <p>(f) Each and every instance</p>
55 (2)	<p>The annual report and financial statements must include particulars of:</p> <p>(a) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(b) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(c) any losses recovered or written off; and</p> <p>(d) any financial assistance received from the state and commitments made by the state on the Accounting Authority's behalf.</p>	<p>(a) All instances will be included in the Accounting Authority's Annual Report – amount greater than 1% of the total value of assets per AFS.</p> <p>(b) All instances will be included in the Accounting Authority's Annual Report.</p> <p>(c) All instances will be included in the Accounting Authority's Annual Report – amount greater than 1% of the total value of assets per AFS.</p> <p>(d) All instances will be included in the Accounting Authority's Annual Report.</p>

## 4.2 World Cup Expenditure

	2009/10		2008/09
	Quantity	R'000	R'000
<b>Tickets acquired</b>	0	0	0
<b>Distribution of tickets</b>			
	Quantity	R'000	R'000
Clients/Stakeholders	0	0	0
Accounting Authority	0	0	0
Executive	0	0	0
Non-executive	0	0	0
Accounting Officer	0	0	0
Senior Management	0	0	0
Other employees	0	0	0
Family members of officials	0	0	0
Other government entities	0	0	0
Audit Committee members	0	0	0
Other	0	0	0
Please specify	0	0	0
Please specify	0	0	0
Please specify	0	0	0
Please specify	0	0	0
Please specify	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Travel costs</b>			
		2009/10	2008/09
Clients/Stakeholders		0	0
Accounting Authority		0	0
Executive		0	0
Non-executive		0	0
Accounting Officer		0	0
Senior Management		0	0
Other employees		0	0
Family members of officials		0	0
Other government entities		0	0
Audit Committee members		0	0
Other		0	0
Please specify		0	0
Please specify		0	0
Please specify		0	0
Please specify		0	0
Please specify		0	0
		<b>0</b>	<b>0</b>
<b>Purchase of other world cup apparel</b>			
	Quantity	R'000	R'000
Specify the nature of the purchase (e.g. t-shirts, caps etc.)	0	0	0
Please specify			
<b>Total world cup expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>