

ANNUAL REPORT 2015/2016



Die Afrikaanse
**Taalmuseum
& -monument**

an agency of the
Department of Arts and Culture



DIT IS ONS ERNS

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VERSION OF THE ANNUAL REPORT.

PART A: GENERAL INFORMATION

1. DIE AFRIKAANSE TAALMUSEUM EN -MONUMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS AND ACRONYMS

AAB	Approved Annual Budget
AFS	Annual Financial Statements
AG	Auditor-General
APP	Annual Performance Plan
ASP	Approved Strategic Plan
ATM	Die Afrikaanse Taalmuseum en -monument
BGR	BGR Chartered Accountants
DAC	Department of Arts and Culture
DPW	Department of Public Works
GRAP	Generally Recognised Accounting Practice
GAAP	Generally Accepted Accounting Practice
HED	Higher Education Diploma
MBL	Master of Business Leadership
MTEF	Medium-term Expenditure Framework
PAA	Public Audit Act of South Africa
PE	Public Entity
PFMA	Public Finance Management Act
SCM	Supply Chain Management
SMP	Senior Management Programme
TR	Treasury Regulations

3. FOREWORD BY THE CHAIRPERSON

3.1 Introduction

In this current reporting year, the Council of the ATM continued to maintain its focus on a number of matters set out in the Strategic Plan to ensure that it achieved its aim of enhancing the operations towards attaining its vision and mission. While the Council that was appointed at the end of 2014 had a number of challenges to contend with, it is satisfied that it provided strategic direction to ensure that operational activities and initiatives were geared towards enhancing the image of both the museum and monument as flagship institutions. Needless to say, Council is happy to report that, ultimately, the protracted challenge with regard to audit fees was finally resolved with the office of the Auditor-General. The resolution has enabled the Council of the ATM to zoom its focus on the business of providing the required strategic direction to the institution without the distractions of having to fret about matters that were beyond its control. Consequently, it was pleasing to sign a shareholders' compact with the honourable minister against the background of a clean audit.

The need to ensure that staff members are as demographically representative as can be, remains central to Council's focus despite this being hindered by lack of enough financial resources to appoint more staff members on a permanent basis. Notwithstanding this challenge, Council ensures that even the interns that were offered opportunities to serve the institution are representative. In so far as financial management and resourcing are concerned, Council consistently ensures that this is done in a prudent manner within the confines of Treasury regulations and the prescripts of the PFMA. Council remains resolute in its quest to see the ATM developing into one of the leading cultural institutions in South Africa and, to this end, Council will continue to ensure that it persistently supports fidelity to the letter and spirit of good corporate governance.

3.2 Overview of Strategy and Performance

Central to the ATM Council's objectives is a commitment to foreground the role of Afrikaans as an inclusive language from which other national languages can draw lessons, especially but not limited to, language development and promotion. Among the strategic objectives of the Council of the ATM is for the institution to extend the longevity of the respect and appreciation it commands especially with regard to it conveying the history of Afrikaans in its full and inclusive manner that even recognises the role and influence played by other languages towards the development of the Afrikaans language within a diverse cultural and linguistic landscape.

Against the background of the foregoing, the following key strategic objectives were reinforced. A targeted and exponential increase in visitor numbers, including learners from surrounding areas in the district through the presentation of more public programmes, has had the spin-off of strengthening the ATM's financial adequacy even though it is far from fully meeting the institution's financial needs. Sustainable delivery of service in the form of exhibitions, marketing and education are among the areas that were enhanced and, going into the future, these will increasingly become central to the business of the institution. Not only have these proved useful, but they have also proved to be valuable catalysts for research articles, lectures and educational outreach programmes with a reach to other provinces than the Western Cape. This is commendable as it also meant that the performance indicators set out in the operational plan were met by 70%.

3.3 Strategic Relations

The ATM continued to maintain its affiliation to Die Afrikaanse Taalraad (the Afrikaans Language Council) – a body that consists of more than forty associations. This strategic affiliation ensures that work done in the ATM remains validated, relevant and resonates with current developments within the Afrikaans language and cultural industries. A number of benevolent business enterprises in the Afrikaans business community have also provided financial support that has been very helpful in assisting the ATM meet some of the objectives it otherwise would not have met. It is, therefore, important that such relationships are further maintained and strengthened into the future. Research inputs on issues involving Afrikaans as well as the Museum and Monument are regularly sent to European magazines and contact persons who often then publish these.

3.4 Challenges Facing the Council

The Council has identified a number of challenges that need taking into cognisance. While the Council has ensured that the institution is run on sound financial principles, it is still worried about and greatly concerned about the financial sustainability of the ATM. The Department of Arts & Culture continues to be implored to look at this aspect more carefully. While the ATM Council acknowledges and recognises the austerity measures that have been introduced to militate against the financial stress in South Africa, it still pleads the case while it will continue to ensure that it meets and fulfils its financial commitments. However, the reality is that given the limited financial resources at its disposal, it is currently not in a position to handle unforeseen events. It is in the light of this that the ATM pleads for more support in this area.

The high cost to procure equipment for the digitisation of book collections and other important documents for posterity is also another hindrance. Further to these are the resource challenges that impede succession planning in key positions; the expansion of facilities for an even greater public participation in ATM events and activities; the continuous need to adapt exhibitions in order to tell the full story of the history of Afrikaans; and greater visibility in other provinces than is currently the case. The achievement of these is hamstrung by the limited financial resources available. Hence the plea for support as enunciated in the preceding paragraph.

3.5 Medium to Long-term Goals

Transformation remains one of the ATM's priorities. The objective is to expand our collections so they are representative of all the communities that speak Afrikaans, in an effort to promote nation building and social cohesion. Being more accessible to disabled visitors is important to the ATM and, as such, installing Braille signage and more wheelchair paths has become priority. In doing this, the ATM attempts to use Afrikaans as a medium through which the process of transformation and reconciliation can be encouraged.

3.6 Recognition and Appreciation

As Chairperson I wish to express my gratitude and appreciation to all members of the ATM Council and its committees for their valuable, knowledgeable and on-going input. It is also important to thank the outgoing Director, Mr JP Louw, and staff of the ATM for their dedication and excellent service. Mr Louw will retire at the end of June 2016 and I want to thank him for diligent service in the eighteen (18) years he has served the ATM.

I also take this opportunity to welcome on board Mr MJ Jonas, our Director designate, who will assume duty on 1 June 2016. In welcoming him I wish to, on behalf of the ATM Council, congratulate him on being the unanimous preferred candidate for the position. Furthermore, I wish to thank him for accepting the offer made to him to become the new Director of the ATM. The Council of the ATM is ready to support him towards achieving the vision and mission of the institution and we believe that his academic qualifications and experience in the museum sector will stand him in good stead!

It behoves me also, on behalf of the ATM Council, to thank the Minister of Arts and Culture, the Honourable Mr NE Mthethwa (MP), for the subsidy granted to the ATM and the continued interest in the work of the ATM. His personal interest of insisting on a clean audit during the maiden year of this Council is testimony of his continued and keen interest in the ATM.

3.7 Concluding Remark

Afrikaans will persistently remain an integral part of the history of South Africa and opens a window of opportunity towards the deepening of reconciliation and the national social cohesion project. The ATM is close to the hearts of many well-meaning patriots and it is the ATM Council's wish that the institution goes from strength to strength to the benefit and service of the South African community at large.



Prof MC Mashige
CHAIRPERSON
31 May 2016



The Council of the ATM: Prof Nhanhla Maake, Prof Janis Grobbelaar, Prof Wannie Carstens (Vice Chairperson), Prof Mashudu Mashige (Chairperson), Mr Jack Louw (Director), Prof Elvis Saal, Dr Donovan Lawrence and Prof Steward van Wyk.

4. DIRECTOR'S OVERVIEW

4.1 General Overview of Finances

Once more the ATM experienced an outstanding financial performance. All honour to the staff who contributed to this achievement. Of special note is the remarkable increase in visitor totals and drastic increase in revenue of which 28.6% was self-generated. Visitor growth increased to 76 234 – registering the second best total since the ATM implemented gate-takings 18 years ago.

The five-year lease of the Amphitheatre terminated at the end of December 2015. The ATM is currently negotiating a more lucrative deal – increasing the rent income by four times to R160 000.00 per annum for a six-year period. Rent of R5 500.00 per month from Volksmond Coffee Shop at the Taalmonument contributes to a steady flow of income monthly. Capital funds received from DAC for the refurbishment of the Taalmuseum's floors and replacement of the veranda was effectively utilised. Some of the capital funds for the enlargement of the kitchen at Volksmond Coffee Shop have already been spent. The reconstruction phase will take place during the winter months when business activities normally subside. The ATM has succeeded in overcoming difficult financial obstacles in the past year by maintaining healthy fiscal principles.

4.2 Spending Trends

The ATM is aware of its responsibility to the broader society and therefore subscribes to the principles of sound financial management and practice. In applying these principles, budget expenditure is closely monitored. Where there is nonetheless a deviation from specific budget items, the Council is satisfied that the deviation is justified and in the best interest of the ATM.

4.3 Challenges and Constraints

Medium Term Expenditure Funding (MTEF) Guidelines issued by NT restricts PE's to a 6.2% increase in budget expenditure. Because of their very nature, as mentioned above, no limitation in expenditure growth (e.g. a consumer price index) should be placed on planning assumptions when considering price increases over the MTEF period. Restrictive measures such as using inflation projections curb public enterprise and initiatives that are particular to a PE, particularly in instances where own income is generated to fund earmarked projects. To entertain public enterprise and initiatives, the public entities are very dependent on public funds.

These self-generated funds form an integral part of their budget and cannot be ignored when budgeting for the next year. Self-generated funds should thus also be taken into consideration when reviewing the budget programme structures and activity descriptions. When restrictions are placed on our budget planning for expenditure, it causes a bottleneck effect on our income as well. Moreover, expenditure is often determined annually by the externally-generated funds and the utilized conditions applicable to such funds.

In conclusion, the way forward should be that new legislation be considered to make provision for the particular character of PE's.

4.4 Rollover of Funds

The ATM must make annual financial provision for the above-mentioned activities, as well as for staff leave pay-outs and maternity leave, upgrading the hiking trail at the Taalmonument and additions to the exhibition. Another obligation for which the rollover of funds is requested is provision for auditing costs.

4.5 Supply Chain Management

Regarding supply chain management, the ATM made procurements above R500 000, namely awarding a service contract to a security company. Smaller procurements are carefully monitored to ensure that at least three quotations are obtained. Specifications that allow for the most important elements of goods and services to be procured are used. Some problems were experienced with regard to SCM (see Note 25 of AFS).

4.6 Audit Report and Feedback

Attention is being given to the significant changes that were made to the financial statements during the audit. In future, special effort will be made to ensure that the necessary documentation is completed for providers of goods and services. The staff of the ATM endeavour to eliminate problems encountered with SCM and other issues in order to obtain a clean audit report. The internal auditors are once again committed to furthering sound financial administration.

4.7 Economic Viability

Strict financial guidelines and internal control measures are followed to maintain economic viability. Meticulous administration, assurance and proven financial practices are followed. Cooperation with the Auditor-General and internal auditors for sound administration is one of the ATM's main targets.

4.8 Acknowledgements and Appreciation

Once again we would like to acknowledge a very competent Council who, in the many areas of their expertise, were helpful in making the ATM a proud institution. To Minister Nathi Mthethwa and his deputy, Ms Rejoice Mabudafhasi, our thanks for their excellent leadership. We wish them well for the future.



Mr JP Louw
DIRECTOR
31 May 2016

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

To the best of our knowledge and belief, we confirm the following:

- ❖ All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General.
- ❖ The Annual Report is complete, accurate and free of omissions.
- ❖ The Annual Report has been prepared in accordance with the guidelines for annual reports as issued by the National Treasury.
- ❖ The annual financial statements (Part E) have been prepared in accordance with the GRAP standards applicable to the ATM.

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

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

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

In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the ATM for the financial year ended 31 March 2016.

Yours faithfully



Mr MJ Jonas
DIRECTOR
31 July 2016



Prof MC Mashige
CHAIRPERSON
31 July 2016

6. STRATEGIC OVERVIEW

6.1 Vision

The vision of the ATM is to operate the national Afrikaans Language Museum and Monument in such a manner that Afrikaans may be respected and appreciated to its full extent and as inclusively as possible.

6.2 Mission

The mission of the ATM is to:

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

6.3 Values

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

We always strive 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.

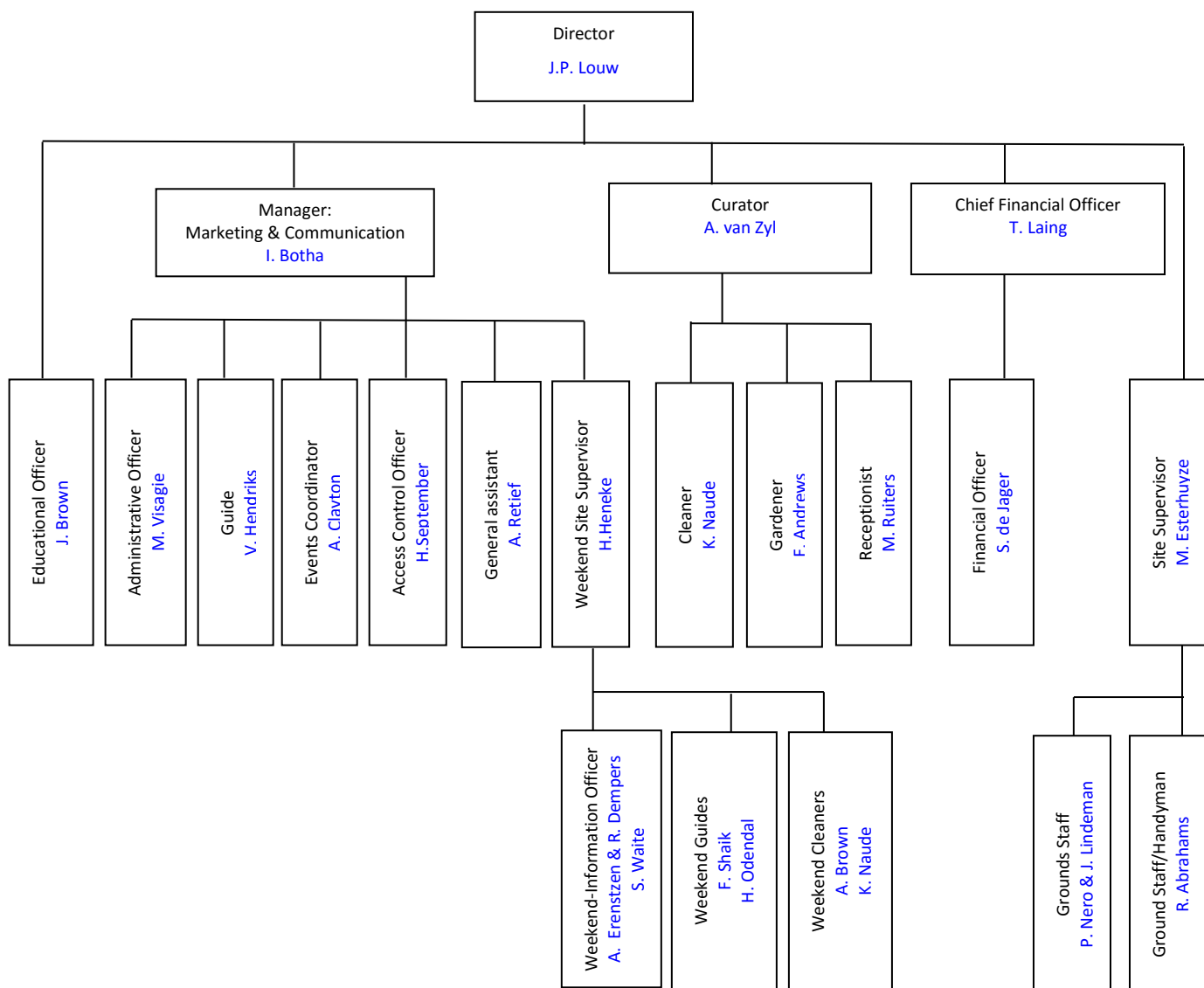
To survive and flourish, and at the same time to maintain a high standard of work performance, we strive for high levels of integrity, reliability, transparency and professionalism.

7. LEGISLATIVE MANDATES

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

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA); Treasury Regulations, 2005; Cultural Institutions Act, 1998 (Act No. 119 of 1998), and other applicable acts and regulations.

8. ORGANISATIONAL STRUCTURE



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General currently performs the necessary auditing procedures on the performance information in order to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to the ATM's management, with material findings being reported under the heading Predetermined Objectives in the section Report on Other Legal and Regulatory Requirements of the auditor's report.

Refer to page 30 of the Report of the Auditor-General, included in Part E: Financial Information.

2. SITUATIONAL ANALYSIS

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

2.1 Service Delivery Environment

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

The Museum houses an exhibition that portrays the establishment and development of Afrikaans.

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

The large Amphitheatre forms a very special part of our entertainment division. It can house a crowd of up to 4 250 people and is used for concerts and other events with popular and well-known artists and musicians.

2.2 Overview of the Organisational Environment

The ATM is governed by a Council, appointed for a three-year term by the Minister of Arts and Culture. The duties of the Council, as described in the Cultural Institutions Act, 1998 (Act No. 119 of 1998), are to:

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

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

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

2.3 Key Policy Developments and Legislative Changes

The Council revised and approved the policy for human resources.

2.4 Strategic Outcome-oriented Goals

The ATM has a staff complement of 25. From 2013/2014 onwards provision was made for employer contributions to the pension fund and other benefits for five additional staff members because of changes in the pension fund rules and labour laws and regulations. This had a major impact on our budget for 2014/2015 and resulted in an overall increase in salaries of only 5.4%. At the end of 2014 two staff members resigned and only one of the posts was filled. The other's duties were divided between current staff members as this post was disestablished. Due to these changes, the compensation of employees did not have a significant increase from 2014/2015 to 2015/2016 and even showed a decrease in social contributions. To ensure future sustainability of staff expenditure, this expense will be monitored by management and the remuneration committee on a yearly basis.

All available funds not allocated towards the compensation of our employees is spent to ensure we have a skilled workforce, comply with necessary regulations, ensure functioning core functions and achieve strategic goals and key outcomes. With the innovative means to attract more visitors and, in doing so, receive more revenue, the full-moon picnics, stargazing evenings and picnic concerts were born. This meant that the expenses also increased as, especially the picnic concerts have artists performing. All the profits (if there are any) are utilised to further the ATM's projects. One of these is the Reading Project that the ATM started a few years ago. The aim of the project is to promote a culture of reading and awaken a love of books, and to create an environment where children will feel at home with books. This is mainly aimed at schools in rural areas without reading facilities and without libraries.

With the growing interest in events that are held at the monument, like the full-moon picnics, stargazing evenings and picnic concerts, provision needed to be made for security and first-aid services at these events. Due to weather and venue restrictions, the number of events planned needed to be curbed.

In 2015 the ATM was informed that National Treasury will no longer assist in the payment of the Auditor-General's audit fee. The ATM discussed the matter with the Auditor-General who agreed to do the audit at a lower cost to enable the ATM to afford the audit. The ATM also applied to have all the outstanding audit fees of the Auditor-General to be written off, which they were. The ATM made a provision for the external auditor's full fee in their budget, but the risk remains if the ATM's financial situation should change or the Auditor-General's fee becomes unaffordable.

The ATM's current IT system comprises of stand-alone computers which connect via a LAN connection. In July 2015 it was learned that there is no line-of-sight between the museum and monument and a network with a server will be too costly for the ATM to install and maintain. An internal survey showed that about half of the computers used by staff are four years and older. In an effort to address this, provision was made for three computers to be replaced per year for the next three years from 2015/2016.

A new exhibition for the visitors' centre at the Monument was unveiled on 10 October 2015 during the ATM's 40th celebrations, and is an extension of the current exhibitions at the Museum, as well as the activities and programmes already held at the Monument. The centre also controls visitor flow, enquiries and visitor administrative logistics. Furthermore, its lecture hall serves as a place where groups are informed about the different activities and aspects concerning the heritage of Afrikaans and its contribution to nation building and social cohesion.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme: Administration

3.1.1 Strategic objective 1: Entrance to the Museum and Monument

Purpose of programme	Sub-programmes	Strategic objective
Increasing revenue at the Museum and Monument	Entrance to the Museum and Monument	To increase the number of visitors by 10% over the next five years

3.1.1.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Increased number of visitors per annum	70 630	61 100	76 264	15 164	5 634	Significantly more visitors to the Monument
Number of profitable events per annum	23	22	18	-4	-5	The weather is not suitable for International Sight the Moon Night in September. Some events were cancelled due to bad weather.

3.1.1.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Presenting profitable events	132	686	-554	93	308	-215
Total	132	686	-554	93	308	-215

3.1.2 Strategic objective 2: Human Resource Management

Purpose of programme	Sub-programmes	Strategic objective
Ensuring staff are well-trained and evaluated regularly in order for a higher level of service delivery to be achieved.	Human Resource Management	To maintain a 100% evaluation rate and ensuring a well-trained staff

3.1.2.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Percentage of staff members evaluated per annum	100%	100%	100%	0	0	Target reached
Coordinate and manage training for each staff member (in percentage) per annum	100%	100%	100%	0	0	Target reached

3.1.2.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Training costs	46	15	31	27	18	9
Total	46	15	31	27	18	9

3.1.3 Strategic objective 3: Property Management

Purpose of programme	Sub-programmes	Strategic objective
Ensuring presentable buildings, well-kept gardens and conserving the fynbos	Property Management	To adhere 100% to our annual property maintenance work programme

3.1.3.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Percentage of annual repairs and maintenance completed						
-Museum	Completed 100%	Completed 100%	Completed 100%	0	0	Target reached
-Monument	100%	100%	100%	0	0	Target reached
Percentage of annual eco-management completed						
-Water ditches cleaned	Completed: 100%	Completed: 100%	Completed: 100%	0	0	Target reached
-Invasive alien trees cleared	100%	100%	100%	0	0	Target reached
-Firebreaks cleared	100%	100%	100%	0	0	Target reached

3.1.3.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property management	288	370	-82	171	190	-19
Total	288	370	-82	171	190	-19

3.1.3.3 Strategy for overcoming areas of underperformance

- ❖ Although paintwork is normally done by the 31st of July, more areas were identified during the financial year that were in need of paint. In order for us to uphold our strategic objective in maintaining well-kept buildings, the extra paintwork that was identified, was done.

3.1.4 Strategic objective 4: Applicable Legislation

Purpose of programme	Sub-programmes	Strategic objective
Complying with applicable legislation	Applicable Legislation	To fully comply with applicable legislation

3.1.4.1 Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Annual performance plan	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Quarterly reports	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Performance information and financial statements	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Annual report and audited financial statements	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Strategic plan	Accurate and on time	Accurate and on time	Accurate and on time	0	0	Target reached
Financial management systems and procedures	100% compliant	100% compliant	100% compliant	0	0	Target reached
Performance management systems implemented	100% implemented	100% implemented	100% implemented	0	0	Target reached
Enterprise risk management	Plan approved and implemented	Plan approved and implemented	Plan approved and implemented	0	0	Target reached

3.1.4.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Applicable legislation	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.2 Programme: Business Ventures

3.2.1 Strategic objective 4: Fundraising and Marketing

Purpose of programme	Sub-programmes	Strategic objective
Presenting fundraising events and skills development courses	Fundraising and marketing	Presenting 4 fundraising events and 10 courses/workshops

3.2.1.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Number of fundraising events per annum	3	4	4	-	1	New fundraising event introduced
Number of skills development courses per annum	5	10	2	-8	-3	No more photography courses held due to market saturation. Museum studies course cancelled due to lack of interest. Preferred book repair course presenter fell ill.

3.2.1.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Fundraising and marketing	56	24	32	75	53	22
Total	56	24	32	75	53	22

3.2.1.3 Strategy for overcoming areas of underperformance

- ❖ Realign course plan to introduce new subjects.

3.2.2 Strategic objective 5: Public Programmes and Communication

Purpose of programme	Sub-programmes	Strategic objective
Promoting the institution at all levels of society by offering public programmes	Public Programmes and communication	Offering 7 public programmes and transporting 1 less privileged group to the Museum and Monument

3.2.2.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Number of public programmes per annum	5	7	4	-3	-1	Less programmes were held because of big preparations for the 40th anniversary celebration.
Sponsor-A-Bus project: number of less-privileged groups transported to museum and monument	1	1	-	-1	-1	Reduced funds available from reserve fund. No transport was needed.

3.2.2.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Public programmes and communication	28	55	-27	30	21	9
Total	28	55	-27	30	21	9

3.2.3 Strategic objective 6: Collection Management

Purpose of programme	Sub-programmes	Strategic objective
Collecting of valuable and relevant documentation, artefacts and books, for purposes of reference, research and display. Documenting them in a digital register. Conserving them for the future by means of restoration, repair, cleaning and care under proper climatic conditions and accepted musicological standards, according to the ATM's conservation policy.	Collection Management	Acquire 2 books per annum
		Restoring or repairing 2 damaged artefacts per year
		Inspect the textile collection 4 times per annum
		Inspect archives 4 times per annum
		Monitor climatic conditions in the archives 50 times per annum
		Exhibitions will be inspected 12 times per annum
		New acquisitions registered will be verified 12 times per annum

3.2.3.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Heritage assets and books acquired	180	34	53	11	127	Most artefacts and books acquired were donations received
Number of books bought per annum	4	2	2	-	2	Target reached
Number of times registration of new acquisitions will be verified by curator per annum	5	12	-	7	12	Verification not required as curator does the registrations herself
Number of artefacts restored or repaired by professionals per annum	1	2	8	6	7	Water colours reframed by museum staff
Number of times archives will be inspected by curator per annum	4	4	4	-	-	Target reached
Number of times textile collection will be inspected by internal museum staff per annum	4	4	4	-	-	Target reached
Number of times climatic conditions in archives will be monitored by internal staff per annum	49	50	51	1	1	Summer holiday
Number of times total exhibition will be inspected by curator per annum	11	12	11	1	-	Summer holiday

3.2.3.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Collection management	6	0	6	7	1	6
Total	6	0	6	7	1	6

3.2.3.3 Changes in planned targets

Planned target for registration of new acquisitions verified by the curator was when an assistant was used to register all new acquisitions. From April 2015 an assistant was not needed for new registrations as the work diminished due to GRAP103 being implemented and no verification was needed.

3.2.4 Strategic objective 7: Research

Purpose of programme	Sub-programmes	Strategic objective
Widening horizons for the benefit of the community as a whole and making results of research known as widely as possible	Research	Writing 12 monthly short articles for the ATM's website/Facebook page per annum
		Writing 2 articles for the ATM's newsletter per annum
		Delivering 4 lectures or articles per year

3.2.4.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Research done for new or updated exhibition	0	1	1	-	-	Target reached
Number of articles written or lectures presented by researcher per annum	5	4	4	-	1	More opportunities arose in the previous year
Number of short articles written for website/Facebook per annum	17	12	6	-6	-11	Time constraints and surplus already written in previous year
Number of articles written for newsletter per annum	0	2	0	-2	0	No newsletters published

3.2.4.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research	23	6	17	13	8	5
Total	23	6	17	13	8	5

3.3 Programme: Public Engagement

3.3.1 Strategic objective 8: Exhibitions

Purpose of programme	Sub-programmes	Strategic objective
Informing the public of our core message in a modern, informative and enjoyable manner	Exhibitions	Installing one new exhibition per year or updating one exhibition per year
		Expected number of visitors to see the exhibition = 61 100

3.3.1.1 Key Performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Number of exhibitions held or updated per annum	1	1	1	-	-	Target reached
Number of visitors at exhibitions per annum	70 630	61 100	76 234	15 134	5 604	Significantly more visitors to the Monument

3.3.1.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Exhibitions	60	70	-10	30	11	19
Total	60	70	-10	30	11	19

3.3.2 Strategic objective 8: Education

Purpose of programme	Sub-programmes	Strategic objectives
Presenting educational programmes of a high standard to visiting school groups, based on the current school curriculum.	Education	Reaching 63 school groups
Transporting less privileged schools to the Museum and Monument		Planning and presenting 5 events
Cultivating a culture of reading, stimulating a love of books and creating an environment where learners feel at home among books.		Sponsoring 15 school groups per annum
Designing and presenting special programmes focusing on writing and public speaking		Establishing 1 reading group per annum
Reaching out to communities and presenting specific programmes for self enhancement		Organising 2 competitions per annum
		Embarking on 2 outreach projects per annum

3.3.2.1 Key performance measures and their targets and actual results

Strategic Objectives						
Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Number of school tours conducted per annum	117	63	120	57	3	Many schools visited the ATM because of our curriculum-based programmes
Sponsor-A-Bus project: number of less-privileged school groups transported to museum and monument per annum	13	15	15	-	2	Target reached
Number of language projects per annum – to design and present special programmes focusing on reading and writing	4	2	2	-	2	Liaison with other institutions
Number of competitions held for schools/learners per annum	2	2	2	-	-	Target reached
Number of outreach projects per annum – present specific programmes for self-enhancement	3	2	1	-	1	Combined Youth Day and Mandela Day

Performance indicator	Actual achievement 2014/2015	Planned target 2015/2016	Actual achievement 2015/2016	Deviation from planned target for 2015/2016	Variance from 2014/2015 to 2015/2016	Comment on variances
Number of special events (Museum Day, Day of Monuments and Sites, World Environment Day, Language Day, Arbour Day, Heritage Day, Water Week, Emancipation of the Slaves Day & International Mother Language Day)	5	5	9	4	4	Added 4 new programs reaching 432 learners

3.3.2.2 Summary of payments by sub-programme

Sub-programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Education	52	51	1	26	54	-28
Total	52	51	1	26	54	-28

4. REVENUE COLLECTION

4.1 Revenue Collection

Sources of revenue	2015/2016			2014/2015		
	Estimate amount	Actual amount collected R'000	(Over)/under collection	Estimate amount	Actual amount collected R'000	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Transfer received: DAC	5 597	6 030	-433	5 308	5 616	-308
Entrance fees	822	1 795	-973	684	1 210	-526
Rent income received	228	248	-20	219	196	23
Interest received	48	155	-107	39	63	-24
Funding and marketing	90	422	-332	171	436	-265
Other income	26	813	-787	25	362	-337
Total	6 811	9 463	-2 652	6 446	7 883	-1 437

4.1.1 Comments on revenue collection

4.1.1.1 Transfer received – DAC

Every financial year the ATM receives a monthly transfer from the DAC. From this monthly transfer we pay our staff and cover some of the operating expenses at the Museum and Monument. Self-generated funds are used to cover the rest of the operating expenses and to generate additional funds. In March 2015 the ATM received funding regarding capital works to be done at the Museum and Monument. This was disclosed as a deferred income in the 2014/2015 financial statements. In 2015/2016 some of the funds were used for capital works projects and the rest is still disclosed as deferred income. Also see Note 27 in the financial statements.

4.1.1.2 Entrance fees

The ATM charges an entrance fee at the Museum and the Monument. Apart from the transfer we receive from the DAC; this is our main income. The income we receive from entrance fees is used to cover most of the operating expenses and expenditure on the core functions of the ATM. Our entrance revenue increased in the last four financial years owing to a series of picnic concerts (launched in 2011). This builds on the success of full-moon picnics and stargazing evenings in the previous two years (2009 and 2010). Our education department also reached out to the Department of Education and schools in the Western Cape to ensure that the programmes and tours presented to school groups fall within the national curriculum. In total, visitors to the Museum and Monument increased by 9.36% from the previous year (2014/2015: 69 164; 2015/2016: 75 640). Other events held, like the author's evenings, evening race and other events, attracted another 624 visitors, which brings us to a total of 76 264 visitors reached for the financial year.

4.1.1.3 Rent income received

The ATM generates income by means of monthly rent from a coffee shop on the premises of the Monument and annual rent from a promoter that leases the Amphitheatre. The lease for the Amphitheatre came to an end in 2015 and the lease was advertised. The Monument terrain is used for film and advertising productions by national and international photographers, and also for wedding ceremonies and wedding photography. Revenue collected from rent income was more than anticipated for 2015/2016. This can mostly be attributed to more film and advertising productions at the Monument.

4.1.1.4 Interest received

We receive interest on low-risk investments (fixed-deposit and money market accounts). In March 2015 the ATM received funds for capital works projects which were transferred to a savings account after approval was obtained from National Treasury. The funds generated some interest during the financial year and resulted in the ATM having an increase in the interest received.

4.1.1.5 Funding and marketing

Each year we apply to various possible private funding institutions for donations and sponsorships for specific projects. We received donations and sponsorships from private funders in 2014/2015 and 2015/2016.

4.1.1.6 Other income

Other income consists mostly of income generated from sales of merchandise and in part from the sale of assets that have been written off, as well as from insurance claims. In 2014/2015 we had an insurance claim of R18 467.00 which formed part of the over collection of other income. In 2015/2016 we again had an insurance claim of R21 430.00 which formed part of the over collection of other income.

4.2 Capital Investment

- 4.2.1 The ATM only has movable assets and heritage assets. Movable assets are only replaced when they are beyond repair or stolen. New movable assets are budgeted for and bought as needed. The ATM does not have capital assets.
- 4.2.2 The Department of Public Works normally handles infrastructure projects for the ATM. We are planning a new building at the Monument for offices and ablution facilities.
- 4.2.3 Planned infrastructure projects are: Stabilization of the floors of the Museum (R400 000) and upgrading of the kitchen area of the restaurant at the Monument (R500 000). These projects for 2015/2016 were postponed to 2016/2017 due to difficulty in receiving quotations for the floors of the museum and because upgrading of the kitchen area can only be done in the winter months.
- 4.2.4 No plans exist to downgrade or close down any current facilities.
- 4.2.5 Maintenance is done at the Museum and Monument on a quarterly basis according to a work schedule.
- 4.2.6 Maintenance of the Visitor Centre is now the responsibility of the ATM, although there is still a warranty of approximately 9 years on the building. Because of the warranty, this responsibility will not have an immediate effect on expenditure, but it will certainly have an effect in coming years.
- 4.2.7 We have acquired assets to the amount of R636 823 (cost before depreciation) and written off assets to the amount of R42 420 (cost before depreciation). Of the assets that were written off, R3 959 was due to theft, R480 was reallocated to heritage assets, R23 285 was disposals and R14 696 was scrapped.
- 4.2.8 The ATM uses the software program Pastel Evolution Fixed Assets to manage the database. The database is updated on a monthly basis and depreciation is calculated after the update. The assets are also counted on a quarterly basis by means of the sample method and a full count is done annually.
- 4.2.9 Condition of the buildings:
 - Visitor Centre, Monument – good
 - Coffee shop, Monument – good
 - Ticket office, Monument – good
 - Museum – poor (in need of painting on the outside)
 - Amphitheatre – fair (some maintenance like painting, etc. needed)

1. PORTFOLIO COMMITTEE

1.1 Date of Meeting

No meeting was scheduled for 2015/2016.

1.2 Areas of Risk and Implementation Plans and Actions

No areas of risk and the implementation of plans and actions were discussed during 2015/2016.

2. EXECUTIVE AUTHORITY

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

Quarterly reports	1 st quarterly report	30 July 2015
	2 nd quarterly report	26 October 2015
	3 rd quarterly report	25 January 2016
	4 th quarterly report	28 April 2016

No feedback on the quarterly report was received from DAC. From 2014 a quarterly report was also submitted to National Treasury. The report was submitted on the same dates mentioned above.

Annual Performance Plan	1 st draft	31 August 2015
	2 nd draft	30 November 2015
	Final	26 January 2016

Feedback on the Annual Performance Plan was received from DAC. The printed Annual Performance Plan was presented to Parliament on 11 March 2016.

The Strategic Plan 2015-2020 that was presented on 11 March 2015 is still applicable and no changes were made during 2015/2016.

Annual Report	Draft	31 July 2015
	Final	31 August 2015

The Annual Report was presented to Parliament on 29 September 2015.

Audit report and management report		29 July 2015
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Audit outcomes improvement plans	1 st feedback	26 October 2015
	2 nd feedback	25 January 2016
	3 rd feedback	28 April 2016

Medium term expenditure framework	MTEF database	7 July 2015
		7 October 2015
Estimated national expenditure	ENE database	11 November 2015

3. THE COUNCIL

3.1 Introduction

The members of the Council are very efficient and professional in their approach to matters. All of them are connected to universities as professors or senior lecturers and make valuable contributions.

3.2 The role of the Council is as follows

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

- ❖ It holds absolute responsibility for the performance of the ATM.
- ❖ It retains full and effective control over the ATM.
- ❖ It has to ensure that the ATM complies with applicable laws, regulations and government policy.
- ❖ It has unrestricted access to the information of the ATM.
- ❖ It formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans.
- ❖ It ensures that performance objectives are achieved.
- ❖ It manages potential conflicts of interest.

- ❖ It develops a clear definition of levels of materiality.
- ❖ It ensures financial statements are prepared.
- ❖ It must maintain integrity, responsibility and accountability.

3.3 Council Charter

The Council's Charter was approved and signed on 30 November 2015.

3.4 Composition of the Council

The ATM has a Council consisting of seven members. These members were appointed by the Minister of Arts and Culture from 1 December 2014 until 30 November 2017. Their term for 2015/2016 was 1 April 2015 until 31 March 2016.

Council members from 1 December 2014 – 30 November 2017

Name	Designation (in terms of the public entity council structure)	Term	Qualifications	Area of expertise	Council/board directorships (List the entities)	Other committees	Number of Council meetings attended
Prof MC Mashige	Chairperson	1 Dec 2014 – 30 Nov 2017	DLitt et Phil in English	Literary Studies, Identity and Culture	N/A	N/A	3
Prof WAM Carstens	Vice Chairperson	1 Dec 2014 – 30 Nov 2017	DLitt in Afrikaans Grammar, BA, BA Hons, MA, and HED	Afrikaans grammar	Chairperson of the SA Academy for Science and Art, chairperson of the National Language Body for Afrikaans (NTLA), member of the Afrikaans Language Board, board member of the Dictionary of the Afrikaans Language (WAT), councillor of Stellenbosch University, designated councillor PanSALB	N/A	3
Prof N Maake	Member	1 Dec 2014 – 30 Nov 2017	BA, BA Hons, MLitt, DLitt et Phil	Language studies, drama, theatre and comparative literature	Member of the Distribution Agency of Arts, Culture, Environment and National Heritage of National Lotteries Commission	N/A	1
Prof S van Wyk	Member	1 Dec 2014 – 30 Nov 2017	DLitt in Afrikaans Literature	Afrikaans Literature	Member of the National Language Body for Afrikaans (NTLA)	Member of the Audit Committee	4
Dr DC Lawrence	Member	1 Dec 2014 – 30 Nov 2017	DLitt et Phil in Afrikaans, MA (Afrikaans) Cum Laude, Hons (Afrikaans), HOD, BA	Computer Assisted Language Learning, E-learning for Afrikaans, Sociolinguistic, Lexicography	N/A	Member of the Remuneration Committee	3
Prof EO Saal	Member	1 Dec 2014 – 30 Nov 2017	BA (Afrikaans, History, Linguistics), HOD, Hons MA (Afrikaans), PhD (Industrial communication)	Afrikaans language studies (specific sociolinguistics and document design)	N/A	Member of the Remuneration Committee	4

Name	Designation (in terms of the public entity council structure)	Term	Qualifications	Area of expertise	Council/board directorships (List the entities)	Other committees	Number of Council meetings attended
Prof J Grobbelaar	Member	1 Dec 2014 – 30 Nov 2017	DLitt et Phil (sociology), MA, B Soc Sc	South African studies: African nationalism, race, class, ethnicity, the SA democratic transition, human rights, social justice and the SA Truth and Reconciliation Commission	Councillor: Tshswane University of Technology and University of Edinburgh. Liz Stanley. ESRC Professorial Research Fellow – “Whites Writing Whiteness” project (South Africa 1770 – 1970).	Member of the Audit Committee	4
Prof MAB Nyamende	Resigned as member	1 Dec 2014 – 30 Nov 2017	BA, BA Hons (Eng), BA Hons (Xho), MA, PhD	African and Xhosa Literature and Oral Literature	N/A	N/A	0

3.5 Committees

Committee	Number of meetings held	Number of members	Names of members
Audit	4	8	Chairperson: Prof J Rossouw Deputy Chairperson: Prof S van Wyk Member: Prof J Grobbelaar Director: Mr JP Louw Chief Financial Officer: Ms T Laing Secretary: Mrs S de Jager External Auditors: Ms L Klue-Knipe (AG) Internal Auditors: Mr N de Villiers (BGR)
Remuneration	2	4	Chairperson: Dr D Lawrence Member: Prof EO Saal Director: Mr JP Louw Secretary: Mrs S de Jager

3.6 Remuneration of Council Members

We receive a circular each year from the National Treasury to inform us of the remuneration of council members. The remuneration is paid per day. All members were remunerated.

Council members from 1 April 2015 – 31 March 2016

Name	Remuneration (R'000)	Other allowance (R'000)	Other re-imbursements (R'000)	Total (R'000)
Prof MC Mashige	4	0	21	25
Prof WAM Carstens	3	0	22	25
Prof N Maake	0	0	0	0
Prof S van Wyk	4	0	2	6
Dr DC Lawrence	3	0	10	13
Prof EO Saal	4	0	19	23
Prof J Grobbelaar	5	0	2	7
Prof MAB Nyamende	0	0	0	0

4. RISK MANAGEMENT

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

The ATM identified the floor of the Museum as a high risk as the floor is partly unstable. Procedures were put in place to mitigate the risk, but ultimately the floor will have to be refurbished to properly address the risk. Unfortunately, the ATM lacks the necessary funds to refurbish the floor and for that reason contact has already been made with the DAC and DPW. Funds were received from the DAC and the stabilising of the ground floor will commence in April 2016.

Another risk identified, is the excessive audit fees of the external auditor and National Treasury not being so forthcoming with their share of the payment, despite the ATM qualifying for the 1%-concession on audit fees as stipulated by the Public Audit Act, No. 25 of 2004. The external auditors have written-off all outstanding audit fees in this financial year and have lowered their fee substantially for the next audit, but it still remains 5% of the ATM's total budget. This still poses a significant risk to the ATM as a going concern if the AG increases their fee significantly.

5. INTERNAL CONTROL

Internal controls are tested by the internal auditors and any weaknesses are reported to the ATM's management, the Audit Committee and the Council. Reports must then be made on a quarterly basis to ensure that the weaknesses are addressed.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

6.1 Internal Audit

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

6.2 Audit Committee

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

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

Attendance of Audit Committee meetings by Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the ATM	Date appointed	Date resigned	Number of meetings attended
Prof J Rossouw (Chairperson)	PhD, BComm Hons, MBA, MComm (Econ)	-	-	20 Mrt 2015	-	4
Prof S van Wyk (Vice chairperson)	DLitt in Afrikaans Literature	-	Council member until 30 Nov 2017	20 Mrt 2015	-	2
Prof J Grobbelaar	DLitt et Phil (sociology), MA, B Soc Sc	-	Council member until 30 Nov 2017	20 Mrt 2015	-	4
Mr JP Louw	-	Internal	Director/Chief Executive Officer	1 Apr 1998	-	4
Ms T Laing	-	Internal	Chief Financial Officer	1 Mar 2002	-	4
Ms S de Jager	-	Internal	Financial Officer	1 Feb 2015	-	4
External auditors	-	External	-	-	-	3
Internal auditors	-	External	-	-	-	4

The Council appointed the Audit Committee at their first meeting on the 20th of March 2015. Due to his expertise and for continuity, Prof Rossouw was reappointed as an independent member of the Audit Committee. The term of the Audit Committee is the same as that of the Council.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The ATM strives to comply with all the set laws and regulations by submitting its financial statements, performance information, Strategic Plan, Annual Performance Plan and other relevant plans and reports.

8. FRAUD AND CORRUPTION

The ATM has a fraud prevention plan that has already been implemented. In addition to the ATM's fraud prevention plan, the staff of the ATM are also constantly reminded that they may report any suspected fraud or corruption through the Department of Arts and Culture hotline at 0800 701 701.

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

9. MINIMISING CONFLICT OF INTEREST

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

10. CODE OF CONDUCT

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

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

11. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

For the ATM, as for any other establishment, it is important that staff's health be optimised. The ATM has designated safety representatives and there is a health and safety committee which meets quarterly and consists of two staff representatives per building.

12. SOCIAL RESPONSIBILITY

The ATM is involved in several social responsibility initiatives, including a women's empowerment project in collaboration with two women's groups in Paarl and Wellington. During the annual Drakenstein Storytelling Festival, we held a free event in Paarl East, and were involved in two free events in Mbekweni. Our annual Evening Race is held in aid of the Boland School for Autism. In addition, staff members each year participate in a Nelson Mandela Day outreach programme.

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

13.1 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

1.32 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 III Report on corporate governance requirements, the internal audit function provides the Audit Committee and management with the 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 improvements to the controls and processes. From the various reports of the internal auditors, the audit report on the annual financial statements and the management report of the Auditor-General, the

following compliance issues are noted: predetermined objectives - collection management, financial statements, internal audit, procurement and contract and expenditure management. The necessary steps will be taken to comply with the relevant requirements. Otherwise, we can report that the systems of internal control for the period under review were effective and efficient.

13.3 In-year Management and Quarterly Reports

The ATM has submitted quarterly reports to the Executive Authority as required by the PFMA.

13.4 Evaluation of Financial Statements

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

13.5 Auditors' Report

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

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



Prof J Rossouw

CHAIRPERSON OF THE AUDIT COMMITTEE

31 July 2016

1. INTRODUCTION

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

Targets are defined by staff members. Evaluation of work takes place quarterly to determine whether targets are reached. Staff members are therefore continually monitored to stay focused in the pursuit of their targets.

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

The ATM entered into an agreement with the local college, Boland College, for the period under review to provide an opportunity for 4 college students to intern at the ATM at no cost to the ATM. These 4 interns are not mentioned in the Human Resource Oversight Statistics below.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel Cost

Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel expenditure as percentage of total expenditure	Number of employees	Average personnel cost per employee (R'000)
8 788	4 634	52%	25	185

2.2 Personnel Cost by Salary Band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost	Number of employees	Average personnel cost per employee (R'000)
Top management	871	19%	1	871
Senior management	1 742	38%	3	581
Professional qualified	882	19%	6	147
Skilled	455	10%	8	57
Semi-skilled	682	14%	7	97
Unskilled	0	0%	0	0
TOTAL	4 634	100%	25	1 753

The professional qualified personnel expenditure decreased from the previous financial year because the Administrative Officer resigned and a new person was employed in that specific position at a lower salary scale. The semi-skilled personnel expenditure increased because three wage tour guides were appointed in the financial year 2015/2016 where only one wage tour guide was appointed in the previous financial year.

2.3 Performance Awards

Level	Performance rewards (R'000)	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost
Top management	0	871	0%
Senior management	0	1 742	0%
Professional qualified	0	882	0%
Skilled	0	455	0%
Semi-skilled	0	682	0%
Unskilled	0	0	0%
TOTAL	0	4 634	0%

2.4 Training Cost

Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as percentage of personnel cost	Number of employees trained	Average training cost per employee (R'000)
4 634	15	0%	25	1.67

2.5 Employment and Vacancies

Level	2014/2015 number of employees	2015/2016 approved posts	2015/2016 number of employees	2015/2016 vacancies	Percentage of vacancies
Top management	1	1	1	0	0%
Senior management	3	3	3	0	0%
Professional qualified	6	6	6	0	0%
Skilled	8	8	8	0	0%
Semi-skilled	7	7	7	0	0%
Unskilled	0	0	0	0	0%
TOTAL	25	25	25	0	0%

2.6 Employment Changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top management	1	0	0	1
Senior management	3	0	0	3
Professional qualified	6	2	-2	6
Skilled	10	1	-3	8
Semi-skilled	6	1	0	7
Unskilled	0	0	0	0
TOTAL	26	4	-5	25

Two staff members on salaries and three staff members on wages resigned. Four new staff members were appointed for the 2015/2016 financial year of which two were on wages.

2.7 Reasons for Staff Leaving

Reason	Number	Percentage of total number of staff leaving
Death	0	0%
Resignation	5	19%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expired contract	0	0%
Other	0	0%
TOTAL	5	19%

2.8 Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal warning	3
Written warning	0
Final written warning	0
Dismissal	0

2.9 Equity Target and Employment Equity Status

Level	Male							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	1	1
Senior management	0	0	0	0	0	0	0	0
Professional qualified	0	0	0	0	0	0	0	0
Skilled	0	0	2	2	0	0	2	2
Semi-skilled	0	0	4	4	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	6	6	0	0	3	3

Level	Female							
	Black		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	3	3
Professional qualified	0	0	5	5	0	0	0	0
Skilled	0	0	3	3	0	0	1	1
Semi-skilled	0	0	3	3	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	0	0	11	11	0	0	4	4

Level	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

2.10 Internships

Four students did their internships at the ATM in 2015/2016. The divisions that participated were the communication and marketing division, education division, museum reception and the finance division.

1. DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2016

The director presents the annual report which forms part of the audited financial statements of the entity for the year ended 31 March 2016.

1.1 Legal form and country of incorporation

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

1.2 Principal activities of the entity

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

1.3 Geographical location and segmentation

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

1.4 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.

1.5 Operating results

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

1.6 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. The capitalised cost of R843 077 was set off against the accumulated surpluses in the 2014 financial year.

1.7 Director and chief financial officer

The name of the entity's director and chief financial officer appear on the index page of the financial statements.

1.8 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.



Mr MJ Jonas
DIRECTOR
31 July 2016

REPORT ON THE FINANCIAL STATEMENTS

1. Introduction

I have audited the financial statements of the Afrikaans Language Museum and Monument set out on pages 32 to 66 which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

2. Accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. Auditor-general's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. 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.

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.

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

4. Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Afrikaans Language Museum and Monument as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA

5. Emphasis of matter

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

6. Restatement of corresponding figures

As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the Afrikaans Language Museum and Monument at, and for the year ended, 31 March 2015.

7. Report on other legal and regulatory requirements

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of the selected programme presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

8. **Predetermined objectives**

I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programme presented in the annual performance report of the entity for the year ended 31 March 2016:

❖ Programme 1: Administration on pages 11 to 13

I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

❖ Programme 1: Administration

9. **Additional matters**

Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programme, I draw attention to the following matters:

10. **Achievement of planned targets**

Refer to the annual performance report on pages 11 to 13 for information on the achievement of the planned targets for the year.

11. **Compliance with legislation**

I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

12. **Financial statements**

The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(b) of the PFMA. Material misstatements of non-current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

13. **Internal control**

I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

14. **Leadership**

Leadership of the entity was ineffective in their oversight of the financial reporting processes to ensure that the financial statements submitted were free from material misstatement. The monitoring of the entity's action plan to address the identified internal control deficiencies and external audit findings highlighted in previous years was not effective to avoid repeat findings.

15. **Financial and performance management**

The financial statements that were submitted for audit contained material misstatements across various components. This was mainly due to staff not fully understanding the requirements of SA Standards of GRAP, as well as their dependence on consultants. Management did not prepare regular, accurate and complete financial statements that were supported and evidenced by reliable information. Accounting policies had also not been reviewed adequately. The annual financial statements submitted for audit were therefore not free from material misstatement. Subsequent corrections made by management resulted in material non-compliance with the PFMA and consequently a regression in the audit outcome of the entity.

16. **Governance**

Although the entity conducted risk management activities, the impact thereof was inadequate as evidenced by the number of misstatements in the financial statements identified by audit. The entity's risk assessment processes had failed to prevent and detect material misstatements. Internal audit did not adequately review financial reports to confirm the reliability thereof before submission to the audit committee and external auditors. This is evidenced by the extent of material misstatements noted in the financial statements which were not identified during the internal audit review. Notwithstanding internal audit's review of the financial statements before submission, a significant number of control deficiencies were noted and communicated to management as part of the external audit, which resulted in material misstatements.

Auditor-General

Cape Town
29 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF FINANCIAL POSITION

as at 31 March		2016	2015
	<u>Notes</u>	<u>R</u>	<u>R</u>
NETT ASSETS AND LIABILITIES			
Net assets		4 739 181	4 064 685
Accumulated surplus		3 138 191	2 463 695
Revaluation reserve		1 600 990	1 600 990
Non-current liabilities		95 241	87 938
Employee benefits	2	95 241	87 938
Current liabilities		1 661 919	1 702 428
Payables from exchange transactions	3	553 723	485 540
Deferred income		998 091	1 088 077
Provision for leave		110 105	128 811
Total net assets and liabilities		<u>6 496 342</u>	<u>5 855 050</u>
ASSETS			
Non-current assets		4 729 326	4 221 884
Property, plant and equipment	4	1 619 513	1 244 153
Intangible Assets	5	8 366	5 437
Heritage assets	6	1 601 475	1 601 475
Investments	7	1 499 972	1 370 820
Current assets		1 767 016	1 633 166
Cash and cash equivalents	8	710 940	1 521 733
Receivables from exchange transactions	9	77 874	92 948
Inventory	10	34 863	18 485
Investments	7	943 339	-
Total assets		<u>6 496 342</u>	<u>5 855 050</u>

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March

2016

2015

	<u>Notes</u>	<u>R</u>	<u>R</u>
Revenue			
Income other than investment income		9 307 565	7 819 439
Investment income		<u>154 831</u>	<u>62 515</u>
Total revenue		9 462 397	7 881 954
Expenses			
Administration costs		(3 838 517)	(2 683 134)
Employee benefit costs		(4 634 321)	(4 678 635)
Depreciation and amortisation expense		(249 581)	(226 736)
Other expenses		<u>(65 481)</u>	<u>(57 067)</u>
Total expenses		(8 787 899)	(7 645 572)
Net Surplus / (Deficit) for the year		<u><u>674 497</u></u>	<u><u>236 383</u></u>

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March

2016

	<u>Accumulated surpluses</u> <u>R</u>	<u>Revaluation reserve</u> <u>R</u>	<u>Total</u> <u>R</u>
Balance at 1 April 2014 restated	2 227 312	1 002 995	3 230 307
Surplus / (deficit) for the year - restated	<u>236 383</u>	<u>597 995</u>	<u>834 378</u>
Balance at 31 March 2015 as restated	2 463 695	1 600 990	4 064 685
Opening balance as previously reported	<u>2 284 598</u>	<u>1 584 040</u>	<u>3 868 638</u>
Adjustment for error in prior period as per note 26	<u>179 097</u>	<u>-</u>	<u>179 097</u>
Surplus / (deficit) for the period	<u>674 497</u>	<u>-</u>	<u>674 497</u>
Balance at 31 March 2016	<u><u>3 138 191</u></u>	<u><u>1 600 990</u></u>	<u><u>4 739 181</u></u>

1 ACCOUNTING POLICIES

1.1 Basis of preparation

These annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

The annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

These standards are summarised as follows:

GRAP Framework - Framework for the preparation and presentation of financial statements.

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 - Investment 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 18 - Segment reporting

GRAP 19 - Provisions, contingent liabilities and contingent assets

GRAP 21 - Impairment of non-cash-generating assets

GRAP 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers)

GRAP 24 - Presentation of Budget Information in Financial Statements

GRAP 25 - Employee benefits

GRAP 26 - Impairment of cash-generating assets

GRAP 27 - Agriculture

GRAP 31 - Intangible assets

GRAP 100 - Discontinued operations (as revised in 2013)

GRAP 102 - Intangible assets

GRAP 103 - Heritage assets

GRAP 104 - Financial Instruments

IAS 19 - Employee benefits

IAS 32 - Financial instruments: Presentation

IAS 39 - Financial instruments: Recognition and measurement

IPSAS 20 - Related party disclosure

1.2 Standards, amendments to standards and interpretations issued but not yet effective

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

GRAP 18 - Segment reporting

GRAP 20 - Related party disclosure

GRAP 32 - Service Concession Arrangements: Grantor

GRAP 105 - Transfer of functions between entities under common control

GRAP 106 - Transfer of functions between entities not under common control

GRAP 107 - Mergers

The ASB Directive 5 paragraph 29 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors."

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows.

1.3 Significant judgements and estimates

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

Judgements

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

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies the following estimates, were made:

Post-employment benefits

Determining the post-employment benefit liability requires an estimation of the expected future life expectancy of the retired employees on whose 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 R69 596 (2014: R69 388) 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.

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Heritage Assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The valuation of heritage assets is dependent on the type of the asset and the availability of reliable information. Management makes estimates and assumptions about factors such as the restoration cost, replacement cost and cash flow generating ability in estimating fair value.

Impairments of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

1.4 Presentation currency

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

1.5 Going concern assumption

These annual financial statements were prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.6 Financial instruments

Initial Recognition

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

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

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

Initial Measurement

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

Subsequent Measurement

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

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

a) Financial instruments at fair value.

° Derivatives.

° Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract.

° Instruments held for trading.

° Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.

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

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

b) Financial instruments at amortised cost.

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

c) Financial instruments at cost.

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

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

Derecognition

A financial asset is derecognised at trade date, when:

The cash flows from the asset expire, are settled or waived;

a) Significant risks and rewards are transferred to another party; or

b) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

Gains and losses

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

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

Offsetting

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

Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

For financial assets held at cost:

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

Policies relating to specific financial instruments

Investments at amortised cost

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

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

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

Investments at fair value

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

Investments at cost

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

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

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

Trade and other receivables

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

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

Trade and other payables

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

1.7 Inventories

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

Derecognition

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

1.8 Property, plant and equipment

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent expenditure

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

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable.

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation rates are based on the following estimated asset useful lives:

	Useful Life Range in Years
Land & Buildings	
<i>Land and buildings</i>	<i>10 - 50 years</i>
<i>Furniture and fittings</i>	<i>3 - 6 years</i>
<i>Computer equipment</i>	<i>3 years</i>
<i>Other equipment</i>	<i>5 years</i>
<i>Vehicles</i>	<i>5 years</i>

Impairments

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

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

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

Derecognition

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

1.9 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Afrikaans Language Museum and Monument, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 10 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Intangible assets are annually tested for impairment and the estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.10 Heritage Assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Impairment

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

1.11 Employee benefits

Short term employee benefits

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

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

Post-employment benefits

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

1.12 Leases

The entity as Lessee

Recognition

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

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

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

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of IGRAP 3.

Measurement

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

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

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

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

Derecognition

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

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

The entity as Lessor

Recognition

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

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

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

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IGRAP 3.

Measurement

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

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

Derecognition

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

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

1.13 Revenue

Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

Recognition

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

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

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

Specific exchange-revenue sources

Revenue from the sales of goods is recognised when the risk and rewards of ownership is passed to the consumer.

Revenue arising from the sale of tickets / vouchers is only recognised when the entity's related obligation to perform has been extinguished.

Revenue from services rendered is recognised with reference to the stage of completion of the service being rendered when the outcome of the transaction can reliably estimated.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- The stage of completion of the transaction at the reporting date can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

The accounting policy for expenditure arising from exchange-transactions is similar to the policy for exchange revenue.

Revenue from Non-Exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions.

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

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Specific non-exchange-revenue sources

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or, where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the entity. Where public contributions have been received but the entity has not met the related conditions that would entitle it to the revenue, a liability is recognised.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

Measurement

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

Expenditure relating to Non-Exchange Transactions

The accounting policy for expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue.

1.14 Borrowing costs

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

1.15 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government or organ of state and expenditure in the form of a grant that is not permitted. Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as income in the Statement of Financial Performance.

1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 Fruitless and wasteful expenditure

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

1.18 Recovery of unauthorised, irregular, fruitless & wasteful expenditure

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

1.19 Post-reporting date events

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

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

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

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

1.20 Related parties

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

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

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

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

Information about such transactions is disclosed in the financial statements.

1.21 Comparative information

Current year comparatives (Budget)

Budget information in accordance with GRAP 1 and 24, has been provided in a separate disclosure note to these annual financial statements.

Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

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

1.22 Segment information

The extent and nature of the activities of the ATM is of such a nature that it is neither feasible nor practical to organise the entity into different major functional areas. The ATM operates only in Paarl and can therefore not be geographically divided into segments.

All activities of the ATM, being sufficiently similar to warrant aggregation, are reported as such to management. There are no separate segments for which separate financial information is provided. No additional external disclosure regarding different segments was there for deemed appropriate

1.23 Changes in accounting policies, estimates and errors

Change in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the Afrikaans Language Museum and Monument shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

2 EMPLOYEE BENEFITS**2.1 Post-employment benefit liability**

Present value of projected future obligations	95 241	87 938
Reconciliation of post-employment benefit liability		
Present value of obligation at beginning of year	87 938	84 881
Interest cost	9 233	7 851
Benefits paid	(28 896)	(26 684)
Fair value adjustment	26 966	21 890
Present value of obligation at end of year	95 241	87 938
Expected future life expectancy	3.92 years	4.11 years
Expected annual contributions	95 241	87 938
Official interest rate	10,50%	9.25%
Analysed as:		
Non-current liabilities	95 241	87 938

3 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	448 474	446 518
Income received in advance	100 000	31 217
Operating lease liability	5 249	7 805
	553 723	485 540

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
STATEMENT OF CASH FLOWS

for the year ended 31 March

		2016	2015
	<u>Notes</u>	<u>R</u>	<u>R</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Funding and marketing		421 773	435 689
Sale of goods and rendering of services		2 043 621	1 405 733
Grants		5 705 085	5 308 000
Services in kind		324 574	307 654
Debt forgiveness		725 582	300 282
Interest received		154 831	62 515
Other income		86 931	62 082
Payments			
Suppliers and employees		(4 634 321)	(4 678 635)
Post-employment benefits		(28 896)	(26 684)
Other payments		(3 909 503)	(1 291 952)
Net cash flows from operating activities	21,1	889 676	1 884 683
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(620 784)	(74 262)
Purchase of Intangible assets		(7 193)	-
Purchase of heritage assets			
Net movement in investments		(1 072 492)	(459 723)
Net cash flows from investing activities.		(1 700 469)	(533 985)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		<u>(810 793)</u>	<u>1 350 698</u>
Cash and cash equivalents at the beginning of the year		1 521 733	171 035
Cash and cash equivalents at the end of the year		<u>710 940</u>	<u>1 521 733</u>
Net increase/(decrease) in cash and cash equivalents		<u>(810 793)</u>	<u>1 350 698</u>

4. PROPERTY, PLANT AND EQUIPMENT

4.1

Reconciliation of carrying value	Cost				Accumulated depreciation				
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Additions	Disposals / Change in accounting policy	Closing balance	Carrying value
31/03/2016									
Buildings	721 551	436 909		1 158 459	142 086	17 745	-	159 831	998 628
Vehicles	412 766	-		412 766	246 093	62 183		308 276	104 490
Furniture & Equipment	1 267 445	183 876	(41 940)	1 409 381	769 430	165 389	(41 833)	892 986	516 395
	2 401 761	620 784	(41 940)	2 980 606	1 157 609	245 317	(41 833)	1 361 093	1 619 513
31/03/2015									
Buildings	721 551	-		721 551	126 815	15 271	-	142 086	579 465
Vehicles	412 766	-		412 766	183 910	62 183	-	246 093	166 673
Furniture & Equipment	1 267 528	74 262	(74 345)	1 267 445	689 074	152 463	(72 107)	769 430	498 015
	2 401 844	74 262	(74 345)	2 401 761	999 799	229 917	(72 107)	1 157 609	1 244 153

2016
R

2015
R

4.2 Other information

4.2.1 Carrying value of idle property, plant and equipment

- -

4.2.2 Property, plant and equipment retired from active use, but not classified as held for sale

- -

4.3 Contractual commitments for the acquisition of property, plant and equipment

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 use of, is owed by the Department of Public Works.

5. INTANGIBLE ASSETS

Reconciliation of carrying value	Cost				Accumulated depreciation				
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
31/03/2016									
Software licenses	48 789	7 193		55 982	43 353	4 264	-	47 616	8 366
	48 789	7 193	-	55 982	43 353	4 264	-	47 616	8 366
31/03/2015									
Software licenses	48 789	-		48 789	40 172	3 181	-	43 353	5 437
	48 789	-	-	48 789	40 172	3 181	-	43 353	5 437

6. HERITAGE ASSETS

6.1

Reconciliation of carrying value	Cost				Accumulated depreciation				
	Opening balance	Additions/ Revaluation	Disposals	Closing balance	Opening balance	Additions	Disposals	Closing balance	Carrying value
31/03/2016									
Collections of textiles	61 760		-	61 760	-	-	-	-	61 760
Collection of rare books and manuscripts	165 525	-	-	165 525	-	-	-	-	165 525
Artifacts	1 374 190	-	-	1 374 190	-	-	-	-	1 374 190
	1 601 475	-	-	1 601 475	-	-	-	-	1 601 475
31/03/2015									
Collections of textiles	6 495	55 265	-	61 760	-	-	-	-	61 760
Collection of rare books and manuscripts	165 525	-	-	165 525	-	-	-	-	165 525
Artifacts	831 455	542 735	-	1 374 190	-	-	-	-	1 374 190
	1 003 475	598 000	-	1 601 475	-	-	-	-	1 601 475

6.1.1 Revaluation of heritage assets

The additions included as the heritage assets was evaluated in 2015 and in 2016. The effective date being immediately after being valued. The items that was valued in 2016 was done at yearend. These items were identified during the financial year as heritage assets and reclassified from PPE. Some of the items did not have a value and was valued at R16 950 when included in heritage asset register. For this reason it did not have an effect on the PPE. The rest of the items' values were known at R480 which is still market related and was reclassified from PPE to heritage assets.

6.1.2 Valuer and method used

The ATM used an independent valuer who have more than 12 years' experience in this field. The items that was valued was according to valuations of similar and identical pieces according to the valuer's stock list of the past 12 years. The prices are not only in terms of estimated market value, but also measured in terms of the factual sales value on request.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES OF THE FINANCIAL STATEMENTS

for the year ended 31 March		2016	2015
		<u>R</u>	<u>R</u>
7	INVESTMENTS		
7.1	<u>Unlisted investments</u>		
	<i>Amortised cost</i>		
	Fixed Deposit - ABSA Bank Ltd	1 142 748	1 035 494
	Money Market Fund - Sanlam Ltd	357 224	335 326
		<u>1 499 972</u>	<u>1 370 820</u>
7.2	<u>Short term investments</u>		
	Liquidity Plus - ABSA Bank Ltd	<u>943 339</u>	<u>-</u>
8	CASH AND CASH EQUIVALENTS		
	<i>Cash and cash equivalents consist of the following:</i>		
	Cash on hand	4 493	3 864
	Primary bank account	<u>706 447</u>	<u>1 517 869</u>
		<u>710 940</u>	<u>1 521 733</u>
	The carrying amount of these assets approximates their fair value.		
	Primary account:		
	ABSA - account nr 400 140 987		
	Cash book balance at beginning of year	1 517 869	166 022
	Cash book balance at end of year	<u>706 447</u>	<u>1 517 869</u>
	Bank statement balance at beginning of year	1 517 869	166 022
	Bank statement balance at end of year	<u>706 447</u>	<u>1 517 869</u>
9	RECEIVABLES FROM EXCHANGE TRANSACTIONS		
	<i>Trade and other receivables consist of the following:</i>		
	Sundry debtors	37 912	39 389
	Prepaid expenses	39 962	50 198
	Operating lease asset	-	3 361
		<u>77 874</u>	<u>92 948</u>
	Ageing of Receivables from Exchange Transactions		
	Sundry debtors		
	Current (0 - 30 days)	11 446	26 462
	31 - 60 days	12 350	(775)
	61 - 90 days	4 614	7 200
	91 - 120 days	2 051	50
	121 - 365 days	<u>7 451</u>	<u>6 452</u>
		<u>37 912</u>	<u>39 389</u>
	Prepaid expenses		
	Current (0 - 30 days)	<u>39 962</u>	<u>50 198</u>
	Operating lease asset		
	Current (0 - 30 days)	<u>-</u>	<u>3 361</u>
10	INVENTORY		
	Inventories at cost	<u>34 863</u>	<u>18 485</u>
10.1	Consumables written down due to losses	-	-
	Inventory recognised as expense	-	-
	Dormant or slow moving at year end	<u>-</u>	<u>-</u>

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES OF THE FINANCIAL STATEMENTS

for the year ended 31 March	2016	2015
	R	R
11 GOVERNMENT GRANTS AND SUBSIDIES		
Government grant	5 705 085	5 308 000
12 DEBT FORGIVENESS		
Auditor General fee	725 582	300 282,00
13 OTHER INCOME		
Stock sales	53 343	42 495
Other sales	12 158	1 120
Insurance claims	21 430	18 467
	86 931	62 082
14 INVESTMENT INCOME		
Interest on short term deposits, bank accounts and debtors	154 831	62 515
15 EMPLOYEE RELATED COSTS		
Salaries and wages	3 623 781	3 543 602
UIF	23 753	23 867
Medical aid	192 844	195 567
Housing subsidy	144 912	146 681
Leave Gratuity	3 358	615
	3 988 649	3 910 332
<i>Remuneration of management personnel</i>		
<i>Director's remuneration (chief executive officer)</i>		
- Basic salary	659 376	624 408
- Bonuses (13th cheque)	54 948	52 034
- Other allowances	9 000	9 000
- Medical aid contributions	12 000	12 000
- Pension fund contributions	135 288	135 288
<i>Chief financial officer's remuneration</i>		
- Basic salary	437 748	414 540
- Bonuses (13th cheque)	36 479	34 545
- Other allowances	9 000	9 000
- Medical aid contributions	12 000	12 000
- Pension fund contributions	85 248	85 248
16 DEPRECIATION		
Property, plant and equipment	245 317	229 917
17 AMORTISATION		
Intangible assets	4 264	3 181

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
NOTES OF THE FINANCIAL STATEMENTS

for the year ended 31 March

2016

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18 GENERAL EXPENSES

Amortisation	4 264	3 181
Audit fees	960 031	735 828
- Current year	399 200	111 293
- Previous year	560 831	624 535
- Over provision of previous year	-	-
Bank charges	52 775	37 227
Cleaning	24 255	15 603
Computer expenses	13 890	13 092
Consulting fees	-	-
Directors' remuneration	735 324	697 442
Educationalist	54 939	68 120
Entertainment	22 089	20 136
Exhibitions	69 550	10 845
Decrease in provision for accumulated leave	(18 705)	7 430
Insurance	63 323	60 281
Loss on disposal of assets	107	2 233
Loss on write-off of inventories	10	(7 016)
Marketing	347 346	138 555
Meetings and functions	788 653	393 767
Operating lease expenses	64 482	48 371
Pension fund contributions	630 707	750 254
Post employment benefit cost	36 199	29 742
- Interest cost	9 233	7 852
- Fair value adjustment for the year	26 966	21 889
Printing and stationery	68 961	74 513
Purchases of inventory	23 530	20 646
Rent paid	324 574	307 654
Repairs and maintenance	391 231	208 227
Security costs	261 564	234 750
Staff expenditure	3 253 325	3 212 890
Telephone cost	88 785	81 097
Training	14 964	18 049
Transport claims	194 383	154 789
Services	2 745	-
Sundry expenses	65 481	57 067
Transformations	3 800	20 883

19 TAXATION

No provision for taxation has been made during the current financial year as the tax exemption in terms of Section 10(1) of the Income Tax Act has been granted

for the year ended 31 March

2016

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20 OPERATING LEASE ARRANGEMENTS

Minimum lease payments under operating lease agreements
Leases recognised as an expense in the year

64 482

48 371

At the reporting date, the Afrikaans Language Museum and Language Monument has outstanding commitments under non-cancellable operating leases, which fall due as follows:

Within one year

54 039

48 192

Within two to five years

42 324

95 510

Later than five years

-

-

96 363

143 702

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

21 CASH FLOW STATEMENT

21.1 Cash flows from operating activities

Net surplus/(deficit) for the year

674 497

236 383

Non-cash movements

Depreciation

245 317

229 917

Amortisation

4 264

3 181

Post employment benefit cost

7 303

3 058

Increase/(decrease) in provision for accumulated leave

(18 705)

7 430

Loss on disposal of assets

107

2 233

Operating surplus before working capital changes:

912 783

482 201

Changes in working capital

(23 107)

1 402 482

(Increase)/decrease in inventory

(16 378)

(1 153)

(Increase)/decrease in receivables from exchange transactions

15 074

4 138

Increase/(decrease) in payables from exchange transactions

68 183

399 498

Increase in deferred income

(89 986)

1 000 000

Net cash flows from operating activities

889 676

1 884 683

for the year ended 31 March

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22 RELATED PARTIES

22.1 Director 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 2015 and 31 March 2016. Remuneration received or receivable by the director and chief financial officer are disclosed in note 15.

22.2 Transactions with associate undertakings

The Afrikaans Language Committee was controlled by the same board as the Afrikaans Language Museum and Language Monument.

	2016 R	2015 R
The following rent, relating to the Historium, was paid by the Department of Public Works to the Afrikaans Language Committee:		
Rent received - Department of Public Works	324 574	307 654

23 BUDGET INFORMATION

	Actual R	Budget R	Variance R
Revenue			
Income other than investment income	9 307 565	6 763 100	12%
Investment income	154 831	48 292	62%
Total revenue	9 462 397	6 811 392	
Expenses			
Administration costs	(3 838 517)	(1 894 456)	18%
Employee benefit costs	(4 634 321)	(4 830 546)	-4%
Depreciation and amortisation expense	(249 581)	-	0%
Other expenses	(65 481)	(86 390)	-5%
Total expenses	(8 787 900)	(6 811 392)	
Surplus / (Deficit) for the period	674 497	-	

for the year ended 31 March

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24 FINANCIAL RISK MANAGEMENT

24.1 Foreign exchange currency risk

The Afrikaans Language Museum and Language Monument does not engage in foreign currency transactions.

24.2 Price risk

The Afrikaans Language Museum and Language Monument is not exposed to price risk.

24.3 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.

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

Receivables from exchange transactions	77 874	92 948
Cash and cash equivalents	710 940	1 521 733
	<u>788 814</u>	<u>1 614 681</u>

24.4 Liquidity risk

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.

	Less than 1 year	Total
Payables from exchange transactions	448 474	448 474
Deferred income	998 091	998 091
Provision for leave	110 105	110 105

24.5 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:

Cash investments		
Interest bearing borrowings	31 347	13 703

24.6 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 Performance.

In accordance with GRAP 104 the financial instruments of the Authority are classified as follows:

Financial assets

Receivables from exchange transactions	77 874	92 948
Cash and cash equivalents	710 940	1 521 733
Total financial assets	<u>788 814</u>	<u>1 614 681</u>

for the year ended 31 March

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24 FINANCIAL RISK MANAGEMENT - continued

24.6 Reasonable value of financial instruments
Financial liabilities

Payables from exchange transactions	553 723	485 540
Total financial liabilities	<u>553 723</u>	<u>485 540</u>

25 FRUITLESS & WASTEFUL EXPENDITURE AND IRREGULAR EXPENDITURE

25.1 Fruitless and Wasteful Expenditure

Deposits paid for non-delivery of goods and services

Value of irregular procurements	12 419	3 099
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Reconciliation of fruitless and wasteful expenditure

Opening balance -	5 535	5 535
Fruitless and wasteful expenditure current year	12 419	3 099
Condoned or written off by relevant authority	-	(3 099)
Fruitless and wasteful expenditure closing balance	<u>17 954</u>	<u>5 535</u>

Incident

The fruitless and wasteful expenditure relates to SARS penalty, traveling costs for two meetings cancelled by the Department of Arts and Culture and a penalty on a motor renewal licence.

25.2 Irregular Expenditure

Irregular expenditure relates to procurements for the 2014/2015 and previous financial years that was done not in accordance with the methods prescribed in Treasury Regulations Act Section 16A 6.1, Practice Note 8 of 2007/2008 and Practice Note 7 of 2009/2010. It further relates to supply chain management procedures and policies that were not properly followed in the acquisition of services and goods.

Irregular expenditure relates to procurements done during the 2015/2016 financial year in accordance with the following:

- An incident lead to procurement that had to be done on short notice due to an emergency. The supplier did, however, not furnish the ATM with a tax clearance certificate.
- The ATM deemed a certain purchase as the most value for money due to the expertise that was brought to the task at hand. Due to this, however, not being the lowest quotation received it was deemed irregular.
- A contract was awarded to a supplier. When the contractor was due to start the supplier handed the contract over to another company. The expense was deemed irregular due to the ATM not repeating the quotation process.
- Procurement of security services was done according to the quotation process and not the tender process. The company is on a probation for the year and the total term of the contract is three years. The quotations received was all for one year.

Value of irregular procurements	121 150	63 693
Irregular acquisitions as per expenditure register	-	-
	<u>121 150</u>	<u>63 693</u>

Reconciliation of irregular expenditure

Opening balances	510 974	447 281
Add: Irregular expenditure current year	121 150	63 693
Less: Amount condoned or written off by relevant authority	(20 800)	-
	<u>611 324</u>	<u>510 974</u>

26 PRIOR PERIOD ERRORS

Presented on the following pages are those items contained in the statement of financial position and the statement of financial performance that have been affected by prior-year adjustments.

Statement of Financial Position at 31 March 2015	Notes	As previously reported	Prior year adjustments	Restated
NETT ASSETS AND LIABILITIES				
Net assets				
Accumulated surplus		2 284 598	179 097	2 463 695
Revaluation reserve	26.1	1 584 040	16 950	1 600 990
Non-current liabilities				
Employee benefits	26.2	69 388	18 550	87 938
Current liabilities				
Payables from exchange transactions	26.3	436 761	48 779	485 540
Deferred income	26.4	1 000 000	88 077	1 088 077
Provision for leave		128 811	-	128 811
Total net assets and liabilities		5 503 598	351 453	5 855 051
ASSETS				
Non-current assets				
Property, plant and equipment	26.5	915 567	328 586	1 244 153
Intangible Assets	26.6	-	5 437	5 437
Heritage assets	26.7	1 584 045	17 430	1 601 475
Investments		1 370 820	-	1 370 820
Current assets				
Cash and cash equivalents		1 521 733	-	1 521 733
Receivables from exchange transactions		92 948	-	92 948
Inventory		18 485	-	18 485
Total assets		5 503 598	351 453	5 855 051

for the year ended 31 March

26 PRIOR PERIOD ERRORS - continued

Statement of Financial Performance for the year ended 31 March 2015	Notes	As previously reported	Prior year adjustments	Restated
Revenue		7 211 504	607 936	7 819 440
<i>Revenue from non-exchange transactions</i>				
Government grants	26.8	5 308 000		5 308 000
Services in kind	26,15		307 654	307 654
Debt forgiveness	26.9		300 282	300 282
<i>Revenue from exchange transactions</i>				-
Entrance fees		1 209 754	-	1 209 754
Funding and marketing		435 689	-	435 689
Business ventures		195 979	-	195 979
Other income		62 082	-	62 082
Interest received		62 515	-	62 515
Total revenue		7 274 019	607 936	7 881 955
Expenditure				
Amortisation	26.10	-	3 181	3 181
Audit fees	26.11	387 634	348 194	735 828
Bank charges		37 227	-	37 227
Cleaning		15 603	-	15 603
Computer expenses		13 092	-	13 092
Consulting fees		-	-	-
Depreciation	26.12	155 938	73 979	229 917
Directors' remuneration		697 442	-	697 442
Educationalist		68 121	-	68 121
Entertainment		20 136	-	20 136
Exhibitions	26.13	18 495	-7 650	10 845
Decrease in provision for accumulated leave		7 430	-	7 430
Insurance		60 281	-	60 281
Loss on disposal of assets		2 233	-	2 233
Inventory adjustments		(7 016)	-	-7 016
Marketing		138 555	-	138 555
Meetings and functions		393 767	-	393 767
Operating lease expenses		48 371	-	48 371

for the year ended 31 March

26 PRIOR PERIOD ERRORS - continued

Statement of Financial Performance for the year ended 31 March 2015		Notes	As previously reported	Prior year adjustments	Restated
Pension fund contributions			750 254	-	750 254
Post-employment benefit cost	26.14		28 081	1 661	29 742
- Interest cost			8 134	-282	7 852
- Fair value adjustment for the year			19 947	1 943	21 890
Printing and stationery			74 513		74 513
Purchases of inventory			20 464		20 464
Rent paid	26.15			307 654	307 654
Repairs and maintenance			208 227		208 227
Security costs			234 750		234 750
Staff expenditure			3 213 071		3 213 071
Telephone cost			81 097		81 097
Training			18 049		18 049
Transport claims			154 789		154 789
Sundry expenses			57 067		57 067
Transformations			20 883		20 883
Total expenditure			(6 918 554)	(727 018)	(7 645 572)
Net Surplus / (Deficit) for the period			355 465	-119 082	236 383
26.1 Revaluation reserve					
Understatement of heritage assets as per 26.17 a)					16 950
26.2 Employee benefits					
Understatement of employee benefits as per 26.17 b)					18 550
26.3 Payables from exchange transactions					
Understatement of payables as per 26.17.c)					867
Understatement of payables as per 26.17.d)					47 912
					48 779

for the year ended 31 March

26 PRIOR PERIOD ERRORS - continued

26.4 Deferred income

Understatement of deferred income as per 26.17.e) 88 077

26.5 Property, plant and equipment

Understatement of property, plant and equipment as per 26.17.c) 867

Understatement of property, plant and equipment as per 26.17.f) 7 650

Overstatement of property, plant and equipment as per 26.17.g) -11 357

Overstatement of property, plant and equipment as per 26.17.h) -237

Understatement of property, plant and equipment as per 26.17.i) 332 938

Overstatement of property, plant and equipment as per 26.17.j) -1 275

328 586

26.6 Intangible Assets

Understatement of intangible assets as per 26.17.g) 5 437

26.7 Heritage assets

Understatement of heritage assets as per 26.17.a) 16 950

Understatement of heritage assets as per 26.17.h) 480

17 430

26.8 Services in kind

Understatement of services in kind as per 26.17.k) 307 654

26.9 Debt forgiveness

Understatement of debt forgiveness as per 26.17 d) 300 282

26.10 Amortisation

Understatement of Amortisation as per 26.17 g) 3 181

26.10 Audit fees

Understatement of audit fees as per 26.17 d) 384 194

for the year ended 31 March

26 PRIOR PERIOD ERRORS - continued

26.12 Depreciation

Understatement of depreciation as per 26.17.c)

Understatement of depreciation as per 26.17.f)

Overstatement of depreciation as per 26.17.g) -5 660

Overstatement of depreciation as per 26.17.h) -53

Understatement of depreciation as per 26.17.i) 79 720

Overstatement of depreciation as per 26.17.j) -28

73 979

26.13 Exhibitions

Overstatement of depreciation as per 26.17.f) -7 560

26.14 Post-employment benefit cost

Understatement of post-employment benefit cost as per 26.17.b) 1 661

26.15 Rent paid

Understatement of rent paid as per 26.17.k) 307 654

26.16 Correction of prior period errors relates to the following:

- a) Heritage assets to the amount of R 16 950 were not disclosed during the previous financial year even though it did meet the recognition requirements as per GRAP 103.
- b) The method of calculation to obtain the fair value adjustment for post employee benefits had previously been incorrectly applied. This has led to the employee benefits being understated by R 18 550 at 31 March 2015 and post-employment benefit cost for the year being understated by R 1 661.
- c) Property, plant and equipment purchased during the previous year was only recorded during the current financial year when payment was made. This led to both payables and property, plant and equipment being understated by R 867 at 31 March 2015.
- d) Only the amount that was paid for audit fees during the previous financial year, was recorded and not the amount the entity was invoiced for. This has led to audit fees for the year being understated by R 348 194, debt forgiveness for the year being understated by R 300 282 while payables at 31 March 2015 has been understated by R 47 912.
- e) Deferred income to the value of R 88 077 at 31 March 2015 had previously been incorrectly classified as contingent liabilities.

26 PRIOR PERIOD ERRORS - continued

- f) Property, plant and equipment purchases to the value of R 7 650 was incorrectly disclosed as an exhibition expense under profit and loss during the previous financial year.
- g) Assets satisfying the definition of intangible assets had incorrectly been classified as property, plant and equipment. These assets have been reclassified as intangible assets and are disclosed as such. This has led to a decrease in the value of property, plant and equipment of R 11 357 and an increase in the value of intangible assets of R 5 437 as at 31 March 2015. The depreciation expense for the year decreased by R 5 660 while the amortisation expense for the year increased by R 3 181.
- h) Certain assets previously disclosed as property, plant and equipment met the definition of heritage assets and had to be disclosed as such. This has led to a decrease in the value of property plant and equipment by R237 and an increase in the value of heritage assets by R 480 while the depreciation expense for the year decreased by R 53.
- i) The useful life of assets as per the asset register were previously not annually reviewed. These useful lives had to be adjusted retrospectively. This has led to property, plant and equipment being understated by R 332 938 at 31 March 2015. The depreciation expense for the year was understated by R 79 720.
- j) Items not meeting the definition of assets have incorrectly been capitalised as property, plant and equipment. These items needed to be expensed to profit and loss. This has led to property, plant and equipment being overstated by R 1 275 at 31 March 2015 while the depreciation expense for the year was overstated by R 28.
- k) The Department of Art and Culture paid the Department of Public Works R 307 654 towards rent. This was done on behalf of the Afrikaans Language Museum and Language Monument but was not disclosed in the financial statements. (Also see note 27)

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27 REVENUE FROM NON-EXCHANGE TRANSACTIONS

The entity received the following services in-kind from the Department of Arts and Culture (DAC). These services in-kind had not been recognised in the statement of financial performance due to limitations in verifying the accuracy of the amounts.

Municipal charges	923 728	602 659
Rental	5 473 819	249 884
	<u>6 397 547</u>	<u>852 543</u>

27.1 Municipal charges

The Department of Arts and Culture (DAC) paid the entity's municipal bills to the Department of Public Works (DPW) on behalf of the entity. Municipal charges are made up of water, electricity and sewerage costs. Due to the fact that the entity has a different reporting framework to that of DAC (accrual vs. modified cash); DAC would have paid municipal charges in the current financial year but a part of the expenditure would have been incurred in previous periods. The amount for municipal charges stated above thus relates to payments made on the 2015/16 financial year but a portion thereof relates to prior years. Similarly, the amount recorded in the comparative column was paid in the 2015/14 financial year with a portion thereof could relates to prior years.

There are also uncertainties regarding expenditure incurred for municipal charges for months not paid as yet by DAC. DAC had as yet not paid municipal bills for December 2015 to March 2016 as per records received from DAC. The entity cannot account for these municipal bills as no records thereof are provided by DPW or DAC to the entity.

Further uncertainty was noted regarding the reasonability of the municipal charges for the Taal Monument in the above figures. No confirmation could be received from DPW regarding the unusually high amounts.

The basis of GRAP 23 is that an underlying asset should be recognised or a liability extinguished. The asset definition would not thus be fully met due to measurability limitations stated above. The amount for municipal charges paid by DAC to DPW on behalf of the entity will thus not be recognised as services in-kind (revenue from non-exchange) in the statement of financial performance but rather disclosed as above.

The amounts disclosed above is thus the best estimate of services in-kind provided by DAC for municipal charges.

27.2 Rental of buildings

The entity occupies buildings owned by DPW and the Historium Trust. Rental thereof is paid by DAC on the entity's behalf. The R5 473 819 (prior year R249 884) disclosed above relates to amounts paid by DAC to DPW on behalf of the entity. Of the R5 473 819 disclosed, the entity could only verify with certainty an amount of R324 574 (prior year R307 654) paid by DPW to the Historium Trust for use of the Historium building.

There is uncertainty regarding the periods to which the rental relates to. No invoices and correspondence are received from DPW or DAC regarding rental amounts on a monthly basis.

In the absence of the any agreement provided by DPW and uncertainty to what period the rental amount of R5 473 819 relates to, the amount for rental is not fully measurable.

The asset definition is thus not met and thus no revenue from non-exchange can be recognised in the statement of financial performance. The disclosed amount of R5 473 819 is thus the best estimate of services in-kind paid in the 2015-16 financial year by DAC on behalf of the entity.

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
DETAILED STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March

		2016	2015
	<u>Notes</u>	<u>R</u>	<u>R</u>
Revenue		9 307 565	7 819 439
<i>Revenue from non-exchange transactions</i>			
Government grants	11	5 705 085	5 308 000
Services in kind	22,2	324 574	307 654
Debt forgiveness	12	725 582	300 282
<i>Revenue from exchange transactions</i>			
Entrance fees		1 795 147	1 209 754
Funding and marketing		421 773	435 689
Business ventures		248 473	195 979
Other income	13	86 931	62 082
Interest received	14	154 831	62 515
Total revenue		9 462 397	7 881 954
Expenditure			
Amortisation	17	4 264	3 181
Audit fees	18	960 031	735 828
Bank charges		52 775	37 227
Cleaning		24 255	15 603
Computer expenses		13 890	13 092
Consulting fees		-	-
Depreciation	16	245 317	229 917
Directors' remuneration	15	735 324	697 442
Educationalist		54 939	68 120
Entertainment		22 089	20 136
Exhibitions		69 550	10 845
Decrease in provision for accumulated leave		(18 705)	7 430
Insurance		63 323	60 281
Loss on disposal of assets		107	2 233
Inventory adjustments		10	(7 016)
Marketing		347 346	138 555
Meetings and functions		788 653	393 767
Operating lease expenses	20	64 482	48 371
Pension fund contributions		630 707	750 254
Post employment benefit cost		36 199	29 742
- Interest cost		9 233	7 852
- Fair value adjustment for the year		26 966	21 889
Printing and stationery		68 961	74 513
Purchases of inventory		23 530	20 646
Rent paid	22,2	324 574	307 654
Repairs and maintenance		391 231	208 227
Security costs		261 564	234 750
Staff expenditure	15	3 253 325	3 212 890
Telephone cost		88 785	81 097
Training		14 964	18 049
Transport claims		194 383	154 789
Services		2 745	-
Sundry expenses		65 481	57 067
Transformations		3 800	20 883
Total expenditure		(8 787 900)	(7 645 572)
Net Surplus / (Deficit) for the period		674 497	236 383

AFRIKAANS LANGUAGE MUSEUM AND LANGUAGE MONUMENT
COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March

2016

Statement of comparison of budget and actual amounts for year 1 April 2015 till 31 March 2016

	Approved Budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual
Receipts					-
Own income	1 214 392	-	1 214 392	3 053 159	1 838 767
Donations/Sponsorships	-	-	-	379 579	379 579
Reserves to be employed	-	-	-	-	-
Grant revenue	5 597 000	-	5 597 000	6 029 659	432 659
Total Receipts	6 811 392	-	6 811 392	9 462 397	2 651 005
Payments					-
Administration costs	1 894 456	-	1 894 456	3 513 943	1 619 487
Employee benefit costs	4 830 546	-	4 830 546	4 634 321	-196 225
Depreciation and amortisation expense	-	-	-	249 581	249 581
Other expenses	86 390	-	86 390	390 055	303 665
Total Payments	6 811 392	-	6 811 392	8 787 900	1 976 508
Net Receipts/ (payments)	-	-	-	674 497	674 497

Basis for preparation

The ATM is registered as a Schedule 3A public entity according to the Public Finance Management Act (PFMA). According to the PFMA, No. 1 of 1999, Section 53(3) the ATM may not budget for a loss. The ATM uses the cash based method to prepare its budget with no profit or deficit. The annual financial statement of the ATM is prepared on an accrual basis. The approved budget covers the period from 1 April 2015 till 31 March 2016.

Receipts

The ATM hosted 76 264 visitors for the 2015/2016-financial year, which is the second most visitors the ATM had in the last 18 years. Some of the significant reasons for this increase which contributed to our own income, was the successful summer picnic series of which all the concerts held at the Monument were sold out, as well as the ATM's 40th anniversary celebrations. Approximately three years ago the Audit Committee suggested that no provision be made in the budget for donations / sponsorships as their vision was that with no sponsorships, the ATM must still function and be able to fulfil its mandate, even if it meant that it will be with less funds. Although the ATM does not budget for donations/sponsorships, we still apply on a yearly basis too various organisations for specific projects and programmes that is part of our mandate and mission.

The ATM received a conditional grant from the Department of Arts and Culture at the end of the 2014/2015-financial year and is to be used for capital works. The funds were place under deferred income in 2014/2015. R108 085 was used during the financial year to replace the Museum veranda and for the architect who will oversee the enlargement/upgrade of the restaurant at the Monument. The Department of Arts and Culture also paid rent on behalf of the ATM to the Department of Public Works (also see note 27).

Payments

The ATM hosted 8 picnic concerts which included local and well-known artists. With the increase in the income received from these concerts the expenses also increased (this includes the artist's fees, increased security, extra staff members to assist the visitors, emergency services, marketing, etc.). The concerts are used to expose visitors that would normally not visit the Monument to the grounds, the language Afrikaans and the monument.

The ATM also needed to include the Auditor-General's audit fees in its financial statements as part of the administrative expenses. After negotiations with them, they agreed to lower their fees to R399 201 for the 2016-audit which is still more than 5% of the ATM's total expenses.

The ATM also experienced some staff changes during the financial year. One staff member left the service of the ATM after 10 years of service and the post was vacant for approximately 3-4 months before it was filled. The ATM also changed the contract of one staff member from a full day-post to a part time-post after consultation with the staff member. This resulted in the ATM underspending on employee costs.

A reconciliation between the actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amounts and the actual amounts in the cash flow statement for the period ended 31 March 2016 is presented below. The financial statements and budget documents are prepared for the same period. There is a basis difference: the budget is prepared on a cash basis and the financial statements on the accrual basis.

	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual comparative statement	674 497	-	-	674 497
Basis difference	215 179	-	-	215 179
Timing differences	-	-	-	-
Entity differences	-	-	-	-
Actual amount in the cash flow statement	889 676	-	-	889 676

1. MATERIALITY AND SIGNIFICANCE FRAMEWORK FOR THE PERIOD ENDING 31 MARCH 2016

1.1 Definitions and standards

- ❖ Annual financial statements: 2014/2015 (AFS)
- ❖ Approved annual budget: 2015/2016 (AAB)
- ❖ Approved strategic plan: 2015/2020 (ASP)
- ❖ Event: An activity that has the elements of income and expenditure

1.2 Applicable sections of the PFMA

- ❖ Section 54(2)
- ❖ Section 55(2)

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.

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>

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