

CELEBRATING THE CENTENARIES OF
TATA NELSON MANDELA & MAMA ALBERTINA SISULU



NATIONAL HERITAGE COUNCIL

ANNUAL
REPORT
2017/2018



nhc

National Heritage Council
SOUTH AFRICA

an agency of the
Department of Arts and Culture





Former President of the ANC and the Republic of South Africa, **Nelson Mandela** and Former Deputy President of the ANC Women's League, **Albertina Sisulu** attend the celebration of the **50th anniversary of the Freedom Charter**, on the **26th of June 2001**.

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An educational opportunity for learners from all provinces to share their cultural heritage and recognise its value in society



PART A
GENERAL
INFORMATION



PART A: GENERAL INFORMATION

REGISTERED NAME:	NATIONAL HERITAGE COUNCIL OF SOUTH AFRICA
PHYSICAL ADDRESS:	DOMUS BUILDING, 57 KASTEEL ROAD (CNR INGERSOL & KASTEEL ROADS), LYNWOOD GLEN SOUTH AFRICA 0081
POSTAL ADDRESS:	PO Box 74097 Lynwood Ridge Pretoria 0040
TELEPHONE NUMBER/S:	+27 12 348 1663/8223
FAX NUMBER:	+27 12 348 2833
EMAIL ADDRESS:	nhc@nhc.org.za
WEBSITE ADDRESS:	www.nhc.org.za
EXTERNAL AUDITORS:	Auditor General of South Africa
INTERNAL AUDITORS:	Rakoma and Associates
BANKERS:	First National Bank
COMPANY SECRETARY:	Ms Zimkhitha Thomas

PART A: GENERAL INFORMATION

LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BBBEE	Black Broad Based Economic Empowerment
CEO	Chief Executive Officer
DAC	Department of Arts and Culture
DMV	Department of Military Veterans
LHR	Liberation Heritage Route
MEC	Member of Executive Council
MHSC	Mining Health and Safety Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAC	National Arts Council
NFVF	National Film and Video Foundation
NHC	National Heritage Council
NLDTF	National Lotteries Distribution Trust Fund
PAA	Public Audit Act
PanSALB	Pan South African Language Board
PFMA	Public Finance Management Act
SAHRA	South African Heritage Resources Agency
SAMSA	South African Maritime Safety Authority
SATMA	South African Traditional Music Achievement
SMME	Small, Medium and Micro Enterprises
TR	Treasury Regulations
UNESCO	United Nations Education, Scientific and Cultural Organisation

PART A: GENERAL INFORMATION

STRATEGIC OVERVIEW

Vision

A nation proud of its African heritage.

Mission

Through development, promotion and preservation of heritage for sustainable development and transformation, we will know that we are achieving this when South Africans experience the following:

- They are knowledgeable about heritage;
- Have access to their heritage;
- Benefit from heritage;
- Utilise heritage in their lives; and
- Behave in a way that demonstrates their pride in heritage.

Values

Within Ubuntu philosophy, the following values will guide the programmes, actions and behaviours of Council Members and employees of the NHC and all those who are acting in its name:

- Batho Pele;
- Integrity;
- Professionalism;
- Equity; and
- Creativity

LEGISLATIVE MANDATES

The mandate of the NHC is contained in Section 4 of the National Heritage Council Act, 1999 (No. 11 of 1999). The objects of the act are:

- a. To develop, promote and protect the national heritage for present and future generations;

- b. To coordinate heritage management;
- c. To protect, preserve and promote the content and heritage which resides in orature in order to make it accessible and dynamic;
- d. To integrate living heritage with functions and activities of the Council and all other heritage authorities and institutions at national, provincial and local levels;
- e. To promote and protect indigenous knowledge systems including but not limited to enterprise and industry, social upliftment, institutional framework and liberatory processes, and;
- f. To intensify support for the promotion of history and culture of all our peoples and particularly to support research and publications on enslavement in South Africa.

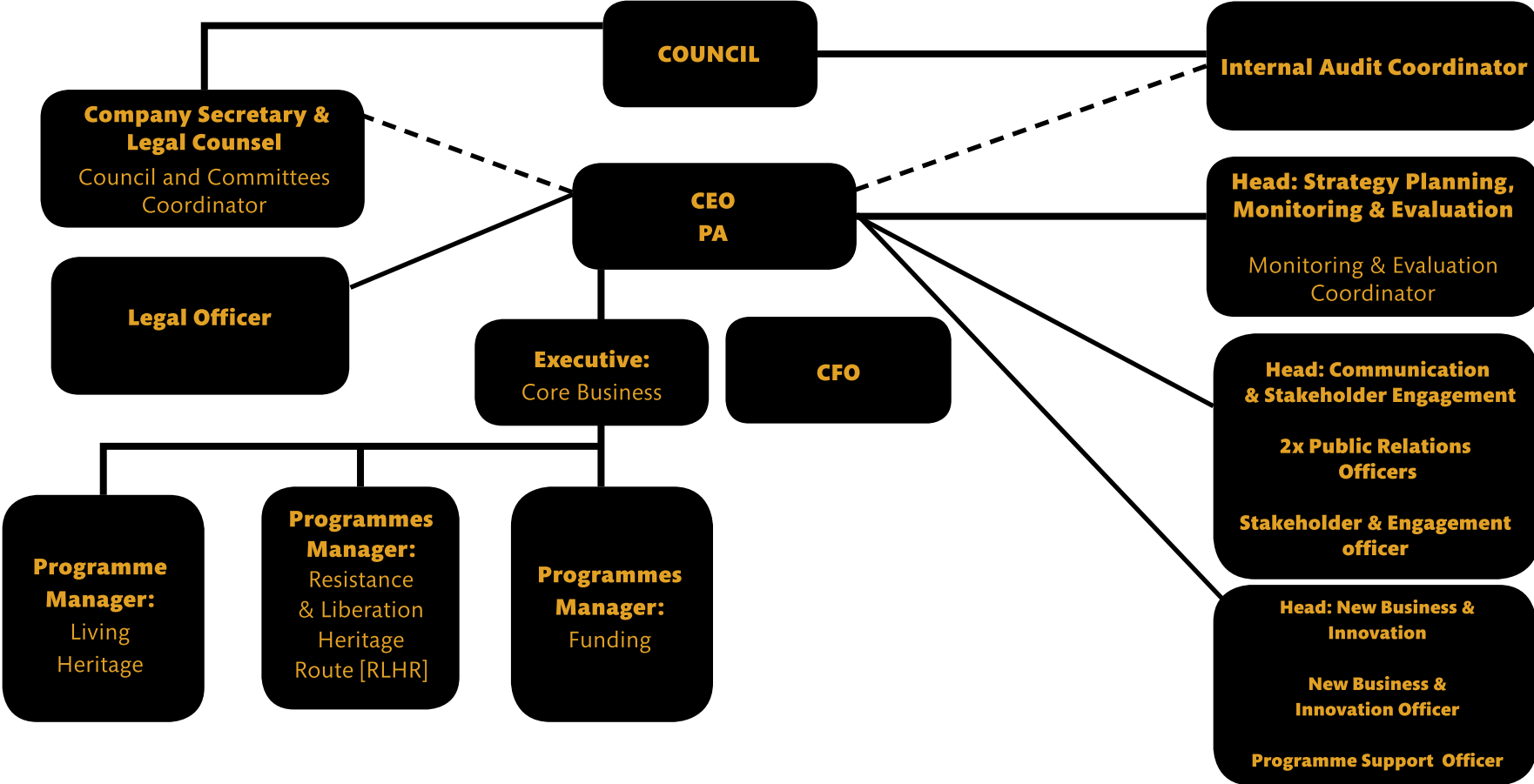
The core functions of the Council of the NHC are set out in the NHC Act. These core functions inform the day-to-day realities of the organisation and will therefore be pre-eminent in strategic initiatives and their related objectives. The core functions of the Council are to:

- a. Advise the Minister on:
 - i. National policies on heritage matters, including indigenous knowledge systems, treasures, restitution and other relevant matters; and
 - ii. Any other matter concerning heritage which the Minister may from time to time determine;
- b. Advise the Minister on the allocation of core funding to declared cultural institutions;

- c. Investigate ways and means of effecting the repatriation of South African heritage objects presently held by foreign governments, public and private institutions and individuals;
- d. Make grants to any person, organisation or institution in order to promote and develop national heritage activities and resources;
- e. Co-ordinate the activities of public institutions involved in heritage management in an integrated manner to ensure optimum use of state resources
- f. Monitor and co-ordinate the transformation of the heritage sector, with special emphasis on the development of heritage projects;
- g. Consult and liaise with relevant stakeholders on heritage matters;
- h. Generally support, nurture and develop access to institutions and programmes that promote and bring equity to heritage management;
- i. Promote an awareness of the history of all our peoples, including the history of enslavement in South Africa;
- j. Lobby in order to secure funding for heritage management and to create a greater public awareness of the importance of our nation's heritage;
- k. Perform such duties in respect of its objects as the Minister may assign to it; and
- l. The Council may on its own initiative advise the Minister on any matter concerning heritage.

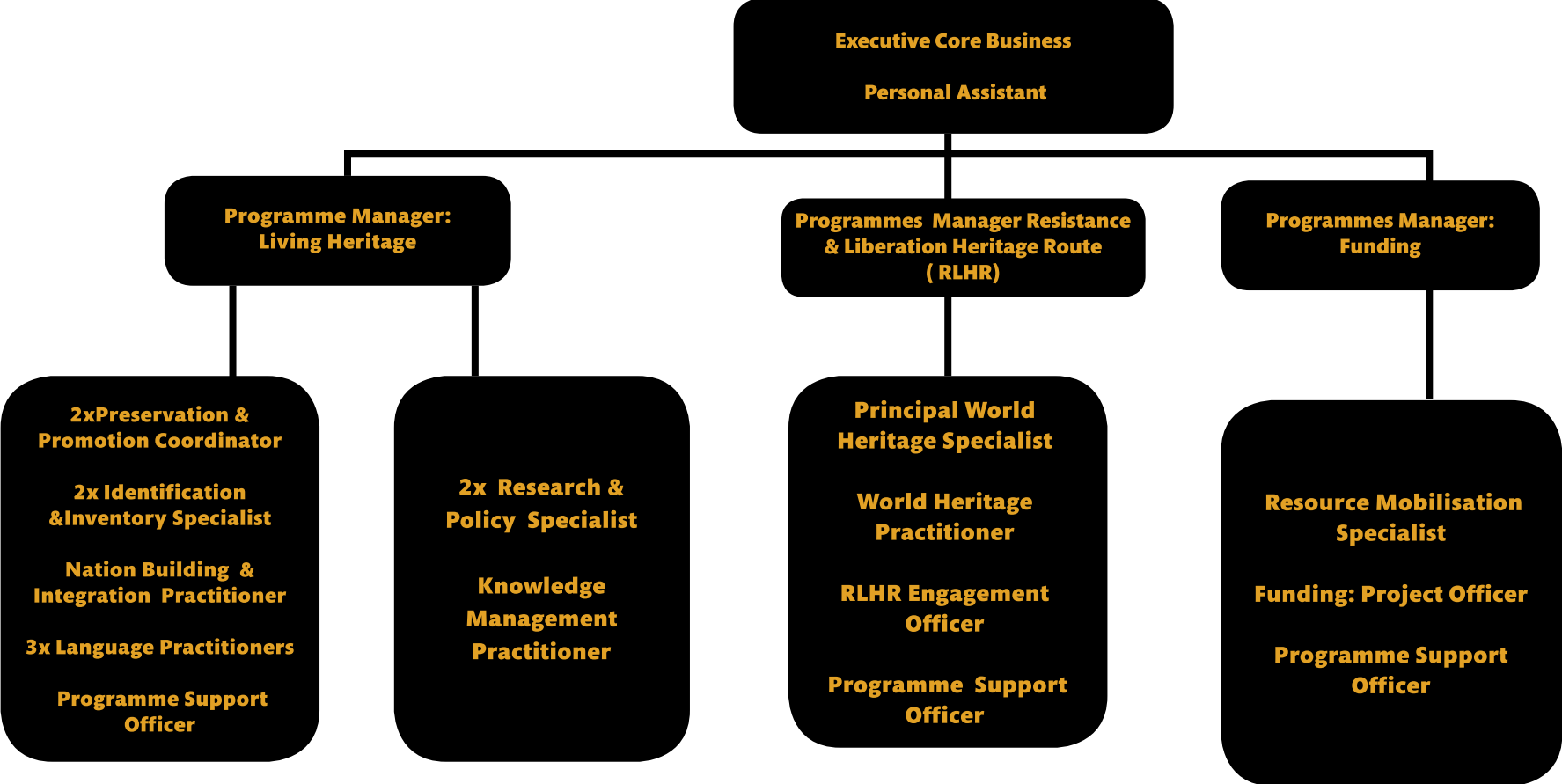
PART A: GENERAL INFORMATION

ORGANISATIONAL STRUCTURE



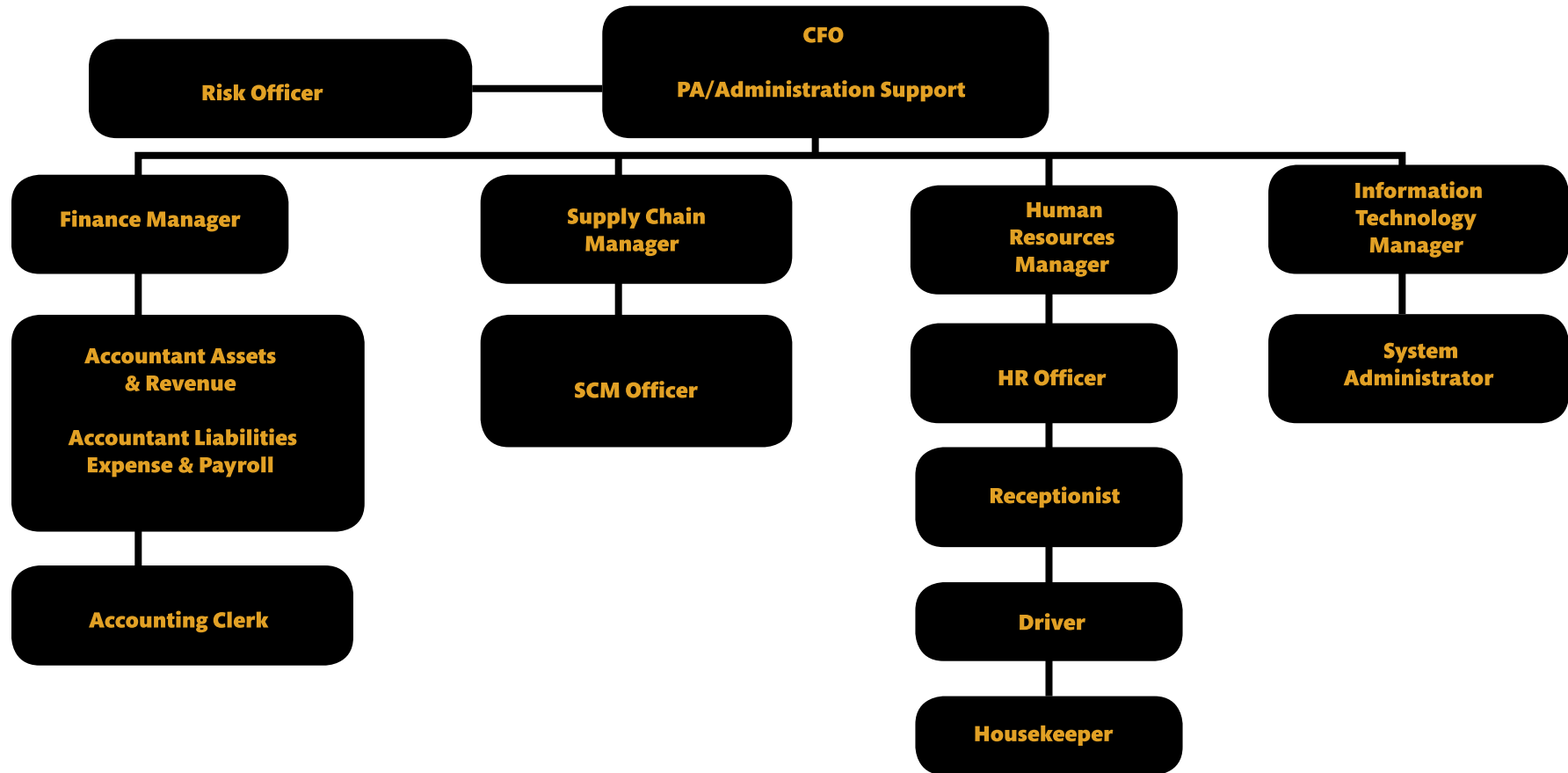
PART A: GENERAL INFORMATION

ORGANISATIONAL STRUCTURE cont....



PART A: GENERAL INFORMATION

ORGANISATIONAL STRUCTURE *cont....*



PART A: GENERAL INFORMATION



FOREWORD BY THE CHAIRPERSON

It gives me great pleasure to present the 2017/18 Annual Report of the National Heritage Council detailing programmes and activities during the period 01 April 2017 to 31 March 2018.

It is important to acknowledge and express gratitude to the former Council led by Dr MM Balintulo as they led the NHC for the better part of 2017/18, until November 2017. I am very cognisant of their considerable contribution in providing the NHC with guidance and leadership.

On behalf of the Council I commend the CEO, management and staff, for their commitment, dedication and contribution in the past financial year which is evidenced in the high achievement of predetermined objectives and the unqualified audit opinion received from the Auditor General.

The report provides a comprehensive overview of the activities of the NHC as well as financial and non-financial performance for the 2017/18 financial year.

With the support of our stakeholders, the NHC achieves greater impact in its work of uniting our diverse nation through protection and promotion of heritage.

The year 2018 is historic as it marks the centenaries of two great South Africans, Mama Nonceba Albertina Sisulu and former President Nelson Mandela. The NHC

PART A: GENERAL INFORMATION

joins the people of South Africa and the world at large in paying tribute to these remarkable, selfless leaders who dedicated their lives to the service of humanity to create a better South Africa and a better world. We draw lessons and inspiration from their courageous leadership

Heritage is a valuable, non-renewable resource, which needs to be well managed to ensure its survival; thus, every generation has a moral responsibility to act as a trustee in preserving their heritage.

As the NHC, going forward we shall seek to build on the synergies between heritage and other industries and economic activities, particularly tourism. This would ensure maximum impact as we move further from outcomes to focusing on impact of our programmes especially in the context of the shrinking fiscal envelope. The central focus of the NHC is transform and celebrate diversity of South Africa's heritage. Our goal is to uplift and showcase the previously marginalized heritage of African people and therefore all our work has been geared towards this goal.

The NHC Council is determined to support management and staff of the NHC to achieve more of the objectives outlined in the founding legislation of the NHC, the National Heritage Council Act, No. 11 of 1999. The vision of the NHC of "A nation proud of its African heritage" will be realised when the previously disadvantaged and rural communities are given sufficient opportunities to derive socio-economic benefits from their heritage

Because of the tragic history of South Africa, the dominant face of heritage has been colonial and reflective of South Africa's apartheid past and the NHC is at the forefront of championing such change.

However, this is hampered by resource limitations. While the mandate of the NHC is exhaustive, the budget allocation belies that and forces the institution to make hard choices in terms of priorities.

As the Council we are fully cognisant of these limitations and will endeavour to support management in securing more resources



Dr TJ Mbuli
CHAIRPERSON OF COUNCIL
31 JULY 2018

NHC COUNCIL MEMBERS



ROW 1: FROM LEFT - RIGHT

Ministerial Appointment

Dr TJ Mbuli (*Chairperson*)
Prof T Meyiwa (*Dep Chairperson*)
Amb D Moopeloa
Ms S Mabilane
Chief L Matsila



ROW 2: FROM LEFT - RIGHT

Ministerial Appointment

Prof SS Bouillon
Mr TC Dlamini
Ms R Gani CA(SA)
Mr Z Mkiva



ROW 3: FROM LEFT - RIGHT

Provincial Appointments

Mr M Makhweyane (*Mpumalanga Province*)
Adv M Mopeli (*Free State Province*)
Mr SS Leshilo (*Limpopo Province*)
Ms K Modise (*Northern Cape Province*)



ROW 4: FROM LEFT - RIGHT

Provincial Appointments

Ms L Robinson (*Western Cape Province*)
Mr T Tselane (*Gauteng Province*)
Mr M Tyatyeka (*Eastern Cape Province*)
Mr K Seleke (*North West Province*)

PART A: GENERAL INFORMATION



CHIEF EXECUTIVE OFFICER'S OVERVIEW

The 2017/18 Annual report gives an overview of the NHC financial and non-financial performance, including governance and human capital

The heritage sector forms an integral and vital part of a much wider and highly dynamic cultural and creative ecosystem and economy, and its changing role in South Africa and global society needs to be considered in wider cultural, social and economic contexts. The catalytic role played by heritage in socio-economic development is yet to be fully appreciated and nurtured in South Africa. Heritage is very under-resourced, and thus unable to realise its full potential as a socio economic resource.

While much has been achieved in the heritage sector, more attention must still be paid on the catalytic role of arts, culture and heritage in economic development and nation building

The NHC appreciates the decolonisation agenda that is in full swing in the country, mainly led by the youth, whereby lifting of the African voice is becoming an urgent imperative and have geared the organisation to contribute by engaging stakeholders on the discourse.

It is everyone's duty in the country and African continent at large to play a role in deepening the decolonisation agenda of the African mind and education curriculum. It is also our duty as responsible citizens to help protect and promote our heritage for present and future generations.

In terms of resources, the NHC has had no significant changes from the grant allocations since its establishment; annual increments have been lower than inflation while the work and demand for support of heritage projects and programmes in the sector has grown enormously. This has necessitated establishment of partnerships with other public sector organisations like government departments, municipalities and entities.

The organisation has strived to maintain high visibility and thought leadership on heritage related issues in the public domain thus resulting in positive stakeholder perceptions and relations.

Internally, the NHC undertook a process of organisational repositioning in light of organisational maturity and declining resources. The repositioning of the NHC entails a re-examination of its performance and developing a new strategic direction to improve organisational performance.

PART A: GENERAL INFORMATION

There was a review of the focus areas and identification of four strategic pillars for our core business i.e. Living Heritage; Policy, Planning and Knowledge Management; New Business Development; and the Resistance and Liberation Heritage Route. The repositioning has necessitated a reorganisation of the organisational structure. Migration to the new structure is underway, taking into cognizance all the necessary procedures and consultations with staff given the sensitivity of the process.

The 2017/18 financial year was a most historic year for the protracted efforts of securing world heritage listing for South African sites of Human Rights, Liberation and Reconciliation – Nelson Mandela sites. As the world celebrated the centenary of President Nelson Mandela and Mama Albertina Sisulu the NHC got to submit the amplified Nomination Dossier and ten Management Plans to the Department of Arts and Culture (DAC) and the Department of Environmental Affairs (DEA). This will be followed by the next stage of rigorous domestic quality assurance process which is a very important precursor to the international quality assurance process that precedes evaluation.

The close collaboration with the South African Heritage Resources Agency (SAHRA) and other stakeholders saw seven out of ten national liberation sites getting national heritage status, the maximum recognition South Africa can give to a heritage site.

The NHC continued to achieve success on its annual flagship programmes including the Heritage Schools Outreach Project, Golden Shield Heritage Awards (GOSHA), Ubuntu Honour and contributing to other nation building initiatives hosted in partnership with

different organisations and stakeholders including the ever growing South African Traditional Music Achievement Awards (SATMA), Tshivenda Music Awards (TSHIMA), Xitsonga Music Awards (XIMA), the Buyelekhaya Pan African Music Festival as well as the youth tour to Tanzania in partnership with the Solomon Mahlangu Freedom College (SOMAFSCO) Trust.

Other important partnerships in the past financial year include the NHC's collaboration with the Department of Tourism and Tourism SA to commemorate the release of former President Nelson Mandela from prison.

The Resistance and Liberation Heritage Route Project Management Office (PMO) is gaining momentum after a slow start due to preliminary work that had to be done in aligning project plans with the budget, clarifying site ownership issues and other prerequisites.

The NHC has a policy advice mandate through which it initiates policy discourse for the sector. In the 2017/18 financial year, the Heritage Panel of Experts of the NHC produced two policy position papers on Heritage and Inclusive Economic Development and Archival Digitisation.

The Heritage sector of South Africa now prides itself with a magazine, called Discover Heritage that aims to educate the world about the rich heritage and cultural pride of South African people. Discover Heritage Magazine captures heritage and history that will remain informative to the future generations for many years to come. This publication has been awarded the Best External Magazine and Best Corporate Publication for 2016 & 2017 by the South African Publication Forum.

The overall organisational performance has been excellent in 2017/18 with 92% of the annual predetermined objectives (targets) being achieved and the NHC receiving an unqualified audit opinion from the Auditor General.

This has been achieved through the selfless leadership, commitment and support of our Council, Management, Staff, Funding Committee, Panel of Experts and our stakeholders to whom we are very thankful.

The ongoing policy review has brought about uncertainties and it is envisaged that the role of the NHC may change. The NHC itself is keen for legislative review to attend to some of the unintended consequences in its founding legislation in order to streamline and strengthen its role.

Going forward the NHC will be focusing on knowledge production, breaking new ground with partnerships as well as innovation towards enhancing the catalytic role of heritage in socio economic development. Among others this will be achieved through the transformation of abstract heritage spaces to vibrant nodes for socio economic development.



ADV S. MANCOTYWA
CHIEF EXECUTIVE OFFICER
31 JULY 2018

A young boy in a yellow t-shirt is smiling and playing a large, circular metal drum. The drum has a South African flag on it. In the background, other people are visible, including a woman in a black top and a woman in a colorful patterned dress. The scene is outdoors, possibly at a festival or community event.

PART B
PERFORMANCE
INFORMATION

PART B: PERFORMANCE INFORMATION

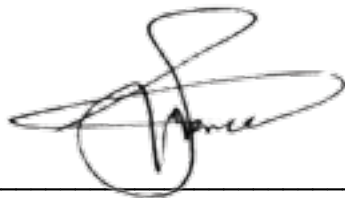
STATEMENT OF RESPONSIBILITY REGARDING PERFORMANCE INFORMATION

Statement of Responsibility Regarding Performance Information for the Year ended 31 March 2018

The Chief Executive Officer is responsible for preparation of the public entity's performance information and for the judgements made in this information.

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

In my opinion, the performance information fairly reflects the performance of the National Heritage Council for the financial year ended 31 March 2018.



ADV S. MANCOTYWA
CHIEF EXECUTIVE OFFICER

PART B: PERFORMANCE INFORMATION

AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General has conducted some audit procedures on the performance information for usefulness and reliability, compliance with laws and regulations and internal control, but an opinion is not expressed on the performance information.

Refer to page 59 of the Report of the Auditor General's Report, included in Part E: Financial Information.

OVERVIEW OF THE NATIONAL HERITAGE COUNCIL'S PERFORMANCE

Strategic Outcome Oriented Goals

The NHC has the following strategic outcome-oriented goals:

STRATEGIC OUTCOME ORIENTED GOAL 1 AN INTERNATIONALLY RECOGNISED HERITAGE ORGANISATION ON THE AFRICAN CONTINENT	
Indicators	Increase the level of awareness and participation of the NHC as a heritage organisation in Africa through the following: <ul style="list-style-type: none"> • Number of activities to promote awareness about the NHC • Number of multilateral and bilateral heritage agreements initiated with African countries • Number of presentations of research data on African Liberation Heritage Programme • Number of heritage exchange programmes participated in
STRATEGIC OUTCOME ORIENTED GOAL 2 AN INTERNATIONALLY RECOGNISED HERITAGE ORGANISATION ON THE AFRICAN CONTINENT	
Indicators	Increase the level of awareness and participation of the NHC as a heritage organisation in Africa through the following: <ul style="list-style-type: none"> • Number of activities to promote awareness about the NHC • Number of multilateral and bilateral heritage agreements initiated with African countries • Number of presentations of research data on African Liberation Heritage Programme • Number of heritage exchange programmes participated in
STRATEGIC OUTCOME ORIENTED GOAL 3 INCREASED KNOWLEDGE AND AWARENESS ABOUT SOUTH AFRICA'S HERITAGE BY SOUTH AFRICA'S CITIZENS	
Indicators	<ul style="list-style-type: none"> • Increased number of participants in heritage activities • Number of research outputs produced • Number of manuscripts from funded heritage projects published • Number of presentations made on heritage • Number of knowledge partnerships signed • Proportion of performance milestones achieved on the implementation of the NHC Language Policy • Level of implementation of the research agenda

PART B: PERFORMANCE INFORMATION

STRATEGIC OUTCOME ORIENTED GOAL 4 THE LEADING INSTITUTION ON INTANGIBLE HERITAGE IN SOUTH AFRICA	
Indicators	<ul style="list-style-type: none"> • Approved framework for the establishment of a heritage institute by 2017 • Number of Intangible Cultural heritage (ICH) research initiatives funded • Number of intangible heritage programmes implemented and tangible heritage programmes supported
STRATEGIC OUTCOME ORIENTED GOAL 5 SOCIAL COHESION AND NATION BUILDING	
Indicators	<ul style="list-style-type: none"> • Number of annual stakeholder engagement sessions • Number of advocacy programmes / campaigns conducted annually • Number of nation building initiatives implemented and funded annually
STRATEGIC OUTCOME ORIENTED GOAL 6 AN EFFECTIVE, EFFICIENT AND SUSTAINABLE INSTITUTION	
Indicators	<p>Effectiveness</p> <ul style="list-style-type: none"> • Unqualified audit • Level of collaboration with experts in the field <p>Efficiency</p> <ul style="list-style-type: none"> • Level of functionality of operational systems • Establishment of Project Management Office <p>Sustainability</p> <ul style="list-style-type: none"> • Level of skills retention • Alignment with adapted King III • Level of viability and credibility of the knowledge management strategy • Retention of institutional memory • Diversity of funding streams

Service Delivery Environment

In the year under review, there was an increase in the demand for:

- support of the NHC and partnerships from community based heritage projects;
- invitations for the CEO and other NHC personnel to attend and address heritage and cultural events.

While it was desirable to support as many of projects and events as possible, it was not always possible to respond positively to all requests, due to human and financial resource limitations.

PART B: PERFORMANCE INFORMATION

The amendments to the National Lottery Distribution Trust Fund (NLDTF) Regulations excluded organisations like the NHC from qualifying for funding from the NLDTF. This was a setback, given the limited options for funding outside the DAC grant; raising funds from the private sector proved much more challenging and thus necessitated a rethink of strategy.

The NHC also continued with the partnerships with the MHSC on projects in the under-served area of mining heritage mining to commemorate mining disasters.

Overview of the Organisational Environment

The organisation experienced some capacity challenges, particularly in the core business following the resignation of three key personnel in 2016/17 which put a strain on the branch to deliver on the APP hence a review of the number of targets. However, efforts were made to ensure the successful delivery of key projects despite these capacity constraints.

The NHC strived to sustain its presence and interaction with stakeholders across the three tiers of government as well as internationally. Engagement with stakeholders had to be balanced and weighed against the austerity measures implemented by government, in order to contain expenditure.

The Council approved a new functional organisational structure after a thorough review, in order to optimise performance and improve efficiency within the available resources.

In the 2017/18 financial year, the NHC continued to enjoy goodwill among stakeholders and acknowledgement as the first point of call on heritage matters. It continued to sustain its responsiveness and support to stakeholders, particularly rural communities and organisations; as well as reaching critical milestones through collaboration and partnerships with a range of stakeholders in the sector, locally and on the continent.

The NHC successfully implemented and supported flagship programmes like the

SATMA Awards, which have grown from strength to strength, as well as the Golden Shield Heritage Awards, which are awarded in recognition of outstanding contribution and service to the preservation and promotion of heritage.

The organisation enjoys a sound and stable labour relations environment, with employees regularly engaged and consulted on developments affecting their condition of service. Consequently, there has been no unrest or recorded disharmony between management and staff.

Key Policy Developments and Legislative Changes

The DAC continued with the consultations on the review of the White Paper on Arts, Culture and Heritage; however, there were no legislative changes.

PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: ADMINISTRATION

The aim of this programme is to provide strategic leadership and enable NHC performance through the delivery of support services.

The programme is made up of the following sub-programmes:

- Office of the CEO;
- Communications;
- Company Secretariat; and
- Corporate Services;

PART B: PERFORMANCE INFORMATION

Key performance measures, targets and actual results

Strategic objectives:

- Provide strategic management services
- Promote the NHC and its programmes
- Development of highly capable organisational personnel
- Financial and procurement support provided
- Provide ICT support

SUMMARY

A total of **12** targets had been planned for Programme 1 in 2017/18.

11 targets (**92%**) were achieved.

1 target (**8%**) was not achieved.

PERFORMANCE INDICATOR			PLANNED TARGET FOR 2017/18	PLANNED TARGET FOR 2017/18	ACTUAL ACHIEVEMENT IN 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT IN 2017/2018	COMMENT ON DEVIATIONS
1.1	a.	Dates by which compliance documents are submitted to the DAC.	All compliance documents were approved and submitted to the DAC according on time.	Submission of compliance documents to the DAC (APP, Quarterly Reports, AFS and Annual Report) by the prescribed dates achieved.	Submission of compliance documents to the DAC (APP, Quarterly Reports, AFS and Annual Report) by the prescribed dates achieved.	The target was achieved as planned with no deviation.	N/A

PART B: PERFORMANCE INFORMATION

PERFORMANCE INDICATOR		PLANNED TARGET FOR 2017/18	PLANNED TARGET FOR 2017/18	ACTUAL ACHIEVEMENT IN 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT IN 2017/2018	COMMENT ON DEVIATIONS	
1.2	a.	Number of heritage publications produced.	2 editions of the Heritage Magazine were published and distributed.	Heritage Magazine produced (2x issues of 5000 copies each).	Heritage Magazine not produced (0 x issues of 5000 copies each).	The target was not achieved.	The target was not achieved due to challenges in the timeous completion of stories for publication.
	b.	Number of planned media engagements conducted.	19 media engagements conducted.	7 x Media engagements conducted (media coordination for projects e.g. briefings).	7 x Media engagements conducted.	The target was achieved as planned with no deviation.	N/A
	c.	Number of multi-media campaigns conducted about key NHC projects.	14 multimedia awareness campaigns conducted about key NHC projects.	10 multimedia awareness campaigns conducted about key NHC projects.	13 multimedia awareness campaigns conducted about key NHC projects.	The target was exceeded by 3 multimedia campaigns.	There was an increase of media engagements to improve the profile of the NHC and its work on various heritage issues.
	d.	Level of implementation of the approved Stakeholder Management Plan.	New target.	100% implementation of the approved Stakeholder Management Plan.	100% implementation of the approved Stakeholder Management Plan.	The target was achieved as planned with no deviation.	N/A

PART B: PERFORMANCE INFORMATION

PERFORMANCE INDICATOR			PLANNED TARGET FOR 2017/18	PLANNED TARGET FOR 2017/18	ACTUAL ACHIEVEMENT IN 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT IN 2017/2018	COMMENT ON DEVIATIONS
1.3	a.	Level of implementation of the Approved Annual Training Plan in critical skills.	80% implementation of the approved Annual Training Plan on critical skills.	80% implementation of the approved Annual Training Plan on critical skills.	81% implemented of the approved Training Plan on critical skills.	The target was exceeded by 1%.	Staff members undertook additional training within the budget.
	b.	Level of staff retained in funded positions	85% staff retention of staff in funded posts	85% staff retention in funded positions	86% staff retained in funded posts	The target was exceeded by 3%	There were no resignations in the 2017/18 financial year.
	c.	Number of initiatives to promote employee wellness	2 initiatives to promote employee wellness implemented.	3 initiatives to promote employee wellness implemented	1 initiative to promote employee wellness implemented	3 initiatives to promote employee wellness implemented	An additional initiative was implemented at no further costs to the NHC.
1.4	a.	Unqualified audit opinion (Unqualified) (Clean).	Unqualified Audit opinion received.	Unqualified audit opinion.	Unqualified Audit opinion received.	The target was achieved as planned, with no deviation.	N/A

PART B: PERFORMANCE INFORMATION

PERFORMANCE INDICATOR		PLANNED TARGET FOR 2017/18	PLANNED TARGET FOR 2017/18	ACTUAL ACHIEVEMENT IN 2017/2018	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT IN 2017/2018	COMMENT ON DEVIATIONS	
1.5	a.	IT Client Satisfaction Survey rating achieved (%)	76% client satisfaction rating achieved.	IT client satisfaction survey rating achieved (70%)	75.5% client satisfaction rating achieved.	The target was exceeded by 5.5%	Client satisfaction target exceeded due to the improvements in the service provided to staff on IT.
	b.	Level Local Area Network availability (%).	95% Local Area Network availability.	Local Area Network availability (95%).	98% network availability achieved.	The target was exceeded by 3%.	The target was exceeded due to increased frequency in the monitoring of the network preventative maintenance to reduce downtimes.
	c.	Disaster recovery & business continuity plan approved and tested.	Disaster recovery & business continuity plan reviewed and tested.	Disaster recovery & business continuity plan approved and tested.	Disaster recovery & business continuity plan approved and tested.	The target was achieved as planned, with no deviation.	N/A

Strategy to overcome areas of under performance

The unpublished editions of the Heritage Magazine will be updated and published in 2018/19

Changes to planned targets

There were no changes to planned targets.

PART B: PERFORMANCE INFORMATION

Programme 2: Heritage Promotion

The purpose of the programme is to meet NHC customer expectations through the delivery of NHC products and services.

Programme 2 consists of the following sub programmes:

- Heritage Management
- Funding
- Liberation Heritage Route

Key Performance measures, targets and actual results

Strategic objectives:

To intensify the promotion of living heritage through collaborations and stakeholder engagements nationally and internationally

To develop a national planning, policy development and research capability that will create an enabling environment for the advancement and promotion of National Heritage content

To build a network of strategic partnerships to strengthen and integrate heritage development by extending the influence of the NHC and leveraging the resources through partnerships

To coordinate the management of the Liberation Heritage Route, the African Liberation Heritage Programme and national input in the world heritage agenda by promoting the influence of the South African heritage globally.

SUMMARY

- A total of **14** targets had been planned for Programme 2 in 2017/18.
- **13** targets (**93%**) were achieved.
- **1** target (**7%**) was not achieved.

PART B: PERFORMANCE INFORMATION

Performance Indicator			Actual Achievement in 2016/17	Planned Target for 2017/18	Actual Achievement in 2017/2018	Deviation from planned target to Actual Achievement in 2017/2018	Comment on deviations
2.1	a.	Number of exchange programmes participated in per annum	Participated in 2 exchange programmes.	1 exchange programme participated in per year	Participated in 4 exchange programmes	The target was exceeded with 3 exchange programmes	The target was exceeded when additional opportunities for exchange programmes became available and were utilised within the budget.
	b.	Number of international multilateral engagements per annum	Participated in 2 world heritage projects.	1 international multilateral engagement annually	1 international multilateral engagement	The target was achieved as planned with no deviation.	N/A
	c.	Number of community based cultural expressions implemented or supported	7 cultural expressions supported.	3 cultural expressions supported	3 cultural expressions supported	The target was achieved as planned with no deviation.	N/A
	d.	Number of nation building initiatives implemented and funded.	3 nation building initiatives implemented and funded.	3 nation building initiatives implemented and funded.	3 nation building initiatives implemented and funded.	The target was achieved as planned with no deviation.	N/A
2.2	a.	Number of policy position papers produced per year	2 position papers produced.	2 Position Papers produced per year	2 position papers produced.	The target was achieved as planned with no deviation.	N/A
	b.	Number of heritage journal articles contributed per annum	1 heritage Journal article was submitted to an accredited Journal.	2 heritage journal articles contributed.	0 heritage journal articles contributed.	The deviation was 2 articles that were not contributed to an accredited journal by year end.	The target was not achieved as the articles could not be contributed on time to the journals due to other work done by the Panel of Experts.
	c.	Number of heritage education initiatives supported	6 heritage education initiatives supported.	1 heritage education initiative supported	1 heritage education initiative supported	The target was achieved as planned with no deviation.	N/A
2.3	a.	Number of community heritage projects supported and funded	21 community heritage projects were funded.	21 community heritage projects supported and funded	25 Community heritage projects supported and funded.	The target was exceeded with 4 community projects supported and funded.	Additional resources were sourced to support additional worthy projects that had applied for funding.
	b.	Level of funds raised outside the DAC Grant (%)	2.60% additional funds raised outside the DAC grant.	2% additional funds raised outside the DAC grant	5% (R3 086 191) additional funds raised outside DAC grant	The target was exceeded by 3%.	Fundraising efforts and partnerships yielded much better results than planned and anticipated.

PART B: PERFORMANCE INFORMATION

Performance Indicator			Actual Achievement in 2016/17	Planned Target for 2017/18	Actual Achievement in 2017/2018	Deviation from planned target to Actual Achievement in 2017/2018	Comment on deviations
2.4	a.	Number of commemorative events supported	5 Commemorative events supported	2 Commemorative events supported	10 Commemorative events supported	The target was exceeded with 8 commemorative events supported.	The additional commemorative events were supported following invites and requests of stakeholders for the support of the NHC.
	b.	Number of repatriations supported	7 repatriations were supported.	3 repatriations supported	4 repatriations supported	The target was exceeded with one repatriation supported.	The NHC was engaged by stakeholders on the repatriations in excess of what was planned for but with no additional budget implications as the repatriations were still at conceptual stage. The NHC's role was to support and not implement the repatriations.
	c.	Number of presentations on LHR made to different stakeholders	7 presentations made on the Liberation Heritage Route.	5 presentations on LHR made to different stakeholders	11 presentations on LHR made to different stakeholders	The target was exceeded with 6 presentations on LHR made to different stakeholders	The additional presentations were made following invites and requests of stakeholders
	d.	Number of submissions on the African Liberation Heritage Programme	2 submissions made on the African Liberation Heritage Programme.	2 submissions on the African Liberation Heritage Programme	2 submissions on the African Liberation Heritage Programme	The target was achieved as planned with no deviation.	N/A
	e.	Number of milestones achieved in the World Heritage Listing Programme	1 milestone achieved (The Expanded Dossier was produced and submitted to the Department of Environmental Affairs.)	1 (Submission of final amplified Nomination Dossier to DAC)	1 milestone achieved (Submission of final amplified Nomination Dossier to the DAC)	The target was achieved as planned with no deviation.	N/A

Strategy to overcome areas of under performance

The target that was not achieved in 2017/18 i.e. the contribution of heritage articles to accredited journals has been rolled over for completion in 2018/19.

Changes to planned targets

There were no changes to planned targets.

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PART C: GOVERNANCE

INTRODUCTION

Corporate governance underpins the processes and systems by which the NHC is overseen, directed, controlled and held to account. In addition to legislative requirements based on the NHC's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA), which is run in tandem with the Protocol on Corporate Governance (which encapsulates the principles contained in the King IV Report on Corporate Governance). Parliament, the Executive Authority and the Council of the NHC provide oversight on corporate governance.

The NHC is committed to the principles of accountability, openness and integrity as prescribed by the King IV Code on Corporate Governance and its policies and charters formalise this commitment. This gives the shareholder and other stakeholders, the assurance that the NHC is ethically managed according to prudently determined risk parameters in compliance with best practices.

EXECUTIVE AUTHORITY

The Minister of Arts and Culture and the NHC signed a Shareholder's Compact in March 2017. This a requirement for Public Entities listed in Schedule 2, 3B or 3D of the PFMA; However, notwithstanding that the NHC is a Schedule 3A entity, and therefore not bound by this requirement, for purposes of cooperative governance, it was deemed necessary to do so. The Shareholder's Compact captures the key performance measures and indicators agreed upon between the Council, as the Accounting Authority of the NHC, and the Minister of Arts and Culture, as the Executive Authority.

As a consequence of the above agreement and in line with the PFMA, the NHC submits quarterly reports to the DAC. During the year under review, the following reports were submitted:

- 1st Quarterly Report submitted on 31 July 2017;
- 2nd Quarterly Report submitted on 31 October 2017;
- 3rd Quarterly Report submitted on 31 January 2017;
- 4th Quarterly Report submitted on 30 April 2018.

THE COUNCIL

The NHC is a juristic entity established in terms of the National Heritage Council Act of 1999 (Act 11 of 1999). The Minister of Arts and Culture appoints members of the public of the Republic of South Africa as members of the NHC to manage the affairs of the NHC in terms of the Act and its regulations in line with corporate governance principles. Nine members are appointed by Provincial Arts and Culture MECs and the rest are members by virtue of their being the Chairpersons of certain declared cultural institutions. The Council plays an advisory role to the Minister on certain issues, including: national policies on heritage matters, allocation of core funding and resources and any other matter concerning heritage that the Minister or the Council may determine.

The Council operates in terms of an approved Charter that clearly spells out its role and responsibilities. The Council plays an oversight role and provides leadership on the affairs of the NHC. Its role includes the establishment, review and monitoring of strategic objectives. It also gives strategic direction and ensures compliance with corporate governance and legislative imperatives. The Council oversees the NHC's systems of governance, internal control, and risk management.

The Council meets at least once a quarter and special meetings are held when there is a need. The purpose of the meetings is to review the strategic and operational performance of the NHC. Amongst other matters, it looks into business plans, policies, the approval of major contracts and other strategic issues. The management team of the NHC is responsible for implementation of the decisions and strategies of the Council.

The Council initiated repositioning of the NHC to adapt to emerging conditions and a Funding Models Workshop was convened to revise the NHC resource mobilisation strategy. An Implementation Plan was developed which is currently being rolled out.

STRUCTURE AND COMPOSITION OF THE COUNCIL

As mentioned above, the Council is constituted by members appointed by the Minister of Arts and Culture; by Provincial Arts and Culture MECs; the Chairpersons of certain declared cultural institutions (Iziko Museums of Cape Town, Ditsong Museums and SAHRA). They are people from diverse backgrounds and have extensive skills in the heritage sector. In making appointments, the Minister takes into consideration issues of diversity and skills. There are thirteen (13) Council Members and the NHC CEO is an *ex officio* member.

PART C: GOVERNANCE

Composition of the Council

During the year ended 31 March 2018 five (5) Ordinary Meetings, one (1) Special Meeting, one (1) NLHR Workshop, one (1) Strategy Review Workshop were held. Below is a profile of Council members and attendance at Council meetings:

Members Appointed from 2014 to 2017

Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorships	Other Committees (NHC Sub - Committees)	No. of Meetings attended out of 7 and 2 day Induction workshop
Dr Marcus Malusi Balintulo.	Chairperson, Appointed by Minister.	01/12/2014 to 30/11/2017.	Term Ended.	PHD – Sociology.	Higher education transformation; Research consultant.	Various previous directorships, currently Adviser to Liyabona Primary Co-operative.	None.	7
Ms Alice Nomvuyiso Damane.	Deputy Chairperson, appointed by Minister.	01/12/2014 to 30/11/2017.	Term Ended.	BComm Business Administration, Economics and Accounting.	Business and financial management Enterprise development policy and programmes.	Managing Director of Yame Unique Crafts, Founding Member of Imagine Programme with Empowerment Institute, Director of Resilience Network Institute.	1. Audit and Risk Committee 2. Corporate Services and Finance Committee.	7
Dr Miriam Gaokgathe Tawane.	Member appointed by Minister.	01/12/2014 to 30/11/2017.	Term Ended.	PHD – Palaeoanthropology.	Heritage Management, Environmental Assessment, Archaeology, Anthropology (Palaeosciences).	None.	1. Corporate Services and Finance Committee 2. Heritage Programmes, Projects and Research Committee.	6
Mr Vonani Bila	Member appointed by Minister.	01/12/2014 to 30/11/2017.	Term Ended.	MA.	Project Management, SA literature, Cultural History Social Policy.	AIDC NGO – Board Member; Ribola Heritage Co-op – Member.	1. Heritage Programmes Projects and Research Committee 2. Corporate Services and Finance Committee.	7

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorships	Other Committees (NHC Sub - Committees)	No. of Meetings attended out of 7 and 2 day Induction workshop
Adv Sanet Botha.	Western Cape Provincial Representative.	23/03/2015 to 20/11/2017.	Term Ended.	BA (Law); LLB	Strategic business advisory service. Transaction advisory services, specifically in the legal, compliance, and contractual fields. Project management, specifically projects in the public services space. Drafting of policies, legislative provisions, regulatory frameworks, standard operational processes, transaction frameworks and contracts. Provisioning of strategic organizational and public and private corporate compliance guidance. Transaction structure advisory services such as DBOM, DB and FIDIC. Advise on aspects of public transport such as BRT, metered taxi, non-metered taxi and busses. Advisory services on e-health and telecommunications transactions. Expertise in public sector legislation, including the PFMA, MFMA, National Treasury Regulations and the Preferential Procurement Policy Framework Act, PAJA, NLTA, electronic payment legislation, electronic law aspects and other public law aspects.	NHC	1. NHC Heritage Programmes Projects and Research Committee	6

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorships	Other Committees (NHC Sub - Committees)	No. of Meetings attended out of 7 and 2 day Induction workshop
Mr Patrick Lentikile Pelele.	North West Provincial Representative.	07/04/2015 to 30/11/2017.	Term Ended.	ND: Examiner for Driver's Licence; Advanced Governance and Public Leadership.	Provincial Affairs and Public Safety.	Director: Bheks Projects and Investments.	1. Corporate Services and Finance Committee 2. Repositioning and International Relations Committee.	5
Chief Livhuwani Matsila.	Limpopo Provincial Representative and re-appointed by the Minister	29/05/2015 to 31/11/2017 Reappointed by Minister from 01/12/2017 - 30/11/2020	Active Member (Term as Limpopo Representative ended on 31/11/2017 and reappointed by Minister from 01/12/2017 to 30/11/2020)	Masters of Science (Zoology).	Community and Rural Development; Preservation of cultural heritage.	Director: Matsila Family Trust.	1. Heritage Programmes Projects and Research Committee 2. Repositioning and International Relations Committee.	6
Mr Mlawu Tyatyeka.	Eastern Cape Provincial Representative	06/08/2014 to 30/11/2017 Re-appointed from 01/12/2017 to 30/11/2020	Active Member (Term Ended and Re-appointed)	MA.	Literature Culture and Religion.	None.	1. Heritage Programmes Projects and Research Committee.	9

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorships	Other Committees (NHC Sub - Committees)	No. of Meetings attended out of 7 and 2 day Induction workshop
Mr Moses Themba Makhweyane.	Mpumalanga Provincial Representative.	08/07/2015 to 30/11/2017. Re-appointed from 20/02/2018 to 30/11/2020	Active Member (Term Ended and re-appointed)	Baccalaureus Iuris (Bluris)	Legal & Corporate Governance	Mpumalanga Community Education and Training College (MCETC) South African Heritage Resource Authority (SAHRA) Mpumalanga Heritage Resource Agency (MHRA)	1. Corporate Services and Finance Committee	8
Prof Susan Bouillon	Chairperson of SAHRA.	01/08/2016 to 31/07/2019	Active Member	B. Juris, LL.B, LL.M, LL.D (planning Law)	Planning Law	SAHRA, Board of Trustees of Keyhealth Medical Scheme	1. Repositioning and International Relations Committee	9
Ms Karabo Rapoo	Chairperson of Ditsong Museums	01/08/2016 to 31/07/2019	Active Member	Executive Development Programme (EDP), Advanced Project Management, Completed articles of Traineeship	1. Financial, Accounting, Auditing, Taxation, Corporate Governance, Risk Management	1.Ditsong Museums 2.Member of Medipos Medical Aid Scheme Audit Committee member of: 1.Medipos Medical Aid Scheme (closed Scheme) 2.BestMed Medical Aid Scheme (open Scheme) 3. Chairperson of Risk Management Committee : Department of Arts and Culture	1.. Corporate Services and Finance Committee	4

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Members Appointed from 01 December 2017 to 30 November 2020

Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of Meetings/ Workshop attended out of 2 day Induction Workshop
Dr Thulani John Mbuli	Chairperson – Appointed by Minister	01/12/2017 – 30/11/2020	Active Member	1.Doctor of Philosophy: University of Zululand 2.Master of Arts: University of Zululand 3.Bachelor of Arts: University of Zululand 4.B Paed Degree: Environmental Science: University of Zululand 5.Certificate in teaching Second, Third Languages: University of Winscosin, Madison, USA 6.Finance Management: CBM	Languages, Research, Heritage, history and Culture	1.Council Member of University of Zululand 2. Council Member of Amafa AkwaZulu Natal	None	2

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of Meetings/ Workshop attended out of 2 day Induction Workshop
Prof Thenjiwe Meyiwa	Deputy Chairperson – Chairperson of Heraldry		Active Member	1. Doctor of Philosophy: University of KwaZulu-Natal 2. MCom (Org & Systems Management): University of KwaZulu-Natal 3. Secondary Teachers 3 Year Diploma: Indumiso College	Research, Organizational Management	Former Member of 1. Rural Women's Movement 2. South African National Heraldry 3. Flatfoot Dance Company 4. South African Educational Research Association 5. UKZN's HIV/AIDS Strategic Committee 6. Human/ social Sciences Promotion Committee 7. Human/Social Sciences Higher Committee 8. Association of Women's Rights Development	1. Heritage Programmes Projects and Research Committee	2
Ms Salome Velma Mabilane	Member appointed by Minister	01/12/2017 – 30/11/2020	Active Member	1. B Tech Degree: Cost and Management Accounting: Tshwane University of Technology 2. National Diploma: Cost and Management Accounting: Tshwane University of Technology 3. Advanced Certificate in Municipal Governance: University of Johannesburg 4. Accountant: SAIPA	Financial and Performance Management, asset management, supply chain management and municipal governance	1. Managing Director SUM Consulting Services	1. Corporate Services and Finance Committee. 2. Repositioning and International Relations Committee	2

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of Meetings/ Workshop attended out of 2 day Induction Workshop
Mr Zolani Mkiva	Member appointed by Minister	01/12/2017 – 30/11/2020	Active Member	1. BA Social Sciences: University of Western Cape 2. BA Honours: Development Studies: University of Western Cape 3. Certificate in Community and Conflict Resolution: University of Cape Town 4. Certificate: Arts and Culture Administration; UCT 5. Executive Course for Finance Managers: UCT Business School.	Social commentator, Writer, publisher, producer and director of poetry, music and films	1. Chairperson of NDCSA 2. Council Member of National Arts Council 3. Board Member of Bloemfontein Water	1. Heritage Programmes Projects and Research Committee 2. Repositioning and International Relations Committee	2
Ms Reyhana Gani CA(SA)	Member appointed by Minister	01/12/2017 – 30/11/2020	Active Member	1. B Com: University of Pretoria 2. BCom Honours: University of Pretoria 3. Certificate in the Theory of Accountancy: University of Pretoria CA CA (SA) South African Institute Of Chartered Accountants	Financial Accounting, Internal and External Auditing, Corporate Governance, Risk Management, Performance Management, Local Government and Heritage Management.	1. Chairperson of Stellenbosch Municipality Fraud Audit and Risk Committee 2. Chairperson of Cape Winelands District Municipality Audit and Risk Committee 3. Member of Berg River Municipality Audit Committee 4. Council Member of SAHRA 5. Member of West Coast District Municipality Audit and Performance Committee	1. Audit and Risk Committee	2

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of Meetings/ Workshop attended out of 2 day Induction Workshop
Adv Mathealira Mopeli	Member appointed by MEC – Free State Provincial Representative	01/12/2017 – 30/11/2020	Active Member	Bachelor of Laws: University of South Africa	Law and traditional affairs	Deputy Chairperson: House of Traditional Leaders Chairperson: Free State House of Traditional Leaders Chairperson of Free State Provincial Heritage Agency	1. Corporate Services and Finance Committee	2
Mr Kagiso Johannes Seleke	Member appointed by MEC – North West Provincial Representative	01/12/2017 – 30/11/2020	Active Member	1. Diploma in Public Administration: University of South Africa (current)	Engineering	None	1. Heritage Programmes Projects and Research Committee 2. Repositioning and International Relations Committee	2
Ms Laura Robinson	Member appointed by MEC – Western Cape Provincial Representative	01/12/2017 – 30/11/2020	Active Member	1. B Arch: University of Cape Town 2. Pr. Arch MI Arch CIA	Heritage and built industry management	1. Council Member of Centrally Improvement District 2. Dep Chairperson of Robben Island Museum 3. Council Member of National Museum Bloemfontein	1. Heritage Programmes Projects and Research Committee 2. Repositioning and International Relations Committee	2
Mr Tshoko Tshelana	Member appointed by MEC – Gauteng Provincial Representative	01/12/2017 – 30/11/2020	Active Member	1. Certificate in Development Management: School: School of Public & Development Management 2. Certificate in Arts and Culture Management: University of Witwatersrand	Writer, Research, Arts and Culture	Chairperson Gauteng Geographical Names Change Committee Chairperson of the Liberation Heritage Research Committee	1.. Heritage Programmes Projects and Research Committee	2

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of Meetings/ Workshop attended out of 2 day Induction Workshop
Mr Themba Dlamini	Member appointed by Minister – Chairperson of National Library		Active Member	1. Master of Arts in Development Economics: William College, Massachusetts, USA 2. Bachelor of Arts in Economics: Howard University, Washington DC, USA 3. Diploma in Business Administration (Accounting; Northern Virginia Community College, Virginia, USA	Business Management, Corporate Governance, Research	1. Commissioner: National Planning Commission 2. Chairman of the National Library of South Africa 3. Director: National Home Builder's Registration Council 4. Director: North West Development Corporation	1.. Corporate Services and Finance Committee 2. Heritage Programmes Projects and Research Committee	1
Mr Mogole Shylock Leshilo	Member appointed by MEC – Limpopo Provincial Representative		Active Member	1. Bookkeeping 2. Participatory Project Planning and Management 3. Local Government Finance and Budget 4. Traffic Safety Education 5. Certificate in 7 Habits of Highly Effective People	Local government, Project Management, Bookkeeping Project Management and Ethics		Social and Ethics Committee	0

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Name	Designation	Date appointed	Date resigned/ Term ended	Qualifications	Area of Expertise	Board Directorship	Other Committees (NHC Sub Committees)	No of Meetings/ Workshop attended out of 2 day Induction Workshop
Ambassador Dikgang Milo Moopeloa	Member appointed by Minister – Chairperson of IZIKO Museums		Active Member	1. Post Graduate Diploma: Security Management 2. Six Sigma Green Belt Program: Motorola University, Dubai 3. Operational Management Course I & II: SAPS 4. Management Centre Basic Police Training- National Protection Services: SAPS Training College 5. Advanced Certificate: Personnel Management: Technikon Witwatersrand	Diplomacy, Security and Operations	Chairman of Iziko Museums of SA	1. Repositioning and International Relations Committee	0

PART C: GOVERNANCE

Council Committees

In terms of its operation the Council is assisted by four committees. The committees are as follows:

- a. Heritage Programmes Projects and Research Committee** – oversees the management of heritage in relation to the advancement of matters such as the coordination, promotion, funding, conservation, transformation and development of heritage in the Republic of South Africa.
- b. Repositioning and International Relations Committee** – oversees the NHC's engagement with international bodies, organisations, experts, programmes and projects on heritage management and ensures the sustainability of the NHC and provides advice and guidance on marketing and communications.
- c. Audit and Risk Committee** – assists the Council in fulfilling its responsibilities and provides an oversight on behalf of the Council on related audit, finance, performance and risk matters. Its charter is aligned to the duties prescribed by the PFMA and Treasury Regulations;
- d. Corporate Services and Finance Committee** – responsible for the determination and recommendation for approval by Council of a sound human resources and remuneration philosophy, strategy and policies; reviews and monitors the integrity of NHC's monthly, quarterly and annual financial statements and any other formal announcements relating to the NHC's financial performance.
- e. Risk Management Committee** – Responsible for assisting the Audit and Risk Committee and the CEO in discharging their accountability for risk management by reviewing the effectiveness of the NHC's risk management systems, practices and procedures, and providing recommendations for improvement.

The Committee also compliments the work done by the Internal Audit function of the NHC.

- f. Funding and Committee** – Responsible for adjudication of proposals received from the annual public call for applications for funding of community heritage projects. The Committee also compliments resource mobilisation efforts of management and the Council.
- g. Heritage Panel** – Responsible for provision of expert advice and technical expertise on existing heritage programmes and projects, towards contributing to their development and implementation. It also provides guidance and assistance in conducting research and development of publications, including draft policy frameworks. Furthermore, the Panel reviews and conducts quality assurance of work produced, including research work and publications, regarding the development and implementation of heritage programmes and projects.

All the committees operate according to Terms of Reference approved by the Council, which set out their respective mandates.

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Committee	No. of ordinary meetings held	No. of special/teleconferencing meetings held	No. of workshops held	No. of round robin sessions held	No. of members	Names of members (01 April 2017 - 31 March 2018)
Audit and Risk Committee.	4	1	None	1	5	Independent Members Ms N Madiba (Chairperson) Mr Z Nomafu Mr Y Haffejee Council Members: Ms W Damane Ms P Kadi

Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Heritage Programmes Projects and Research Committee.	2	None	None	None	5	Mr V Bila (Chairperson) Adv S Botha Chief L Matsila Prof M Tyatyeka Dr M Tawane

Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of working sessions held	No. of members	Names of members
Repositioning and International Relations Committee.	1	None	None	None	5	Chief L Matsila (Chairperson) Ms P Kadi Mr L Pelele Prof S Bouillon Col S Majombozi (Chairperson of Funding Committee)

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Committee	No. of ordinary meetings held	No. of special meetings held	No. of workshops held	No. of task team sessions held	No. of members	Names of members
Corporate Services and Finance Committee.	3	1	3	1	7	Ms P Kadi (Chairperson) Mr L Pelele Mr V Bila Dr M Tawane Ms W Damane Mr M Makhweyane Col S Majombozi (Chairperson of Funding Committee)

Remuneration of Council Members

Name & Designation	Honoraria R'000	Travel R'000	Total R'000
Dr Malusi Marcus Balintulo.	182	74	256
Ms Wawa Damane.	139	7	146
Mr Freddy Vonani Bila.	61	11	72
Dr. Mirriam Gaokgathe Tawane.	73	1	74
Adv. Sanet Botha.	40	1	41
Mr Lentikile Bheki Pelele.	42	36	78
Chief Livhuwani Matsila.	43	53	96
Mr Mlawu Tyatyeka.	53	10	63
Ms Palesa Kadi.	89	5	94
Mr Moses Themba Makhweyane.	54	2	56
Ms Karabo Rapoo.	24	-	24
Prof Susan Bouillon.	40	3	43

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Name & Designation	Honoraria R'000	Travel R'000	Total R'000
Remuneration of Council Members (Newly appointed)			
Dr Thulani John Mbuli	61	42	103
Prof Thenjiwe Meyiwa	7	1	8
Ms Salome Mabilane	7	4	11
Mr Zolani Mkiva	12	4	16
Ms Reyhana Gani	7	-	7
Adv Mathealira Mopeli	7	-	7
Mr Kagiso Johannes Seleke	7	-	7
Ms Laura Robinson	7	-	7
Mr Tshoko Tsehlana	-	-	-
Mr Themba Dlamini	7	1	8
Ambassador Dikgang Milo Moopeloa	-	-	-
Audit and Risk Committee (ARC)			
Ms Nandi Madiba (ARC).	171	14	185
Mr Zukile Nomafu (ARC).	88	5	93
Mr Yaasir Haffejee (ARC)	64	3	67
Total	1285	277	1562

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RISK MANAGEMENT

The Council has put in place the Enterprise Risk Management Strategy that looks at minimization, prevention, increased awareness, transparent evaluation and a sound mitigation of risks facing the NHC.

The NHC manages risk in accordance with a Risk Register, approved by Council, which is updated annually. The Risk Register is based on an annual risk assessment conducted by the NHC's internal auditors. The risk register, including mitigation strategies and progress with regard to implementation, is updated quarterly and presented to Council.

A Risk Management Committee is fully functional with an Independent Chairperson who is a member of the Audit and Risk Committee.

INTERNAL CONTROL

Internal controls remained strong during the year under review and were continuously strengthened through the work of the Internal Auditors and the Audit and Risk Committee. To this end a range of financial controls and human resources policies were reviewed and approved. In addition, administrative compliance was strengthened considerably, with improved Supply Chain Management processes and capacity with the appointment of the Supply Chain Management Officer. Quarterly Reports on the Audit Outcomes Implementation Plan were prepared in consultation with the internal auditors and AGSA and presented to the Audit and Risk Committee (ARC) and Council.

INTERNAL AUDIT AND THE AUDIT AND RISK COMMITTEE

The Council has ensured that the NHC has an effective risk based and independent internal audit function, which is governed by an internal audit charter that adheres to the Standards and Code of Ethics, set out by the Institute of Internal Auditors. Amongst others the Internal Auditors evaluate the NHC's governance processes and objectively assess and report on the effectiveness of risk management.

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Profile of Audit and Risk Committee

Name	Designation (in terms of the Public Entity Board structure)	Date Appointed	Resignation Date	Qualifications	Area of Expertise	Board Directorship	Other Committee's (e.g. Audit Committee)	No. of Meetings attended out of 5 sittings
Ms N Madiba CD(SA)	External/ Independent member	01/10/2013 – 30/09/2016 Re-appointed as Chairperson of the ARC Committee 01/10/2016 – 30/09/2019	Active Member	Chartered Directorship (IoDSA) MSc Financial Management-Part 1 (Post Graduate Diploma) Hons BCompt B.Com Acc Post Graduate Certificate : Advanced Taxation Diploma: Human Resources Management	Financial and Risk Management, Governance.	None	Chairperson of Audit and Risk for HPCSA; Deputy Chairperson of Audit Committee of Eastern Cape Provincial Treasury; Chairperson of Risk Committee of Eastern Cape Provincial Treasury; Non-Executive Director of South Rand Hospital.	5
Mr Z Nomafu	External/ Independent member.	01/10/2013 – 30/09/2016. Re-appointed 01/10/2016 – 30/09/2019	Active Member	B Compt, B Compt (Hons), Chartered Accountant, M Com	Accounting and Finance	1.South African Financial Exchange (Pty) Ltd 2. New Nishati Investments (Pty) Ltd 3. The Heric Ferrochrome Tirisano Employee Share Trust	1.NHC Audit and Risk Committee Member 2. Risk Management Committee Chairperson	5
Mr Y Haffejee	External/ Independent member	01/11/2016 – 30/09/2019	Active Member	BCom Hons (Accounting) MCom Taxation CA(SA)	Accounting, External and Internal Auditing, Performance Information and Reporting	None	NHC Audit and Risk Management Committee Member	5

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COMPLIANCE WITH LAWS AND REGULATIONS

The National Heritage Council complies with pieces of legislation and regulatory imperatives applicable to it including but not limited to The National Heritage Act of 1999, PFMA, Treasury Regulations, Practice Notes, King IV Report, Labour laws, Health and Safety Laws, Procurement Prescripts, BBBEE etc.

FRAUD AND CORRUPTION

To mitigate the risk of fraud and corruption the following instruments are in place:

- i. Fraud Prevention Plan that is aimed at mitigating the risk of fraud and corruption in the Council;
- ii. Anti-Fraud and Corruption Policy;
- iii. Code of Ethics and Business Conduct; and
- iv. Risk and Fraud Implementation Plans are in place

The report on fraud and corruption is a standing item on the agenda of the quarterly Audit and Risk Committee meetings. Furthermore, the NHC participates in the DAC Hotline. During the period under review no cases were reported.

MINIMISING CONFLICT OF INTEREST

All NHC employees and Council members sign Declaration of Interest Forms in accordance with the National Heritage Council Act of 1999.

- *Bid Evaluation Committee*: at every meeting before Bids are evaluated, members are given forms to sign declaring that they have no interest in the outcome of the bid;
- *Bid Adjudication Committee*: Once the Bid Evaluation Committee has finalised, the process

goes to the *Bid Adjudication Committee* and members are also required to sign declaratory forms indicating that they have no interest in the outcome of the tender; and

- On an annual basis, declaration forms are sent to all NHC staff to declare their interests. A gift register for staff members is in place.

CODE OF CONDUCT

The Council has an approved Code of Conduct and Ethics Policy in place. The Policy is aimed at providing an understanding of the NHC's values and the principles accompanying them as set out by the Council. The Policy provides rules and guidelines that govern and support the NHC's ethical conduct and expected behavioural patterns which are embedded in the Council's core values. The Code applies to all persons or entities that have a contractual relationship with the NHC including Council members, employees, contractors, sub-contractors, service providers, consultants and temporary staff.

HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NHC has an established facility management function in terms of which health, safety and environmental issues are addressed.

COMPANY SECRETARY

The Company Secretariat function is in-house under the Office of the Chief Executive Officer and is responsible for processes that are necessary to ensure that the NHC complies with all applicable codes as well as legal and

statutory requirements and policy imperatives. The Company Secretary keeps Council members informed of their legal responsibilities, ensures the smooth running of Council activities, advises on Council procedures and adherence requirements, ensures that Council and Committee resolutions are communicated to the relevant stakeholders and implemented timeously. In addition, the Company Secretary manages the Legal Services Unit of the NHC. This entails drafting and vetting of contracts, drafting legal opinions, litigation management etc.

The Company Secretary endeavours to uphold the highest level of integrity as enshrined in the King IV Report on Corporate Governance.

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31st of March 2018. The Audit and Risk Committee consisted of five (5) members, three (3) independent non-Council members and two (2) Council members.

In terms of PFMA, section 77 (9), an audit committee must meet at least twice a year. In addition, Treasury Regulations 27 provides that an audit committee must meet at least annually with the Auditor-General. The Audit and Risk Committee met eight (8) times during the year in compliance with the PFMA and also met with the Auditor General

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that, it has complied with its responsibilities arising from section 51 (1) (a) (ii) of the PFMA and Treasury Regulation 3.1.13. The Audit and Risk Committee also reports that, it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Risk Management

The Audit and Risk Committee is satisfied that the entity has an on-ongoing risk management process focused on identifying, assessing, managing and monitoring all known forms of significant risk across all operations. This has been in place for the year under review and up to the date of approval of the Annual Financial Statements.

The Effectiveness of Internal Controls

The Audit and Risk Committee has evaluated the internal control environment and based on the information provided and assessed, the internal controls are adequate and not always effective to mitigate related risks. The Audit and Risk Committee is satisfied that there is reasonably effective monitoring over the system of internal controls in place to mitigate risks as reported by Internal Audit Reports to an acceptable level.

In line with the PFMA, the internal audit coverage plan was informed by the risk management process.

The coverage plan included the following reviews:

- a. Human Resources Management Review;
- b. Supply Chain Management Review;
- c. Risk Management Review,
- d. Performance Information Review;
- e. Finance Review;
- f. Governance Review;
- g. Heritage Projects and Programmes Review and
- h. Information Technology General Controls Review.

The Audit and Risk Committee met as often as necessary to discuss issues of concern arising from internal audit reviews.

In-Year Management and Monthly/Quarterly Report

The NHC has submitted Quarterly Reports to the Executive Authority as required by the PFMA. The Audit and Risk Committee had engagements with management to provide clarity on completeness and quality of the Quarterly Reports during quarterly meetings.

Evaluation of Financial Statements

The Audit and Risk Committee has reviewed the Annual Financial Statements and discussed matters of concern with management. The Audit and Risk Committee has also reviewed the Accounting Policies applied in the compilation of the Annual Financial Statements and is satisfied that the policies are consistent with those of prior year, have been constantly applied and are in accordance with the National Treasury guidelines.

The Audit and Risk Committee reviewed the entity's compliance with legal and regulatory provisions during the quarterly Audit and Risk Committee meetings and management has been directed to implement remedial measures where instances of non-compliance were noted.

Internal Audit

The Audit and Risk Committee is satisfied as to the effectiveness of internal audit function during the year and that the internal audit activity has addressed the risks pertinent to the NHC. The Committee approved the Internal Audit Charter and the three-year rolling strategic plan inclusive of a one-year operational audit plan.

The Internal Audit Unit reported on a quarterly basis on the progress regarding the execution of the approved annual plan and functioning of the Unit in terms of its Internal Audit Charter. During its scheduled meetings and when the need arises, the Committee holds closed meetings with the Internal Audit Unit or the Auditor General.

AUDIT AND RISK COMMITTEE REPORT

Auditor-General's Report

The Audit and Risk Committee has met and discussed with the Auditor General South Africa (AGSA) their report, to ensure that there are no unresolved issues. The Audit and Risk Committee has also reviewed the Council's implementation plan for the audit issues raised in the AGSA management report and continuous oversight will be exercised to ensure that all matters are adequately addressed.

The Audit and Risk Committee has reviewed the Council's implementation plan for audit issues raised in the previous financial year and the Audit and Risk Committee is satisfied that the matters have been adequately resolved.

The Audit and Risk Committee concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Appreciation

The Audit and Risk Committee expresses its sincere appreciation to the Executive Authority, Chief Executive Officer, AGSA, Management, and Internal Audit for their support and co-operation.

A handwritten signature in black ink, appearing to be 'N. Madiba', written over a horizontal dotted line.

Ms. N. Madiba CD (SA)
CHAIRPERSON OF THE AUDIT AND RISK
COMMITTEE
31 JULY 2018



PART D
HUMAN RESOURCE
MANAGEMENT



PART D: HUMAN RESOURCE MANAGEMENT

INTRODUCTION

Human capital is key in ensuring that the NHC is able to effectively deliver on its mandate and strategic objectives. The primary objective of the Human Resources Unit is to ensure that the NHC has the right people in the right roles. To this end, the Human Resources Unit - which is part of Corporate Services - focused on key strategic interventions aimed at enhancing organisational effectiveness. In general, the Human Resources unit renders the following services:

- Talent Acquisition and On-boarding
- Human Resource Administration
- Employee Relations
- Learning & Development
- Talent Management and Retention
- Compensation and Benefits Management
- Organisational Design and Development
- Facilities Management

To align with the strategic objectives of the NHC – including the organisational repositioning exercise, the key priorities of HR entailed the following key interventions:

- Job profiling and evaluation
- Competency management
- Skills and competency assessment
- Training and Development
- Change management
- Reward management

JOB PROFILING AND EVALUATION

Following the review of the organisation structure, role profiles were redefined to ensure alignment between

organisational and employee objectives. This process included the development of new role profiles that are in line with the redefined organisational structure. All jobs have been evaluated and this will inform the job architecture framework, career paths, reward management and the talent management framework.

COMPETENCY MANAGEMENT

A competency framework for the organisation has been adopted. The purpose of the competency framework is to highlight strategic organisational and functional competencies that will be required from current and future employees. Change management and communication on the competency framework is ongoing and critical in ensuring employee buy-in and adoption.

SKILLS AND COMPETENCY ASSESSMENT

All roles were mapped to the adopted organisational competency framework. Following this, all employees were matched to various assessment batteries normed in accordance with the levels and nature of the roles. Skills and competency assessments have been completed for all employees for specifically highlight key areas of development that the NHC needs to invest in.

TRAINING AND DEVELOPMENT OF NHC STAFF

No employee/ organisation will prosper without a sustained, proactive learning process that ensures that the NHC is positioned to meet external demands. The organisational review process was utilised as an

opportunity to expand the knowledge base of all employees. Identified training gaps of each employee assisted the employees to understand their job roles by strengthening their skills and knowledge. The new organisation requires employees to be innovative and be strategic thinkers, which in turn will make the NHC stronger.

CHANGE MANAGEMENT (EMPLOYEE ENGAGEMENT)

Several staff engagement sessions took place and are on-going. The engagement process has been focusing on:

- Employee awareness on the organisational changes underway
- Ensuring employee readiness
- Employee participation in designing the future state

The staff sessions were complemented with one-on-one feedback sessions. Change management is an on-going process and thus further engagement sessions continue to take place.

REWARD MANAGEMENT

Having completed the job evaluation exercise, all roles were benchmarked to market. The intention of the reward management exercise and framework is to ensure that employees are compensated fairly in line with market peers in their respective fields and that overall compensation costs are managed within acceptable staff costs ratios.

PART D: HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average cost per employee (R'000)
CEO's Office.	5,287	4,561	7%	3	1,520
Heritage.	19,491	2,671	5%	3	890
Corporate Services.	20,512	9,522	15%	10	952
Marketing.	3,325	1,316	2%	1	1,316
Funding.	5,368	2,534	4%	3	845
LHR.	3,373	2,192	3%	2	1,096
Company Secretariat.	6,958	2,695	4%	2	1,348
TOTAL	64,314	25,491	40%	24	1,062

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average cost per employee (R'000)
Top Management.	2,301	9%	1	2,301
Senior Management.	15,680	62%	11	1,425
Professional qualified.	1,928	8%	2	964
Skilled.	5,018	19%	7	717
Semi-skilled.	230	1%	1	230
Unskilled.	334	1%	2	167
TOTAL	25,491	100%	24	1,062

PART D: HUMAN RESOURCE MANAGEMENT

Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management.	372	25,491	1%
Senior Management.	1,186	25,491	5%
Professional qualified.	185	25,491	1%
Skilled.	468	25,491	2%
Semi-skilled.	22	25,491	-
Unskilled.	18	25,491	-
TOTAL	2,251	25,491	9%

Training Costs

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
CEO's Office.	4,561	9		1	9
Heritage.	2,671	51		4	13
Corporate Services.	9,522	149	1%	6	25
Marketing.	1,316	-		-	-
Funding.	2,534	29		2	15
LHR.	2,192	7		1	7
Company Secretariat.	2,695	-		-	-
TOTAL	25,491	245	1%	14	69

PART D: HUMAN RESOURCE MANAGEMENT

Employment and vacancies

Programme	2016/17 No. of employees	2017/18 Approved posts	2017/18 No. of employees	2017/18 Vacancies	% of vacancies
Top Management.	1	1	1	-	-
Senior Management.	12	16	11	5	31%
Professional Qualified.	2	15	2	13	87%
Skilled.	7	11	7	4	36%
Semi-Skilled.	1	6	1	5	83%
Unskilled.	2	2	2	-	-
TOTAL	25	51	24	27	53%

The number of employees includes appointments and terminations.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management.	1	-	-	1
Senior Management.	11	-	-	11
Professional qualified.	2	-	-	2
Skilled.	7	-	-	7
Semi-skilled.	1	-	-	1
Unskilled.	2	-	-	2
Total	24	-	-	24

PART D: HUMAN RESOURCE MANAGEMENT

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death.	-	-
Resignation.	-	-
Dismissal.	-	-
Retirement.	-	-
Ill health.	-	-
Expiry of contract.	-	-
Other.	-	-
Total	-	-

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning.	-
Written Warning.	-
Final Written warning.	-
Dismissal.	-

Equity Target and Employment Equity Status

LEVELS	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management.	1	1	-	-	-	-	-	-
Senior Management.	6	8	-	1	-	1	-	1
Professional qualified.	2	4	-	1	-	1	-	1

PART D: HUMAN RESOURCE MANAGEMENT

LEVELS	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Skilled.	3	5	-	-	-	1	-	1
Semi-skilled.	-	2	-	-	-	-	-	-
Unskilled.	1	1	-	-	-	-	-	-
Total	13	21	-	2	-	3	-	3

LEVELS	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management.	-	-	-	-	-	-	-	-
Senior Management.	5	4	-	1	-	1	-	1
Professional qualified.	-	2	-	1	-	1	-	1
Skilled.	3	4	-	1	-	1	1	1
Semi-skilled.	1	2	-	-	-	-	-	-
Unskilled.	1	1	-	-	-	-	-	-
TOTAL	10	13	-	3	-	3	1	3

LEVELS	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management.	-	-	-	-
Senior Management.	-	2	-	2
Professional qualified.	-	2	-	2
Skilled.	-	3	-	3
Semi-skilled.	-	-	-	-
Unskilled.	-	-	-	-
TOTAL	-	7	-	7



PART E
FINANCIAL
INFORMATION

FINANCIAL INFORMATION

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REPORT OF THE CHIEF EXECUTIVE OFFICER

I would like to express my thanks to the members of the Council and Committees for their leadership and guidance during the year, as well as to my staff for their hard work and dedication. I look forward to further great achievements from our combined efforts in the future.

FINANCIAL HIGHLIGHTS AND CHALLENGES

The National Heritage Council (NHC) is fully funded by the Department of Arts and Culture (DAC). Sufficient funding has been made available by the DAC for the MTEF period for the NHC to fulfil its core activities. However, funding remains a constraint in respect of the growing demands of the heritage sector.

It is important to ensure that entity operates economically, efficiently, and effectively. The Council (Accounting authority) has established and maintains sound governance structures and internal controls appropriate for the environment. The audit and risk committee and internal audit functions contribute to a sound control environment. The independent assurance received from the external auditors contributes to the credibility of the financial systems.

The Council (Accounting authority) evaluated the appropriateness of the going concern assumptions used in the preparation of the annual financial statements and in particular considered the matters summarized below:

- The solvency and liquidity position of the NHC as at 31 March 2018;
- The availability of sufficient funds, including a shortfall, to meet the NHC's requirements over the next 12 months; and
- The cash flow forecast for the ending 31 March 2019.

Based on the factors above, the accounting authority is satisfied that NHC has access to adequate resources and cash resources to continue operating as a going concern. The annual financial statements were therefore prepared on the basis of a going concern.

The NHC Medium Term Strategic Framework and Annual Performance Plan for the year under review is premised on ensuring that the NHC remains a going concern while still fulfilling its mandate. The NHC had no significant changes from the grant allocations since its establishment while the work and demand for support of heritage projects and programmes in the Sector has grown enormously. Despite facing considerable challenges, the NHC was able to ensure that this premise was achieved.

The going concern assumption is valid in the light of the funding from the DAC and fundraising initiatives.

As at 31 March 2018, NHC reported a surplus of R 4,2 million which includes which includes non-cash items such as depreciation and accrual for leave entitlements, and excludes prepayment and advances to heritage funded projects as required by applicable accounting standards. The accounting treatment does not represent a cash surplus.

ANNUAL PERFORMANCE

A detailed analysis of the National Heritage Councils achievement of its targets for 2017/2018 is outlined in Part A of this report

HUMAN RESOURCES

A number of new policies to govern the operations of the National Heritage Council were approved in the year and a few existing policies were updated. Further information is provided in the Human Resource Report (PART D).

SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) processes and systems were in place throughout the year under review. The audit outcome revealed no findings on SCM process.

FRAUD

During the period under review, there were no cases of fraud reported.

CONTINGENT ASSETS AND LIABILITIES

The NHC is not aware of any matter of circumstance arising the end of the reporting period.

EVENTS AFTER REPORTING DATE

There were events identified by management after the reporting date.

AUDIT MATTERS

The NHC obtained an unqualified audit outcome for the period under review. It should be noted that the NHC has been a recipient of unqualified audit outcomes since inception.

REPORT OF THE EXTERNAL AUDITORS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON NATIONAL HERITAGE COUNCIL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the National Heritage Council set out on pages 64 to 105, which comprise the statement of financial position as at 31 March 2018, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Heritage Council as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act (Act 1 of 1999).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matters

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. The supplementary information set out on pages 106 to 109 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of accounting authority for the financial statements

8. The Council, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act (Act 1 of 1999) and for such internal control as the accounting authority

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

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

programme presented in the annual performance report of the entity for the year ended 31 March 2018:

Programme	Pages in the annual performance report
Programme 2 – Heritage promotion	25 - 27

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

Programme 2 – Heritage Promotion

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the Heritage Promotion programme.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 21 - 27 for information on the achievement of

planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

19. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of Heritage promotion objective. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the National Heritage Council with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

22. The National Heritage Council accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and the selected programme presented in the annual performance report that have been specifically reported on in the auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria

31 July 2018



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the National Heritage Council's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Heritage Council's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council, which constitutes the accounting authority.
- conclude on the appropriateness of the Council's, which constitutes the accounting authority, use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Heritage Council ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a National Heritage Council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF RESPONSIBILITY for the year ended 31 March 2018

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the financial statements fairly present the state of affairs of the National Heritage Council as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the financial statements.

The Annual Financial Statements are based on Generally Accepted Accounting Practice and accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal controls established by the National Heritage Council and places considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the National Heritage Council set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the National Heritage Council and all employees are required to maintain the highest ethical standards in ensuring that the National Heritage Council's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the National Heritage Council is on identifying, assessing, managing and monitoring all forms of risk known to the National Heritage Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Accounting Authority has reviewed the National Heritage Council's cash flow forecast for the year ended 31 March 2019 and, in the light of this review and the current financial position, is satisfied that the National Heritage Council has access to adequate resources to continue in operational existence for the foreseeable future.

The National Heritage Council is mainly dependent on the Department of Arts and Culture for continued funding of operations. The financial statements are prepared on the basis that the National Heritage Council is a going concern and that the Department of Arts and Culture has neither the intention nor the need to liquidate or curtail materially the scale of the National Heritage Council.

The financial statements, which have been prepared on the going concern basis, were approved by the Accounting Authority on 28 July 2018.



ADV S. MANCOTYWA
CHIEF EXECUTIVE OFFICER



Dr TJ Mbili
CHAIRPERSON OF COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF FINANCIAL POSITION as at 31 March 2018

	NOTES	2018 R '000	2017 R '000
ASSETS			
Non-current assets			
Property, plant and equipment	2	2,120	1,517
Intangible assets	3	167	76
		31,146	28,779
Current assets			
Receivables from exchange transactions	4	254	186
Receivables from non- exchange transactions	5	2,845	21,849
Prepayments and advances	6	3,800	4,436
Cash and cash equivalents	7	24,247	2,308
		33,433	30,372
LIABILITIES			
Non-current liabilities			
Finance lease obligation	10	306	-
		28,772	30,308
Current liabilities			
Payables from exchange transactions	8	3,838	5,445
Deferred income/unspent conditional grants/transfers and receipts	9	21,165	21,165
Finance lease obligation	10	144	89
Leave Accrual	11	833	979
Performance Bonuses	12	2,792	2,630
		29,078	30,308
TOTAL NET ASSETS			
Accumulated Surplus		4,355	64
NET ASSETS		4,355	64

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018

	NOTES	2018 R '000	2017 R '000
REVENUE		68,264	63,929
Non-exchange revenue		67,654	63,007
Government grant/Transfer - Department Arts and Culture	13	64,653	61,574
Amortised Government/Transfers/ Partnerships - Other	14	3,001	1,433
Exchange revenue		610	922
Other income	15	5	361
Interest received	16	605	561
		(63,973)	(63,650)
TOTAL EXPENSES			
Operating expenses	17	(19,758)	(17,234)
Administrative expenses	18	(15,985)	(17,706)
Employee related costs	19	(25,490)	(25,820)
Operating lease expenses	20	(2,153)	(2,153)
Debt written off		-	(3)
Finance costs	21	(7)	(35)
Depreciation	22	(498)	(653)
Amortisation	23	(82)	(46)
		4,291	279
SURPLUS FOR THE PERIOD			
SURPLUS FOR THE PERIOD			
Attributable to:			
Owners of the controlling entity		4,291	279
		4,291	279

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2018

Balance at 1 April 2016

Surplus for the period

Balance at 31 March 2017

Surplus for the period

Balance at 31 March 2018

Accumulated Surplus/(Deficit) R '000	Total net Assets R '000
(215)	(215)
279	279
64	64
4,291	4,291
4,355	4,355

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

CASH FLOW STATEMENT for the year ended 31 March 2018

	NOTES	2018 R '000	2017 R '000
CASH FLOW FROM OPERATING ACTIVITIES			
CASH RECEIPTS		91,479	62,952
Government Grant/Transfer – Department of Arts and Culture	13	64,653	61,574
Other Receipts		5	11
Conditional Grants/Transfers/ Partnerships		26,302	962
Interest Received		519	405
CASH PAID TO SUPPLIERS AND EMPLOYEES		(68,617)	(60,822)
Employee Related Costs		(25,450)	(25,384)
Suppliers		(43,161)	(35,403)
Interest Paid		(6)	(35)
NET CASH FLOW FROM OPERATING ACTIVITIES	25	22,862	2,130
CASH FLOW FROM INVESTING ACTIVITIES		(807)	(902)
Acquisition of Property, plant and equipment	2	(633)	(865)
Acquisition of Intangible assets	3	(174)	(67)
Proceeds on disposal of Property, plant and equipment		-	30
CASH FLOW FROM FINANCING ACTIVITIES		(116)	(449)
Payment for finance lease		(116)	(449)
NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS		21,939	779
Cash and Cash Equivalents at the beginning of the period		2,308	1,529
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	24,247	2,308

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS for the year ended 31 March 2018

	Approved Budget R '000	Adjustments R '000	Final Budget R '000	Actual R '000	Variance R '000
REVENUE					
Non-exchange revenue	65,213	3,148	68,361	68,264	(97)
Government grant/Transfer - Department Arts and Culture	64,653	-	64,653	64,653	-
Amortised Government/Transfers/ Partnerships - Other	-	3,086	3,086	3,001	(85)
Other income	-	10	10	5	(5)
Interest received	560	52	612	605	(7)
TOTAL EXPENSES (Excluding CAPEX)	64,613	3,140	67,753	63,973	(3,780)
Operating expenses	17,270	4,127	21,397	19,758	(1,639)
Administrative expenses	16,843	(927)	15,916	15,985	69
Employee related costs	28,264	26	28,290	25,490	(2,800)
Operating lease expenses	2,236	(86)	2,150	2,153	3
Debt written off	-	-	-	-	-
Finance costs	-	-	-	7	7
Depreciation	-	-	-	498	498
Amortisation	-	-	-	82	82
SURPLUS FOR THE PERIOD	600	8	608	4,291	(3,683)
Capital Expenditure	600	8	608	633	25

See Note 36 for significant budget variance explanations;
 Operating Expenses - 36(a) and
 Employee Related Costs - 36(b).

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the prescribed Standards of Generally Recognised Accounting Practice (GRAP), and the provisions of the Public Finance Management Act (Act 1 of 1999), as amended, as well as other applicable legislation, including any interpretations of such Statements issued by the Accounting Practices Board. The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant notes.

The cash flow statement can only be prepared in accordance with the direct method. Accounting policy developments include new standards issued, amendments to standards, and interpretation issued on new standards. These developments resulted in the first time adoption of new standards, the restatement of prior year where applicable. Management assessed the impact of all new standards issued, amendments to standards, and interpretations issued on current standards.

Effect of new Standards of GRAP issued

At the date of approval of these financial statements, the following standards were issued but not yet effective. These approved standards of GRAP are not likely to affect Annual Financial Statements when they are adopted since accounting policies have been determined based on the principles in these standards:

Standards

GRAP 20: Related Parties Disclosures
GRAP 32: Service Concession Arrangements: Grantor
GRAP 34: Separate Financial Statements
GRAP 35: Consolidated Financial Statements
GRAP 36: Investment in Associates and Joint Arrangements
GRAP 37: Joint Arrangements
GRAP 38: Disclosure of Interests in Other Entities
GRAP 108: Statutory Receivables
GRAP 109: Accounting by Principals and Agents
GRAP 110: Living and Non-living Resources

1.1 Basis of Preparation

The financial statements have been prepared on the historical cost basis, except where stated otherwise. These financial statements are presented in South African Rands. The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies used by the Council which are consistent with those of the previous year.

1.2 Property, Plant and Equipment

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

- It is probable that future economic benefits associated with the item will flow to the Council; and
- The cost of the item can be measured reliably.

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

Property, plant and equipment that qualifies as for recognition as an asset shall be measured at its cost.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses. The depreciable amounts of property, plant and equipment are allocated on systematic basis over their useful lives. The estimated useful lives are currently as follows:

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1.2 Property, Plant and Equipment (cont....)

<u>Item</u>	<u>Average Useful life</u>
Computer equipment	3 - 15 years
Office equipment	5 - 24 years
Motor vehicles	5 - 7 years
Furniture and Fittings	6 - 24 years
Leasehold Improvements	Remainder of lease period
Leased Assets	3 years (33%)/ Lease term

Leasehold improvements and leased assets are depreciated over the period of the building lease agreement and lease term respectively. For all other categories, depreciation is provided on a straight-line basis over their useful life. Depreciation rates and residual values are considered annually and adjusted if appropriate.

The residual value and the useful life of each asset are reviewed at each financial period-end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceed, if any, and the carrying amount of the item.

1.3 Intangible Assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- There is an intention to complete and use or sell it;
- There is an ability to use or sell it;
- It will generate probable future economic benefits;
- There are available technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets, amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1.3 Intangible Assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets on a straight-line basis, to their residual values. The estimated useful life of intangible assets is currently as follows:

<u>Item</u>	<u>Average useful life</u>
Computer software	2 - 11 years

1.4 Financial Instruments

Initial Recognition and Measurement

Financial instruments are recognised initially when the National Heritage Council becomes a party to the contractual provisions of the instruments.

The National Heritage Council classifies financial instruments, or their component parts, on initial recognition as a financial asset or financial liability in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. Financial assets and financial liabilities have not been offset in the Statement of Financial Position.

Trade and Other Receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost which, due to their short-term nature, closely approximates their fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables. Other receivables consist of prepaid expenses and deposits relating to the provision of electricity and the leasing of premises. These receivables are stated at cost.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Trade and Other Payables

Trade and other payables are stated at fair value. Items classified within trade and other payables are not usually re-measured, as obligations are usually known with a high degree of certainty and its settlement is short term.

1.5 Tax

Tax Expenses

The National Heritage Council is exempt from taxation in terms of Section 10 (1) (cA) (i) of the Income Tax Act.

1.6 Leases

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

Operating Leases

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1.6 Leases (cont....)

Finance Leases

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.7 Impairment of assets

The National Heritage Council assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the National Heritage Council estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the National Heritage Council also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at year end and at the same time every period.

If there is an indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

1.8 Employee benefits

Short term benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and bonus), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Pension contributions are provided for employees by means of a defined contribution provident fund externally administered by Liberty Life. The defined contribution provident fund is governed by the Pension Funds Act, 1956. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Accruals

Accruals are recognised when:

- The National Heritage Council has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of accruals is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required in settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1.9 Accruals (cont....)

The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the accruals. Accruals are not recognised for future operating deficits.

1.10 Revenue from Non-Exchange Transactions

Transfers and subsidies are recognised when there is reasonable assurance that:

- The National Heritage Council will comply with the conditions attaching to them; and
- The transfers and subsidies will be received.

Transfers and subsidies to which conditions are attached are recognised as revenue in the Statement of Financial Performance to the extent that the entity has complied with any criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions and obligations have not been met, a liability is raised in the Statement of Financial Position.

Unconditional transfers and subsidies are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable. All transfers and subsidies are recognised at fair value.

1.11 Revenue

Revenue comprises the fair value of considerations received or receivable in the ordinary course of the Council's business.

Revenue is also recognised as follows:

- Transfers and subsidies as stated in accounting policy 1.10
- Interest income is recognised in the statement of financial performance on a time proportionate basis using the effective interest rate method.

1.12 Comparative figures

Where necessary, comparative figures have been restated to conform to changes in presentation in the current year.

The comparative figures shown in these financial statements are limited to the figures shown in the previous years audited financial statements and such other comparative figures that the National Heritage Council may reasonably have available for reporting in terms of the Public Finance Management Act (PFMA).

1.13 Fruitless and wasteful expenditure

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

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

1.14 Irregular expenditure

Irregular expenditure as defined in Section 1 of the Public Finance Management Act (PFMA) is expenditure other than unauthorised expenditure, incurred in contravention of or is not in accordance with a requirement of any applicable legislation.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year - end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1.14 Irregular expenditure (continued)

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which has not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as bad debt and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.15 Research and development expenditure

Research costs are charged against operating surplus as incurred.

Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:

- The product or process is clearly defined and the costs attributable to the process or product can be separately identified and measured reliably;
- The technical feasibility of the product or process can be demonstrated;
- The existence of a market or, if to be used internally rather than sold, its usefulness to the entity can be demonstrated;
- Adequate resources exist, or their availability can be demonstrated, to complete the project and then market or use the product or process; and
- The asset must be separately identifiable.

Where development costs are deferred, they are written off on a straight-line basis over the life of the

process or product, subject to a maximum of five years. The amortisation begins from the commencement of the commercial production of the product or use of the process to which they relate.

1.16 Judgments made by Management

In preparing the financial statements, management is required to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses, and related disclosures. Historical experience and various other factors believed to be reasonable under the circumstances are used in these instances. Actual results in the future could differ from these estimates. Significant judgment has been exercised in determining the following:

Fair value estimation

The amortised cost (using the effective interest method); less impairment provision of trade receivables and payables are assumed to approximate their fair values. The present value of future cash flows (using the effective interest method), is assumed to approximate the fair value of revenue and purchase transactions.

Impairment testing

The entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions are based on estimates using the information available to management at reporting date.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

ACCOUNTING POLICIES

1.17 Services received in kind

Services received in kind consist primarily of technical assistance received by the National Heritage Council and project group members. The National Heritage Council cannot reliably determine a fair value for this assistance, and as a result does not recognise the value of these services received in the Statement of Financial Performance.

1.18 Related Parties

The Council operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the constitutional independence of all three spheres of government in South Africa, only national sphere of government will be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer, Chief Financial Officer, General Manager, Company Secretary and the Executive Manager are the only positions regarded as being at key management level.

Close family members of key management are considered to be those family members who may be expected to influence, or be influenced by key management individuals or other parties related to the entity.

Related party transactions do not require disclosure if the transactions occurred in a normal supplier/client relationship with more or less favourable conditions and which occurred with normal operating parameters established by that reporting entity's legal mandate.

1.19 Finance Income

Finance income comprises interest receivable on positive bank balances and funds invested. Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.20 Material Losses

Material losses are losses incurred that do not comprise normal expenditure or income due to the Council and not recovered.

1.21 Contingent Liabilities

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

1.22 Budget Information

The National Heritage Council is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by National Heritage Council shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

2. PROPERTY, PLANT AND EQUIPMENT

2018

	Leasehold Improvements	Furniture and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Leased Assets	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Opening Balances							
Cost	443	1,589	244	549	1,322	1,494	5,641
Accumulated depreciation	(368)	(1,223)	(224)	(299)	(571)	(1,439)	(4,124)
Carrying amount	75	366	20	250	751	55	1,517
Movements during the year							
Additions	40	-	-	93	509	476	1,118
Derecognition/Disposal	-	-	-	(17)	-	-	(17)
Depreciation	(55)	(38)	(16)	(51)	(257)	(81)	(498)
Closing balances							
Cost	483	1,589	244	625	1,831	476	5,248
Accumulated depreciation	(423)	(1,261)	(240)	(350)	(828)	(26)	(3,128)
Carrying amount	60	328	4	275	1,003	450	2,120

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

2. PROPERTY, PLANT AND EQUIPMENT (continued)

2017

	Leasehold Improvements	Furniture and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Leased Assets	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Opening Balances							
Cost	361	1,439	244	386	613	1,494	4,537
Accumulated depreciation	(327)	(1,119)	(204)	(252)	(444)	(1,140)	(3,486)
Carrying amount	34	320	40	134	169	354	1,051
Movements during the year							
Additions	82	150	-	163	731	-	1,126
Derecognition/Disposal	-	-	-	-	(7)	-	(7)
Depreciation	(41)	(104)	(20)	(47)	(142)	(299)	(653)
Closing balances							
Cost	443	1,589	244	549	1,322	1,494	5,641
Accumulated depreciation	(368)	(1,223)	(224)	(299)	(571)	(1,439)	(4,124)
Carrying amount	75	366	20	250	751	55	1,517

A register containing the information required by section 55 of the Public Finance Management Act (PFMA) is available for inspection at the registered office of the National Heritage Council. The register reconciles to Note 2.

Pledge as security

None of the Property, Plant and Equipment has been pledged as security for any liabilities.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

3. INTANGIBLE ASSETS - 2018

Opening Balance (Cost)
Opening balance (Accumulated Amortisation)

Carrying Amount (Opening Balances)

Additions
Disposals
Amortisation (During the year)

Carry Amount (Closing Balances)

Cost
Accumulated Amortisation

R '000	R '000
Computer Software	Total
368	368
(292)	(292)
76	76
173	173
-	-
(82)	(82)
167	167
541	541
(374)	(374)

INTANGIBLE ASSETS - 2017

Opening Balance (Cost)
Opening balance (Accumulated Amortisation)

Carrying Amount (Opening Balances)

Additions
Disposals
Amortisation (During the year)

Carry Amount (Closing Balances)

Cost
Accumulated Amortisation

437	437
(373)	(373)
64	64
67	67
(9)	(9)
(46)	(46)
76	76
368	368
(292)	(292)

A register containing the information required by section 55 of the Public Finance Management Act (PFMA) is available for inspection at the registered office of the National Heritage Council. The register reconciles to Note 3.

Pledge as security

None of the Intangible assets have been pledged as security for any liabilities.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Sundry Debtors
Staff Debtors
Interest receivable

Financial assets

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Conditional Grant/Transfer Receivable

Financial assets

6. PREPAYMENTS AND ADVANCES

Deposit for rent
Prepayments and advances

Financial assets

7. CASH AND CASH EQUIVALENTS

Cash on hand
Cash at bank
Funds held on call deposit

Financial assets

	R '000 2018	R '000 2017
	142	141
	7	26
	105	19
	254	186
	2,845	21,849
	2,845	21,849
	244	244
	3,556	4,192
	3,800	4,436
	5	5
	24,236	2,290
	6	13
	24,247	2,308

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

8. PAYABLES FROM EXCHANGE TRANSACTIONS

Financial liabilities

Trade payables

Salary related payables

Other Payables

Operating lease payables

Financial liabilities

The operating lease is straight lined.

See Note 27 on Financial Instruments on how risk is managed in relation to the financial assets listed above

R '000	R '000
2018	2017
3,838	5,362
3,056	4,603
782	759
-	83
-	83
3,838	5,445

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

9. DEFERRED INCOME/UNSPENT CONDITIONAL GRANTS/TRANSFERS

Balance at the beginning of the year

Conditional Grants/Transfers - Eastern Cape (Office of the Premier)	
Conditional Grants/Transfers - National Lotteries Commission	
Conditional Grant/Transfers - Department of Arts and Culture Receivables	

Movement during the year - Receipts

Conditional Grants/Transfers - Eastern Cape (Office of the Premier)	
Conditional Grants/Transfers - National Lotteries Commission	

Movement during the year - Recognised

Conditional Grants/Transfers - Eastern Cape (Office of the Premier)	
Conditional Grants/Transfers - National Lotteries Commission Adjustment	
Conditional Grant/Transfers - Department of Arts and Culture Receivables	

Balance at year end

Conditional Grants/Transfers - Eastern Cape (Office of the Premier)	
Conditional Grant/Transfers - Department of Arts and Culture Receivables	
Conditional Grants/Transfers - National Lotteries Commission	

2018	2017
R '000	R '000
21,165	268
-	251
15	17
21,150	-
-	-
-	-
-	20,897
-	(251)
-	(2)
-	21,150
21,165	21,165
-	-
21,150	21,150
15	15

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

10. FINANCE LEASE OBLIGATION

Minimum Lease payments due

- Within one year
- In second to fifth year inclusive

Less: Future finance charges

Present value of future minimum lease payments

Present value of minimum lease payments due

- Within one year
- In second to fifth year inclusive

Current portion of finance lease obligation

Long-term portion of finance lease obligation

	2018 R '000	2017 R '000
	183	90
	336	-
	519	90
	(69)	(1)
	450	89
	144	89
	306	-
	450	89
	144	89
	306	-
	450	89

It is National Heritage Council policy to lease certain equipment under finance leases:

Entered into a rental operational agreement with Kopano Solutions t/a Nashua Kopano for five (5) photocopier machines effective from 1 February 2018. The contract is for a period of 3 years (36 months) at R 183,625 per annum. The lease is accounted for as a finance lease since the lease term is for the major part of the economic life of the assets, even though the title to the asset may not be transferred on expiry of the lease term.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

11. LEAVE ACCRUAL

Opening balances

Leave accrual

Additions

Leave accrual

Utilised

Leave accrual

Reversed

Leave accrual

Closing balances

Leave accrual

	2018 R '000	2017 R '000
Opening balances	979	724
Leave accrual	979	724
Additions	833	979
Leave accrual	833	979
Utilised	-	(186)
Leave accrual	-	(186)
Reversed	(979)	(538)
Leave accrual	(979)	(538)
Closing balances	833	979
Leave accrual	833	979
	833	979

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

12. PERFORMANCE BONUSES

Opening balances

Performance Bonuses

Additions

Performance Bonuses

Utilised

Performance Bonuses

Reversed

Performance Bonuses

Closing balances

Performance Bonuses

	2018	2017
	R '000	R '000
	2,630	2,744
	2,630	2,744
	2,792	2,630
	2,792	2,630
	(2,292)	(2,744)
	(2,292)	(2,744)
	(338)	-
	(338)	-
	2,792	2,630
	2,792	2,630
	2,792	2,630

Performance bonus are payable on or around September, the payment is subject to the 2017/18 audit outcome and also on how employees will perform against their performance targets. As at 31 March 2018 there was no certainty on the two prerequisites therefore a provision based on actual performance bonus paid in April 2017 with an overall rating of (3.9) plus cost-of-living adjustment.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

13. GOVERNMENT GRANT/TRANSFER

Grant/Transfer received – Department of Arts and Culture

2018	2017
R '000	R '000
64,653	61,574
64,653	61,574

14. AMORTISED GOVERNMENT/TRANSFERS/PARTNERSHIPS AMORTISED GRANT/TRANSFER/PARTNERSHIPS - OTHER

Eastern Cape (Office of the Premier)

Sol Plaatje Municipality

Northern Cape Dept. of Sports, Arts & Culture

National Arts Council

SA Tourism

-	471
1,000	500
500	300
162	162
1,339	-
3,001	1,433

15. OTHER INCOME

Sundry Income

Derecognised Trade and other payable from Exchange

5	11
-	350
5	361

The National Heritage Council received sundry income from the sale of bid tender documents.

16. INTEREST RECEIVED

Interest revenue

605	561
------------	------------

Interest revenue comprises of interest received on positive bank balances and funds invested on one-day call account. Interest revenue is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

17. OPERATING EXPENSES

Legal fees
Heritage projects and programmes
Staff training and development
Maintenance, repairs and running costs

	2018	2017
	R '000	R '000
	836	3,934
	18,432	12,626
	340	526
	150	148
	19,758	17,234

18. ADMINISTRATIVE EXPENSES

General and Administrative expenses
Loss on disposal of assets
Travel and Accommodation

	12,976	14,872
	7	54
	3,002	2,780
	15,985	17,706

19. EMPLOYEE RELATED COSTS

Basic salaries
Acting Allowance
Overtime
Employees contributions - Provident Fund
Employees contributions - UIF
Leave and bonus
Council contributions - Provident Fund
Council contributions - UIF
Council contributions - SDL
Council contributions - Medical Aid

	18,118	17,886
	891	807
	45	33
	1,600	1,581
	47	48
	2,331	3,124
	1,600	1,581
	47	48
	229	226
	582	486
	25,490	25,820

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

20. OPERATING LEASE EXPENSES

Office space
Parking

21. FINANCE COSTS

Interest Paid (Other)
Interest paid on leased assets

22. DEPRECIATION

Motor vehicles
IT equipment
Office equipment
Furniture and fittings
Leasehold improvement
Leased assets - office equipment

23. AMORTISATION

Computer software

	2018	2017
	R '000	R '000
	1,918	1,918
	235	235
	2,153	2,153
	1	1
	6	34
	7	35
	16	20
	257	142
	51	47
	38	104
	55	41
	81	299
	498	653
	82	46

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

24. OPERATING LEASES

Lease commitments (operating leases)

Up to one year

Later than one year and not later than 5 years

The National Heritage Council renewed a rental agreement with the Delta Property Fund, effective 1 April 2018.

The lease contract is for 12 months at a cost of R 2,435,517.

2018	2017
R '000	R '000
2,435	2,236
-	-
2,435	2,236

25. CASH GENERATED FROM OR (USED IN) OPERATIONS

Surplus for the year

Adjustments for:

Depreciation - Property, plant and equipment

Amortisation - intangible assets

Movement in leave and bonuses pay

(Gain) or loss of derecognition of Property, plant and equipment

Other non-cash

Irrecoverable debt

Changes in working capital:

Trade and other receivables

Prepayments and advances

Trade and other payables

Deferred income/Unspent conditional grants/transfers

4,291	279
604	637
498	653
82	46
16	141
8	54
-	(260)
-	3
17,967	1,214
18,937	(21,302)
635	(1,020)
(1,605)	2,639
-	20,897
22,862	2,130

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

26. RELATED PARTIES

Related party transactions (Receipts)

Grant/Transfer – Recurring expenditure - Department of Arts and Culture
 Receivable from non-exchange – Department of Arts and Culture
 Partnership - National Arts Council

	2018 R '000	2017 R '000
	64,653	61,574
	-	21,150
	162	162
	64,815	82,886

Related party transactions (Payments)

None

Nature:

The National Heritage Council is a schedule 3A public entity under the National Department of Arts and Culture. The Department of Arts and Culture acts on behalf of the Minister of Arts and Culture as Executive Authority and has the responsibility to make provision for funding the activities of the Council by way of a grant or transfer listed in the Estimates of National Expenditure. The National Heritage Council received R 64,653,000 as operational grant.

By virtue of the fact that the National Heritage Council is a national public entity and controlled by the national government, any other controlled entity of the national government is a related party. All transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in our processes and do not receive any remuneration. The National Department of Arts and Culture is the related party of the National Heritage Council.

The National Heritage Council received from R 162,000 National Arts Council for a partnership Programme (Heritage Education Schools Outreach). By virtue of the fact that the National Heritage Council is a National Public Entity and controlled by the National Government, any other controlled entity of the National Government is a related party. All transactions with such entities and/or government departments are at arm's length and on normal commercial terms, except where employees of National Departments or National Public Entities participate in our processes and do not receive any remuneration.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

26. RELATED PARTIES (continued)

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer, Chief Financial Officer, General Manager, Company Secretary and the Executive Manager are the positions regarded as being at key management level at the National Heritage Council.

Refer to key management disclosure. (See note 28 and 29)

27. FINANCIAL INSTRUMENTS

Liquidity risk

The National Heritage Council is only exposed to liquidity risk with regards to the payment of its trade payables. These trade payables are all due within the short-term. The National Heritage Council manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in a money market account.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The National Heritage Council only deposits cash with major banks with high quality credit standing and limits exposure to any other counter-party.

Interest rate risk

This is a risk that fair value or future cash flows from financial instrument will fluctuate as a result of changes in the market interest rates. Values in the financial instruments may change, thus resulting in both potential gains and losses. The National Heritage Council's activities do not expose it to significant market interest rate risks. Therefore, there are no procedures in place to mitigate these risks.

Current and Call Account Interest Rate

- A one percentage point increase/decrease in current account interest rate.
- A one percentage point increase/ decrease in call account interest rate.
- A one percentage point increase/ decrease in Finance Lease Agreement interest rate.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

27. FINANCIAL INSTRUMENTS (continued)

2018			
Current & call account interest rate.			
Current Balance			
	R'000	R'000	R'000
Current bank and call account Balance	24,247	25,581	22,913
% change	5.5%		-5.5%
Finance lease agreement interest			
Current Balance			
Finance Lease Agreement	144	159	129
% change	10.5%		-10.5%
2017			
Current & call account interest rate.			
Current Balance			
	R'000	R'000	R'000
Current bank and call account Balance	2,308	2,435	2,181
% change	5.5%		-5.5%
Finance lease agreement interest			
Current Balance			
Finance Lease Agreement	89	98	80
% change	10.5%		-10.5%

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

27. FINANCIAL INSTRUMENTS (continued)

An analysis of the ageing of Debtors that are more than 30 days

Debtors type	Total	Current	30-120	120+
2018				
	R'000	R'000	R'000	R'000
Staff Debtors	7	4	3	-
Sundry Debtors	142	-	-	142
Interest Receivable	105	105	-	-
Eastern Cape (Office of the Premier)	733	514	-	219
National Lotteries	480	-	-	480
Department of Arts and Culture	1,535	1	1,534	-
Health, Mining & Safety	97	25	72	-
Totals	3,099	649	1,609	841

An analysis of the ageing of Debtors that are more than 30 days

Debtors type	Total	Current	30-120	120+
2017				
	R'000	R'000	R'000	R'000
Staff Debtors	26	24	2	-
Sundry Debtors	141	-	-	141
Interest Receivable	19	19	-	-
Eastern Cape (Office of the Premier)	219	54	165	-
National Lotteries	480	-	-	480
Department of Arts and Culture	21,150	21,150	-	-
Totals	22,035	21,247	167	621

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

27. FINANCIAL INSTRUMENTS (continued)				
3) Financial Assets Subject to credit risk				
Debtors type	Total	Fully Performing	Over 30 days but not Impaired	Impaired
2018				
	R'000	R'000	R'000	R'000
Staff Debtors	7	4	3	-
Other Debtors	142	-	142	-
Interest Receivable	105	105	-	-
Eastern Cape (Office of the Premier)	733	514	219	-
National Lotteries	480	-	480	-
Department of Arts and Culture	1,535	1	1,534	-
Health, Mining & Safety	97	25	72	-
Totals	3,099	649	2,450	-
2017				
	R'000	R'000	R'000	R'000
Staff Debtors	26	24	2	-
Other Debtors	141	-	141	-
Interest Receivable	19	19	-	-
Eastern Cape (Office of the Premier)	219	54	165	-
National Lotteries	480	-	480	-
Department of Arts and Culture	21,150	21,150	-	-
Totals	22,035	21,247	788	-

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

27. FINANCIAL INSTRUMENTS (continued)

Maturity Profile of Financial Instruments			
31-Mar-18	1 year or less	1-5 years	Total
Assets			
	R'000	R'000	R'000
Trade and other Receivables	3,099	-	3,099
Prepayments & Advances	-	-	-
Call Account	6	-	6
Current Account- Lotteries Funds	166	-	166
Current Account – Dept. of Arts and Culture	1,781	-	1,781
Current Account – Dept. of Arts and Culture – Ring fenced	22,169	-	22,169
Current Account – Eastern Cape (Office of the Premier)	1	-	1
Partnerships – Current Account	119	-	119
Cash on hand	5	-	5
Total Financial assets	27,346	-	27,346
Liabilities			
Finance lease	(144)	(306)	(450)
Trade and other Payables	(3,838)	-	(3,838)
Total Finance Liability	(3,982)	(306)	(4,288)
Net Financial Asset/ liability	23,364	(306)	23,058

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

27. FINANCIAL INSTRUMENTS (continued)

31-Mar-17	1 year or less	1-5 years	Total
Assets			
	R'000	R'000	R'000
Trade and other Receivables	22,035	-	22,035
Prepayments & Advances	2,065		2,065
Cash			
Call Account	13	-	13
Current Account- Lotteries Funds	1,103	-	1,103
Current Account – Dept. of Arts and Culture	195	-	195
Current Account – Eastern Cape (Office of the Premier)	1	-	1
Partnerships – Current Account	991	-	991
Cash on hand	5	-	5
Total Financial assets	26,408	-	26,408
Liabilities			
Finance lease	(89)	-	(89)
Trade and other Payables	(5,445)	-	(5,445)
Total Finance Liability	(5,534)	-	(5,534)
Net Financial Asset/ liability	20,874	-	20,874

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

27. FINANCIAL INSTRUMENTS (Continued)

5) Line items presented in the statement of financial position summarised per category of Financial Instrument

2018

Carrying Amount	Adjustment	Fair value
Financial Assets		
	R'000	R'000
Cash and Cash equivalents	24,247	-
Prepayments & Advances	-	-
Trade and other receivables	3,099	-
Financial Liability		
Finance lease Agreement	450	-
Trade and other Payables	3,838	-

Line items presented in the statement of financial position summarised per category of Financial Instrument

2017

Carrying Amount	Adjustment	Fair value
Financial Assets		
	R'000	R'000
Cash and Cash equivalents	2,308	-
Prepayments & Advances	2,065	-
Trade and other receivables	22,035	-
Financial Liability		
Finance lease Agreement	89	-
Trade and other Payables	5,445	-

Pledge as security

None of the Financial Assets have been pledged as security for any liabilities.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

28. MEMBERS EMOLUMENTS - NON-EXECUTIVE 2018

Names and Designations	Honoraria R'000	Travel R'000	Total R'000
Dr M Balintulo (Chairperson)##	182	74	256
Dr T Mbuli (Chairperson)	61	42	103
Ms A Damane (Deputy Chairperson)##	139	7	146
Prof T Meyiwa(Deputy Chairperson)	7	1	8
Dr M Tawane##	73	1	74
Mr V. Bila##	61	11	72
Adv. S. Botha##	40	1	41
Mr B. Pelele##	42	36	78
Chief L. Matsila	43	53	96
Dr M. Tyatyeka	53	10	63
Ms P. Kadi##	89	5	94
Mr M. Makhweyane	54	2	56
Prof S. Bouillon	40	3	43
Ms K Rapoo	24	-	24
Ms L Robinson	7	-	7
Mrs S Mabilane	7	4	11
Adv M Mopeli	7	-	7
Mr K Seleke	7	-	7
Mr Z Mkiva	12	4	16

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

28. MEMBERS EMOLUMENTS - NON-EXECUTIVE 2018 (continued)

Names and Designations	Honoraria R'000	Travel R'000	Total R'000
Mr T Dlamini	7	1	8
Ms R Gani	7	-	7
Ambassador D Moopeloa	-	-	-
Ms K. Modise	-	-	-
Mr T Tsehlana	-	-	-
Mr S Leshilo	-	-	-
Ms N. Madiba (Chairperson Audit and Risk Committee) *	171	14	185
Mr Z. Nomafu**	88	5	93
Mr Y Haffejee*	64	3	67
	1,285	277	1,562

*Independent Audit and Risk Committee member

** Independent Audit Committee member and Chairperson of Risk Management Committee

Resigned

##Lapsed

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

28. MEMBERS EMOLUMENTS - NON-EXECUTIVE (continued)

2017			
Names and Designations	Honoraria R'000	Travel R'000	Total R'000
Dr M Balintulo (Chairperson)	187	60	247
Ms A Damane (Deputy Chairperson)	143	4	147
Dr GM Tawane	95	-	95
Mr F. Makhanya##	2	1	3
Mr V. Bila	67	12	79
Adv. A. Botha	25	1	26
Mr B. Pelele	76	66	142
Chief L. Matsila	51	50	101
Dr M. Tyatyeka	56	10	66
Ms P. Kadi	106	6	112
Mr M. Makhweyane	79	10	89
Prof S. Bouillon	14	1	15
Mr. J Sithole#	62	4	66
Mr Z. Fihlani (Former Chairperson Audit and Risk Committee) *##	71	3	74
Ms N. Madiba (Chairperson Audit and Risk Committee) **	221	51	272
Mr Z. Nomafu*	64	4	68
Mr Y Haffejee*	25	1	26
	1,344	284	1,628

*Independent Audit and Risk Committee member

** Independent Audit Committee member and Chairperson of Risk Management Committee

Resigned

##Lapsed

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

29. MEMBERS EMOLUMENTS (EXECUTIVE)

2018

Designation	Effective Date	Basic Salary R'000	Acting Allowance	Travel Allowance R'000	Medical R'000	Performance Bonuses R'000	Provident Fund R'000	Long Service Award	Total R'000
Chief Executive Officer	1-April-16	1,444	-	150	51	373	281	-	2,299
General Manager: Heritage #	-	-	355	-	-	-	-	-	355
Chief Financial Officer	1-April-16	1,174	-	-	24	240	207	-	1,645
Executive Manager	1-April-16	1,037	-	151	30	139	210	5	1,572
Company Secretary	1-April-16	1,419	-	-	38	171	251	-	1,879
		5,074	355	301	143	923	949	5	7,750

Vacant – Received Acting Allowance

2017

Designation	Effective Date	Basic Salary R'000	Acting Allowance	Travel Allowance R'000	Medical R'000	Performance Bonuses R'000	Provident Fund R'000	Total R'000
Chief Executive Officer	1-April-16	1,351	-	150	49	441	265	2,256
General Manager: Heritage #	1-April-16	542	-	62	-	191	82	877
Chief Financial Officer	1-April-16	1,106	-	-	22	189	195	1,512
Executive Manager	1-April-16	967	-	151	29	191	197	1,535
Company Secretary	1-April-16	886	111	-	36	166	156	1,355
Acting General Manager	1-Sept-16	-	196	-	-	-	-	196
		4,852	307	363	136	1,178	895	7,731

- Resigned

#* - Received Acting Allowance

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

30. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

30.1 Details of Irregular Expenditure

Opening Balance
 Add: Irregular Expenditure current year
 Less: Irregular Expenditure condoned/ recovered

	2018 R`000	2017 R`000
	-	326
	341	1,264
	(341)	(1,590)
	-	-
	341	1,590
	-	25,667
	341	27,257
	-	-
	-	-
	-	-
	341	1,264

Analysis of irregular expenditure condoned by the Accounting Authority per age classification:

Current Year
 Prior Years

Analysis of irregular expenditure per age classification awaiting condonation per classification:

Current Year
 Prior Years

Details of irregular expenditure - current year:

Incident

Operating contracts extended and approved by non-delegated official

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

30. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (Continued)

30.2 Details of Fruitless and Wasteful Expenditure

Opening Balance

Add: Fruitless and wasteful expenditure current year

Less: Fruitless and wasteful expenditure condoned / recovered

Analysis of fruitless and wasteful expenditure condoned by the Accounting Authority per age classification:

Current Year

Prior Years

Analysis of irregular expenditure per age classification awaiting condonation per classification:

Current Year

Prior Years

	2018	2017
	R`000	R`000
Opening Balance	-	-
Add: Fruitless and wasteful expenditure current year	-	-
Less: Fruitless and wasteful expenditure condoned / recovered	-	-
	-	-
Analysis of fruitless and wasteful expenditure condoned by the Accounting Authority per age classification:		
Current Year	-	-
Prior Years	-	3,799
	-	3,799
Analysis of irregular expenditure per age classification awaiting condonation per classification:		
Current Year	-	-
Prior Years	-	-
	-	-

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

31. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Nothing has come to the attention of Management and Accounting Authority to indicate that the organisation would not remain a going concern for the foreseeable future, based on forecasts and its liquidity.

32. EVENTS AFTER REPORTING DATE

The council is not aware of any matter of circumstance arising since the end of the reporting period.

33. BUDGET VARIANCES

The budget was approved by the Council and submitted to the Executive Authority in terms of section 53(1) of the PFMA.

Explanation for other significant variances are:

- a. Financial support received from partners in respect of Heritage Programmes and Projects which amount to R 3, 086, 000.00 as additional income.
- b. The National Heritage Council undertook an organisational review process which led to non-filing of funded vacancies. Thus a significant saving from non-filing of vacancies.

34. COMMITMENTS

	Amount 2018 R'000	Amount 2017 R'000
Up to one year		
Funding Disbursements (Heritage Funded Projects)	2,189	453
Heritage Projects	829	-
Quotations and contracts (Excluding Finance and Operating Leases)	3,986	3,770
Later than one year and not later than 5 years		
Quotations and contracts (Excluding Finance and Operating Leases)	889	395
TOTAL	7,893	4,618

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

35. CHANGES IN ACCOUNTING ESTIMATES

The NHC conducted a review of useful lives of property plant and equipment and intangible assets. This review resulted in the extensions of useful lives of assets under the following classes:

Class	Depreciation/ Amortisation R'000	Accumulated Depreciation R'000	Effect: Statement of Financial Position	Effect: Statement of Financial Performance
Motor Vehicle	4	4	Increase to the carrying amount	Increase to surplus
Leasehold Improvement	(32)	(32)	Decrease to carrying amount	Decrease to surplus
Office Equipment	15	15	Increase to carrying amount	Increase to surplus
Furniture and Fittings	40	40	Increase to carrying amount	Increase to surplus
Computer Equipment	128	128	Increase to carrying amount	Increase to surplus
Intangible Assets	5	5	Increase to carrying amount	Increase to surplus
Total	160	160		

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

36. OTHER SIGNIFICANT TRANSACTIONS AND EVENTS

36.1 The National Heritage Council received financial support in cash from the following partners: :

South African Tourism (*in support of the Nelson Mandela Release Project*)

Sol Plaatje Municipality (*in support of the Golden Shield Heritage Awards*)

Northern Cape Dept. of Sports, Arts & Culture (*in support of the Golden Shield Heritage Awards*)

R`000

1,424

1,000

500

2,924

36.2 The following off-balance sheet resources were pledged by partners in respect of Heritage Education Schools Outreach Programme (HESOP):

Department of Basic Education and Provincial Departments (Gauteng, Free State, Northern Cape, North West, Kwa Zulu Natal, Western Cape)

450

South African National Parks

68

Limpopo Provincial Department of Sports, Arts and Culture

45

Mpumalanga Provincial Department of Sports, Arts and Culture

30

Nelson Mandela Museum and Steve Biko Foundation

24

Palaeontological Scientific Trust

39

656

36.3 The following amount is receivable from The Mine Health and Safety Council in respect of a Coal Book Mine Documentary

97

97

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018

	2018	2017
	R'000	R'000
Revenue	68,264	63,929
Government grant/transfer	64,653	61,574
Amortised conditional grants/transfers/partnerships - Other	3,001	1,433
Amortised conditional grants/transfers - National Lotteries	-	-
Other income	5	361
Interest received	605	561
	(63,973)	(63,650)
Expenses		
Operating expenses	(19,758)	(17,234)
Administrative expenses	(15,985)	(17,706)
Employment related costs	(25,490)	(25,820)
Operating lease expenses	(2,153)	(2,153)
Debt written off	-	(3)
Finance costs	(7)	(35)
Depreciation	(498)	(653)
Amortisation	(82)	(46)
SURPLUS FOR THE PERIOD	4,291	279

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018 (continued)

	2018 R'000	2017 R'000
OPERATING EXPENSES		
Legal Fees	836	3,934
Heritage Projects and Programmes	18,432	12,626
Funding disbursements (Heritage Funded Projects)	1,835	2,334
Heritage Resource Centre	71	4
Ubuntu in Nation building	75	73
Heritage Strategic Programmes	3,889	1,628
Heritage Engagement with Sector	3,601	3,519
SATMA Awards	296	319
Heritage Awards	3,565	2,838
Support of Youth Heritage	774	355
Heritage and Education Outreach Programme Project	1,108	593
Policy Framework	222	-
Heritage of Khoi San People	83	-
Position Papers	20	-
Research Plan	7	-
Impact Studies	145	-
Contribution to Policy	438	-
LHR Struggle Icon	1,339	-
Home of Legends	218	471
Heritage Project Expense	85	-
Heritage sites	661	492
Staff Training and Development	340	526
Staff Training	257	422
Subscriptions	83	104
Maintenance, Repairs and Running Costs	150	148
Repairs and Maintenance	150	148
	19,758	17,234

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018 (continued)

	2018	2017
	R'000	R'000
ADMINISTRATIVE EXPENSES		
General and Administrative Expenses	12,983	14,926
Catering Meetings	100	60
Audit Fees (Internal)	268	411
Audit Fees (External)	1,184	1,239
Advertising of Posts	-	106
Marketing & Communication	1,359	402
Advertising - Tenders & Policies	440	59
Bank Charges	35	29
Consulting Fees	991	1,538
Courier & Postage	33	26
Electricity, Water & Refuse	334	372
COIDA	43	33
Honoraria	1,427	1,491
Insurance	24	88
Staff Welfare	127	826
Loss on disposal of assets	7	54
Rentals - Printers	344	-
Rentals - Office Equipment	89	53
Motor Vehicle Expenses	143	98
Printing & Stationery	591	630

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

DETAILED STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018 (continued)

	2018	2017
	R'000	R'000
Rates & Taxes	190	138
Publications	584	2,878
Recruitment Cost	42	91
Workshops	1,129	1,304
Sundry Expense (Stakeholder Relations	25	95
Telephone & Faxes	624	660
Cell phone Accounts	480	496
Temp Staff	1,476	729
IT Support	212	491
Service Charges	682	529
Travel and Subsistence	3,002	2,780
	15,985	17,706
EMPLOYEE RELATED COSTS		
Salaries	23,182	22,696
Leave Pay	(145)	466
Performance Bonus Pay	2,453	2,658
	25,490	25,820

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