

# South African Heritage Resources Agency

Financial Statements for the year ended 31 March 2020

## Notes to the Financial Statements

Figures in Rand 2020 2019

### 5. Investment property

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	23 790 000	(737 495)	23 052 505	23 790 000	(621 945)	23 168 055

#### Reconciliation of investment property - 2020

	Opening balance	Depreciation	Total
Investment property	23 168 055	(115 550)	23 052 505

#### Reconciliation of investment property - 2019

	Opening balance	Depreciation	Total
Investment property	23 283 605	(115 550)	23 168 055

#### Reconciliation of investment property - 2020

	Opening balance	Transfers	Depreciation	Total
Land	15 123 722	-	-	15 123 722
Buildings	8 044 333	-	(115 550)	7 928 783
	<b>23 168 055</b>	<b>-</b>	<b>(115 550)</b>	<b>23 052 505</b>

#### Reconciliation of investment property - 2019

	Opening balance	Depreciation	Total
Land	15 123 722	-	15 123 722
Buildings	8 159 883	(115 550)	8 044 333
	<b>23 283 605</b>	<b>(115 550)</b>	<b>23 168 055</b>

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

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

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

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<b>Land and Buildings 2020</b>			
	Land	Buildings	Total
Fisherman Cottage	847 600	352 400	1 200 000
Welcome Cottage	399 700	1 500 300	1 900 000
Mooimeisiesfontein	316 087	293 913	610 000
Dal Josafat	6 978 575	4 711 425	11 690 000
Valkenburg	1 145 600	154 400	1 300 000
Het Posthuys, Muizenburg	3 954 000	246 000	4 200 000
Onderdal School, Wellington	174 560	765 440	940 000
Old Gaol, Grahamstown	1 307 600	642 400	1 950 000
	<b>15 123 722</b>	<b>8 666 278</b>	<b>23 790 000</b>
<b>Land and Buildings 2019</b>			
	Land	Buildings	Total
Fisherman Cottage	847 600	352 400	1 200 000
Welcome Cottage	399 700	1 500 300	1 900 000
Mooimeisiesfontein	316 087	293 913	610 000
Dal Josafat	6 978 575	4 711 425	11 690 000
Valkenburg	1 145 600	154 400	1 300 000
Het Posthuys, Muizenburg	3 954 000	246 000	4 200 000
Onderdal School, Wellington	174 560	765 440	940 000
Old Gaol, Grahamstown	1 307 600	642 400	1 950 000
	<b>15 123 722</b>	<b>8 666 278</b>	<b>23 790 000</b>
<b>Amounts recognised in surplus and deficit for the year</b>	2020	2019	
Rental income	1 071 281	1 054 292	
<b>Direct operating expenses arising from investment property that generated rental income</b>	2020	2019	
Rates and taxes	65 682	81 611	
Water and electricity	209 370	900 672	
	<b>275 052</b>	<b>982 283</b>	
<b>Direct operating expenses arising from investment property that did not generated rental income</b>	2020	2019	
Rates and taxes	29 519	33 432	
Water and electricity	46 507	35 483	
	<b>76 026</b>	<b>68 915</b>	
<b>Repairs and maintenance related to investment properties</b>	2020	2019	
Land	-	-	
Building	985 971	260 607	

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#### 6. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 300 000	-	2 300 000	2 300 000	-	2 300 000
Buildings	15 400 000	(821 334)	14 578 666	15 400 000	(616 000)	14 784 000
Leasehold property	1 631 500	(1 044 645)	586 855	1 631 500	(845 694)	785 806
Plant and equipment	2 338 743	(1 510 477)	828 266	2 002 963	(1 294 226)	708 737
Furniture and fixtures	2 271 402	(1 662 603)	608 799	2 076 991	(1 550 014)	526 977
Motor vehicles	1 753 158	(967 727)	785 431	1 641 158	(880 931)	760 227
IT equipment	3 031 603	(2 998 189)	33 414	2 978 091	(2 889 009)	89 082
Vessels	611 080	(397 954)	213 126	611 080	(370 012)	241 068
Library books	571 938	(367 437)	204 501	571 938	(310 243)	261 695
Non Current Assets held for sale	492	-	492	492	-	492
<b>Total</b>	<b>29 909 916</b>	<b>(9 770 366)</b>	<b>20 139 550</b>	<b>29 214 213</b>	<b>(8 756 129)</b>	<b>20 458 084</b>

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#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Change in Estimate	Depreciation	Total
Land	2 300 000	-	-	-	2 300 000
Buildings	14 784 000	-	-	(205 334)	14 578 666
Leasehold property	785 806	-	-	(198 951)	586 855
Plant and equipment	708 737	335 780	-	(216 251)	828 266
Furniture and fixtures	526 977	194 412	141 211	(253 801)	608 799
Motor vehicles	760 227	112 000	-	(86 796)	785 431
IT equipment	89 082	53 511	-	(109 179)	33 414
Vessels	241 068	-	-	(27 942)	213 126
Library books	261 695	-	-	(57 194)	204 501
Non Current Assets Held for Sale	492	-	-	-	492
	<b>20 458 084</b>	<b>695 703</b>	<b>141 211</b>	<b>(1 155 448)</b>	<b>20 139 550</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Changes in estimate	Depreciation	Impairment loss	Total
Land	2 300 000	-	-	-	-	2 300 000
Buildings	14 989 333	-	-	(205 333)	-	14 784 000
Leasehold property	178 314	740 023	127 366	(259 897)	-	785 806
Plant and equipment	849 207	77 196	-	(217 289)	(377)	708 737
Furniture and fixtures	663 342	111 882	-	(248 247)	-	526 977
Motor vehicles	843 912	-	41 918	(125 603)	-	760 227
IT equipment	313 108	2 257	-	(224 880)	(1 403)	89 082
Vessels	269 010	-	-	(27 942)	-	241 068
Library books	318 889	-	-	(57 194)	-	261 695
Non Current Assets Held for Sale	492	-	-	-	-	492
	<b>20 725 607</b>	<b>931 358</b>	<b>169 284</b>	<b>(1 366 385)</b>	<b>(1 780)</b>	<b>20 458 084</b>

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### Revaluations

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

#### Revaluation of land and buildings.

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

The entity has leasehold assets in the hands of the lessee. The lease agreement placed restrictions over the assets. The non-current assets held for sale relates to filing cabinets which are to be transferred to the Gauteng Provincial Heritage Agency. The transfer is a result of devolution of previous provincial offices into Provincial Heritage Agencies.

#### Repairs and Maintenance to property, plant and equipment

Buildings	361 842	47 284
IT equipment	153 519	49 160
Motor Vehicles	695	33 128
Plant and equipment	3 181	3 127
	<b>519 237</b>	<b>132 699</b>

### 7. Heritage assets

	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art and artifacts	123 440	-	123 440	123 440	-	123 440
Library books	1 710 538	-	1 710 538	1 675 015	-	1 675 015
Land and buildings	10 265 200	-	10 265 200	10 265 200	-	10 265 200
<b>Total</b>	<b>12 099 178</b>	<b>-</b>	<b>12 099 178</b>	<b>12 063 655</b>	<b>-</b>	<b>12 063 655</b>

#### Reconciliation of heritage assets 2020

	Opening balance	Additions	Total
Art and artifacts	123 440	-	123 440
Library books	1 675 015	35 523	1 710 538
Land and buildings	10 265 200	-	10 265 200
	<b>12 063 655</b>	<b>35 523</b>	<b>12 099 178</b>

#### Reconciliation of heritage assets 2019

	Opening balance	Total
Art and artifacts	123 440	123 440
Library books	1 675 015	1 675 015
Land and buildings	10 265 200	10 265 200
	<b>12 063 655</b>	<b>12 063 655</b>

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### Library books

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

### Art and artefacts

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

### Land and buildings

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

### Land and Buildings

Woustersen Wessel Vault, Green Point	710 000	710 000
Van Riebeeck's Hedge, Bishopscourt	1 900 000	1 900 000
Hugo Family Vault, Simon's Town	130 000	130 000
Kleinbosch Cemetery, Dal Josafat	10 000	10 000
Groenberg School, Wellington	1 010 000	1 010 000
Erf 56, Tulbagh	450 000	450 000
Erf 225, Tulbagh	470 000	470 000
The Lookout, Uitenhage	160 000	160 000
Old Congregation Church, Cradock	1 000 000	1 000 000
Old Residency, King Williamstown's Town	1 100 000	1 100 000
Garden of Remembrance, Aliwal North	940 000	940 000
Burgher Monuments, Boomplaats	18 000	18 000
Union Masonic Temple, Kimberley	260 000	260 000
Moordrift Monument, Potgietersrus	11 000	11 000
Old English Fort, Marabastad	27 000	27 000
Verduin Ruins, Soutpansberg District	4 800	4 800
Powder Magazine, Potchefstroom	40 000	40 000
Old Fort and Cemetery, Potchefstroom	120 000	120 000
Site of Dr. David Livingstone's House, Marico District	3 400	3 400
Blarney Cottage, Richmond	270 000	270 000
Birth Place of General Louis Botha, Greytown	30 000	30 000
Spioenkop Battlefield, Ladysmith	550 000	550 000
Elandslaagte Memorial, Ladysmith	22 500	22 500
Piet Retief's Grave, Ulundi	98 500	98 500
Mapoch's Caves, Roossenekal	670 000	670 000
Krugerhof, Waterval-Boven	260 000	260 000
	<b>10 265 200</b>	<b>10 265 200</b>