

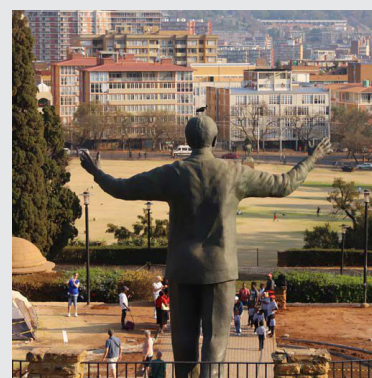


SOUTH
AFRICAN
HERITAGE
RESOURCES
AGENCY

AN AGENCY OF THE DEPARTMENT OF
SPORT, ARTS AND CULTURE



SCAN ME



2025 ANNUAL 2026 REPORT

• • S A H R A • •

AN AGENCY OF THE DEPARTMENT OF SPORT ARTS AND CULTURE



WHO IS SAHRA?

We present this information about SAHRA in order to create an awareness among the people of our country of their right to conserve what they consider to be valuable heritage resources, the mechanisms for doing this, and to recognise the exciting new possibilities that the Act creates for them.

WHAT WE DO?

SAHRA is mandated to coordinate the identification and management of the national estate. The aims are to introduce an integrated system for the identification, assessment and management of the heritage resources and to enable provincial and local authorities to adopt powers to protect and manage them.

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PART

GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME: South African Heritage Resources Agency (SAHRA)

REGISTRATION NUMBER: N/A

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Cape Town
8001

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Cape Town
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FAX NUMBER: +27 (0) 21 462 4509

EMAIL ADDRESS: info@sahra.org.za

WEBSITE ADDRESS: www.sahra.org.za

EXTERNAL AUDITORS: Auditor-General

BANKERS: Absa and Nedbank

COMPANY SECRETARY Mr Simphiwe Mome

2. LIST OF ABBREVIATIONS/ ACRONYMS AND DEFINITIONS

AI	Artificial Intelligence
AGSA	Auditor-General of South Africa
APM	Archaeology, Palaeontology and Meteorites
APP	Annual Performance Plan
ARC	Audit and Risk Committee
AU	African Union
BEU	Built Environment Unit
CEO	Chief Executive Officer
CMP	Conservation Management Plan
COSO	Committee of Sponsoring Organisations
CRO	Chief Risk Officer
DFFE	Department of Forestry, Fisheries and the Environment
DSAC	Department of Sport, Arts and Culture
ERM	Enterprise Risk Management
GDP	Gross Domestic Product
GIAS	Global Internal Audit Standard
GNU	Government of National Unity
GPR	Ground Penetrating Radar
HA	Heritage Agreement
HIA	Heritage Impact Assessments
HRM	Heritage Resources Management
HRMCP	Heritage Resources Management Coordination Plan
ICT	Information and Communications Technology
IMP	Integrated Management Plan
KPI	Key Performance Indicator
LIHRA	Limpopo Heritage Resources Authority
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NHRA	National Heritage Resources Act (Act No. 25 of 1999)
NHS	National Heritage Sites
NT	National Treasury
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act No. 1 of 1999 as amended by Act No. 29 of 1999

PHRA	Provincial Heritage Resources Authority
PSRMF	Public Sector Risk Management Framework
RRO	Repatriation and Restitution Office
SAAO	South African Astronomical Observatory
SAHRA	South African Heritage Resources Agency
SAHRIS	South African Heritage Resources Information System
SCM	Supply Chain Management
SDG	Sustainable Development Goals
SETA	Sector Education Training Authority
SOP	Standard Operating Procedure
STAB	Scientific and Technical Advisory Body
SMMES	Small, Micro and Medium Enterprises
UCT	University of Cape Town
UNESCO	United Nations Educational Scientific and Cultural Organisation
UWC	University of the Western Cape



CHAIRPERSON OF THE COUNCIL

The South African Heritage Resources Agency (SAHRA) remains committed to safeguarding and promoting the nation's heritage in a manner that is aligned with broader national priorities and development goals. As outlined in the 2025–2030 Strategic Plan, SAHRA has articulated four long-term outcomes that provide a clear expression of the Agency's vision, together with the strategic approaches required to realise them. These outcomes are pursued through clearly defined annual performance targets as set out in the Annual Performance Plan (APP). The 2025/2026 financial year marks a significant milestone as the first year of implementing SAHRA's 2025–2030 Strategic Plan, serving as a foundational period for translating strategic intent into measurable actions and tangible progress across the organisation.

It is therefore my pleasure to present the 2025/2026 Annual Report, which reflects on the progress made in advancing SAHRA's strategic outcomes. The report highlights key achievements, lessons learned, and areas requiring further attention, thereby demonstrating SAHRA's commitment to transparency, good governance, and the safeguarding of South Africa's heritage for present and future generations.

In response to ongoing fiscal challenges, SAHRA has continued to implement diversified revenue generating initiatives to enhance its financial sustainability. During the financial year under review, property leasing remained the primary source of revenue. Through effective portfolio management, SAHRA successfully concluded new leases and renewed existing agreements across its properties. Beyond leasing, the entity has also pursued value creation without direct budgetary expenditure. A notable example is the Struisbaai Fisherman Cottages, where the tenant has undertaken substantial capital investments beyond lease requirements to restore and maintain the site in accordance with approved land-use and conservation principles. This tenant-funded investment not only preserves the asset's historical integrity but also results in significant cost savings for SAHRA by reducing future maintenance and capital expenditure.

In addition, SAHRA continues to generate strategically important revenue through statutory fees associated with its permitting and regulatory functions, thereby reinforcing both its financial position and legislative mandate.

The multifaceted nature of heritage resource management necessitates collaboration between SAHRA, relevant state entities, and the broader community. The implementation of the Heritage Resources Management Coordination Plan (HRMCP) enables SAHRA to fulfil its coordinating role and to enforce heritage legislative frameworks in South Africa. During the period under review, an overall performance rate of 54.6% was achieved, exceeding the 30% key performance indicator (KPI) target set for the third year of implementation the HRMCP. Within this broader framework of coordination, ensuring that heritage resources are supported by appropriate management tools remains a critical component of effective management practice. In this regard, SAHRA engaged with stakeholders, including those with existing management tools and those who collaborated with the entity in developing such instruments. As a result, SAHRA successfully facilitated the establishment of six management tools, comprising heritage agreements, conservation management plans, and integrated management plans. Furthermore, the entity declared two heritage resources, one with a management tool and the other subject to a formal undertaking for its development. SAHRA also initiated the marking of declared heritage sites with the official SAHRA-approved Badge. The entity is encouraged by the strong performance achieved during the 2025/2026 financial year and remains committed to ensuring that South Africa's national heritage reflects its rich diversity.

3. FOREWORD BY THE

CHAIRPERSON OF THE COUNCIL

The Council extends its sincere appreciation to the Department of Sport, Arts and Culture (DSAC), under the leadership of the Honourable Minister Gayton McKenzie, as well as to the Portfolio Committee, for their continued guidance and oversight. I also wish to express my gratitude to the Council, Executive Management, and staff of SAHRA, whose dedication, innovation, and commitment have been integral to the organisation's achievements and resilience. With the solid foundation and the continued support of all stakeholders, I am confident that SAHRA is well positioned to realise further success in fulfilling its mandate to preserve and protect South Africa's national heritage.



Ms Elodie Seotseng Tlhoale
(Chairperson)

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Ms Elodie Seotseng Tlhoale
Council Chairperson
20 August 2026

OVERVIEW

The 2025/26 financial year has been one of resilience, progress, and continued commitment to our mandate of protecting and promoting South Africa's rich heritage resources. As we reflect on another year of service to South Africa's heritage sector, I am honoured to lead this organisation alongside a dedicated team committed to safeguarding and promoting our nation's rich and diverse heritage.

Over the past year, SAHRA has continued to adapt and innovate in an increasingly challenging operating environment. Despite ongoing fiscal constraints, the organisation has demonstrated resilience, agility, and a steadfast commitment to its mandate. Through prudent resource management, strengthened operational efficiencies, and a culture focused on continuous improvement, we have maintained high levels of performance and once again achieved a clean audit outcome.

GENERAL FINANCIAL REVIEW

As at 31 March 2026, the South African Heritage Resources Agency (SAHRA), a Schedule 3A public entity, reported a Net Asset Value of R183.1 million, representing a 15% year-on-year increase from R158.9 million as at 31 March 2025. Total assets continue to be dominated by non-current assets, with Property, Plant and Equipment and Heritage Assets collectively accounting for approximately 40% of the asset base. Heritage Assets constitute 26% of total assets, one of which has been recognised and disclosed as Investment Property.

Total expenditure for the 2025/26 financial year decreased marginally to R87.2 million from R87.7 million in the prior year. Concurrently, total revenue increased to R99 million from R96 million achieved in 2024/25. As a Schedule 3A regulatory body that is not primarily revenue-generating, SAHRA remains significantly dependent on transfers from the Department of Sport, Arts and Culture (DSAC) and National Treasury. This support is essential to enable the entity to discharge its legislated mandate, meet operational targets, pursue growth initiatives and safeguard long-term financial sustainability.

Notwithstanding prevailing economic conditions and budgetary constraints, the entity recorded a surplus of R15.7 million for the 2025/26 financial year. SAHRA remains a going concern and is positioned to continue operations and meet its financial obligations as they fall due in the ordinary course of business.

SPENDING TRENDS

Expenditure incurred by SAHRA is aligned with the entity's Strategic Plan and Annual Performance Plan. Periodic reviews and cost-containment measures prescribed by National Treasury are consistently applied to ensure value for money. Operational expenditure totalled R87.2 million in 2025/26, reflecting a 1% year-on-year decrease from R87.7 million. Employee-related costs remain the largest expenditure component, comprising 62% of total expenditure (up from 58% in the prior year). The balance of 38% comprises core-function and administrative operational costs.

Financial sustainability remains a strategic priority amid constrained budgets and cost pressures, including the need to fill critical vacancies at competitive remuneration levels and the impact of inflation. Management continues to implement measures that promote financial discipline and value-for-money outcomes. Despite capacity gaps in key positions, several infrastructure projects are being progressed in fulfilment of SAHRA's mandate.

During the year under review, the entity advanced the refurbishment and upgrade of its Head Office at 111 Harrington Street, Cape Town. All professional service providers have been appointed, with expenditure of R2.4 million incurred and capitalised in the 2025/26 financial year.

CAPACITY CONSTRAINTS AND CHALLENGES

SAHRA continues to operate under significant budgetary constraints. The most material challenge remains inadequate baseline funding relative to the scope of its legislated mandate. The entity is currently unable to implement competitive cost-of-living adjustments for employees, elevating the risk of industrial action, organisational instability and diminished staff morale, all of which may adversely affect delivery against planned targets.

4. CHIEF EXECUTIVE OFFICER'S

OVERVIEW

Despite these constraints, SAHRA has maintained programmes that support the processing of development applications, including those contributing to national energy-security objectives. Heritage resources management activities remain highly public-engagement intensive, requiring on-site community consultations relating to formal protection measures and risks of degradation of heritage resources.

The National Heritage Resources Act (NHRA) assigns SAHRA a clearly defined responsibility for the identification, conservation, protection and promotion of national heritage resources in the public interest. Operations and funding have, however, continued to be affected by fiscal constraints. Decaying infrastructure and the rising cost of employment remain persistent challenges.

These pressures have been partially mitigated by growth in own-generated revenue streams, notably application and permit fees and rental income. Property-maximisation strategies, including the leasing of heritage properties, continue to be pursued to broaden the revenue base. Capacitation of the Development Applications Unit is expected to yield incremental revenue and strengthen sustainable self-generated income streams. These initiatives have contributed materially to organisational sustainability and enabled the payment of cost-of-living adjustments.

Programme funding allocations from DSAC remain constrained, with baseline funding remaining largely flat relative to prior years, save for a modest 7% increase allocated for the 2026/27 financial year.

Notwithstanding these challenges, the entity achieved a clean audit outcome and delivered 100% of the targets set out in its Annual Performance Plan. This performance is attributable to the commitment, dedication and resilience of staff who continue to prioritise service delivery within SAHRA's areas of responsibility. Looking ahead, it is anticipated that, over the medium term, DSAC will provide the additional financial resources necessary for SAHRA to fully execute its mandate.

NEW OR PROPOSED KEY ACTIVITIES

In furtherance of its financial sustainability and property-maximisation strategy, SAHRA entered into a lease agreement in 2023/24 with Blue Pot Renewable Energies in respect of a portion of the Dal Josafat property. The entity continues to derive rental income from this arrangement, with further benefits expected to materialise in the 2025/26 financial year and beyond. Progress has also been recorded on the acquisition and upgrade of the Head Office buildings at 111 Harrington Street, including the appointment of all professional consultants and a contractor during the 2025/26 financial year.

REQUESTS FOR ROLL-OVER OF FUNDS

In terms of section 53 of the Public Finance Management Act (PFMA), a public entity may not budget for a deficit or accumulate surpluses without the prior written approval of National Treasury. For the 2024/25 financial year, SAHRA obtained approval to retain and roll over R35 184 584 into the 2025/26 financial year. On the basis of the audited annual financial statements for 2025/26, SAHRA will request approval to retain a surplus of R38 952 853 to fund operational and capital commitments.

SUPPLY CHAIN MANAGEMENT

SAHRA's Supply Chain Management (SCM) processes and systems are compliant with the SCM Regulations and Practice Notes issued under the PFMA and the Treasury Regulations. These frameworks ensure that procurement of goods and services is conducted in a fair, competitive, transparent and equitable manner. A Code of Conduct for SCM practitioners has been adopted and an approved SCM policy is in place to support fair, equitable, transparent, competitive and cost-effective procurement. Strict compliance with applicable legislation is maintained, and a robust control environment has been established to prevent irregular expenditure.

OVERVIEW

No unsolicited bids or proposals were received during the year under review. Irregular expenditure of approximately R1.2 million was identified and subsequently written off by the Council on 7 July 2026.

The related disclosure note will be updated in the subsequent year's annual financial statements.

CHALLENGES EXPERIENCED AND RESOLUTIONS

SAHRA continues to face ongoing challenges in delivering on its mandate within constrained budgetary parameters. The entity is therefore pursuing initiatives to strengthen and expand sustainable self-generated revenue streams. These form part of the strategic priorities aimed at covering fixed costs associated with conservation, facilities management and the provision of market-related staff remuneration.

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WILL BE ADDRESSED

The entity received a clean audit opinion for the fifth consecutive year in respect of the 2025/26 financial period. Consequently, there are no audit findings requiring management action. SAHRA, together with its Accounting Officer, continues to foster a culture of performance, transparency, accountability and integrity. The entity remains committed to maintaining efficient and transparent systems that support clean administration, as evidenced by five consecutive clean audit outcomes.

OUTLOOK / PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

In common with other Schedule 3A public entities, SAHRA continues to experience financial constraints arising from budget reductions and largely static subsidy allocations. The Business Development Unit continues to identify and pursue revenue-generating opportunities, with particular emphasis on leveraging the entity's portfolio of heritage properties. Revenue from these sources has made a material contribution in recent years and continues to increase as a proportion of total revenue.

Potential exists for further growth in income from permit and application fees following the gazetting of revised fees, the benefits of which are expected to materialise from the 2025/26 financial year onwards. Additional rental income opportunities from heritage properties continue to be explored in order to maximise returns from these assets.

EVENTS AFTER THE REPORTING DATE

The annual financial statements were approved by the Council on 31 May 2026. Management assessed events occurring between the reporting date of 31 March 2026 and the date of the audit report of 31 July 2026.

Non-adjusting event

Subsequent to the approval of the annual financial statements, the Council authorised the write-off of irregular expenditure amounting to R1.2 million on 7 July 2026. The conditions and circumstances giving rise to the write-off did not exist as at 31 March 2026. Accordingly, no adjustment has been made to the irregular expenditure disclosure note for the 2025/26 financial year.

ECONOMIC VIABILITY

SAHRA's economic viability extends beyond purely financial considerations and is anchored in its constitutional and legislative mandate to identify, conserve, protect and promote national heritage resources for the benefit of society and humanity. While the entity's financial position remains sound, the programme funding subsidy allocated by DSAC continues to be insufficient to meet annual operating expenditure in full. Consequently, SAHRA remains dependent on a combination of donor funding and self-generated income streams to meet its operational requirements.

4. CHIEF EXECUTIVE OFFICER'S

OVERVIEW

CONCLUSION

SAHRA remains financially stable and well positioned to continue delivering on its mandate despite ongoing funding constraints. Through prudent financial management, sound governance and a continued focus on growing self-generated revenue, the organisation has maintained its sustainability while achieving a fifth consecutive clean audit outcome.

As we look ahead, we will continue to strengthen our financial resilience, invest strategically in our assets and capabilities, and pursue opportunities that support the long-term preservation and promotion of South Africa's heritage resources. I extend my sincere appreciation to the Council, the Executive Committee, Management, Staff, Stakeholders and Partners for their continued dedication, collaboration and support in advancing SAHRA's mission. Your collective commitment remains integral to the organisation's success and its ability to preserve and promote South Africa's heritage for the benefit of present and future generations.

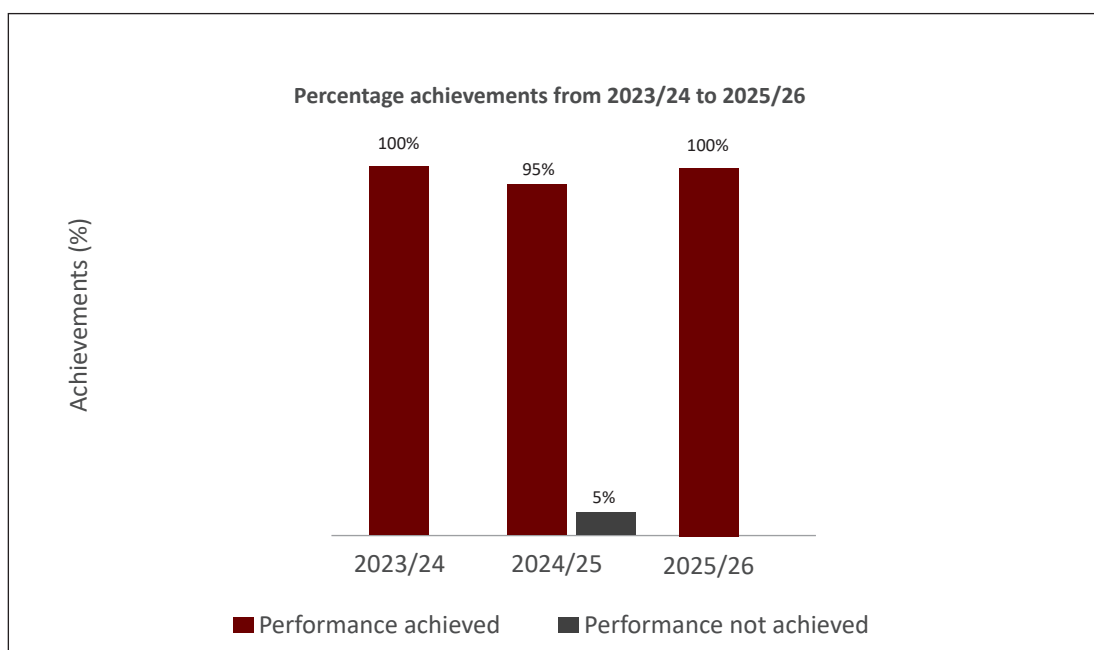


Ms Adv. Lungisa Malgas
Chief Executive Officer

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Ms Adv. Lungisa Malgas
Chief Executive Officer
20 August 2026

COMPARATIVE ACHIEVEMENT ANALYSIS



CLEAN AUDIT 2023/24 2024/25 2025/26



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

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2026.

Yours faithfully



Adv. Lungisa Malgas
Chief Executive Officer
20 August 2026



Ms Elodie Seotseng Tlhoale
Council Chairperson
20 August 2026

6. STRATEGIC OVERVIEW

The South African Heritage Resources Agency (SAHRA) is a statutory organisation established by the National Heritage Resources Act, No. 25 of 1999 (NHRA), as the national administrative body responsible for the protection of South Africa’s cultural heritage. It is an implementing agency of the Department of Sport, Arts and Culture (DSAC).

SAHRA conducted its strategic review in September 2024 as part of the development of the 2025–2030 Strategic Plan. This review placed specific emphasis on pursuing the organisation’s four long-term outcomes. The SAHRA 2025/26 Annual Performance Report was subsequently developed in alignment with the new strategy, which was adopted using an outcomes-based approach. This report represents the first performance report produced under the current strategic plan.

VISION

SAHRA aims to become:
The agency uniting people through heritage.

MISSION

SAHRA exists in order to fulfil its mandate as:
A regulatory body that:

- Manages and promotes the understanding of heritage resources
- Coordinates identification, protection, conservation and promotion of cultural heritage
- Foster inclusive participation in heritage resources management

VALUES AND BEHAVIOURS

In line with the Batho Pele principles and belief set (“we belong, we care, and we serve”) SAHRA subscribes to the following institutional values:

- Integrity and honesty
- Accountability and professionalism
- Objectivity and consistency
- Teamwork and collaboration
- Unity of purpose

VALUES	INTEGRITY AND HONESTY	ACCOUNTABILITY AND PROFESSIONALISM	OBJECTIVITY AND CONSISTENCY	TEAMWORK AND COLLABORATION	UNITY OF PURPOSE
BEHAVIOURS	I lead by example	I own up to my mistakes	I always seek the facts before acting	I recognise the best qualities in my colleagues	I am purposeful and passionate in pursuit of our vision
	I declare all conflicts of interest	I accept the consequences with my actions		I welcome opportunities to engage with my colleagues	I am proud to contribute to our success
	I do not engage in illegal behaviour	I honour my work commitments	I am consistent in my decision-making	I am considerate of others’ priorities and workloads	
	I communicate with honesty	I show up on time, everytime		I give regular, honest and constructive feedback	Above all else, I live our values

7. LEGISLATIVE AND OTHER MANDATES

SAHRA is a schedule 3A public entity as defined in the Public Finance Management Act, No. 1 of 1999 (PFMA). It identifies, conserves, protects, and promotes our national heritage resources for the greater good of our society and humanity. In doing this, SAHRA contributes to Outcome 14 of the National Development Plan (NDP), social cohesion and nation-building.

The multi-stakeholder, multi-sectoral and multi-layered nature of the heritage sector is reflected in South Africa in the multiplicity of legislation relating to heritage identification, management, and protection. Two of these key pieces of legislation are discussed below.

I. National Heritage Resources Act, 1999, (the NHRA)

The main aim of the National Heritage Resources Act, 1999, (the NHRA) is to :

“introduce an integrated and interactive system for the management of the national heritage resources; to promote good government at all levels and empower civil society to nurture and conserve their heritage resources so that they may be bequeathed to future generations”.

To this end, section 11 of the NHRA sets out the establishment of SAHRA.

Objectives, functions, powers and duties of SAHRA

Section 12 of the NHRA sets out the objective of SAHRA as follows:

The objective of SAHRA is “to co-ordinate the identification and management of the national estate”.

More specifically, section 13(1) of the NHRA sets out the functions, powers, and duties of SAHRA as follows:

“(a) establish national principles, standards and policy for the identification, recording and management of the national estate in terms of which heritage resources authorities and other relevant bodies must function with respect to South African heritage resources;

(b) co-ordinate the management of the national estate by all agencies of the State and other bodies and monitor their activities to ensure that they comply with national principles, standards and policy for heritage resources management;

(c) identify, record and manage nationally significant heritage resources, and keep permanent records of such work;

(d) advise, assist and provide professional expertise to any authority responsible for the management of the national estate at provincial or local level, and assist any other body concerned with heritage resources management;

(e) promote and encourage public understanding and enjoyment of the national estate and public interest and involvement in the identification, assessment, recording and management of heritage resources;

(f) promote education and training in fields related to the management of the national estate; and

(g) perform any other functions assigned to it by this Act or as directed by the Minister.”



A Three-tier approach to managing heritage resources

The NHRA further creates a decentralised, three-tier approach to identifying, managing and protecting heritage resources:

- SAHRA is tasked with managing Grade I heritage resources at the national level of Government;
- Grade II heritage resources are the responsibility of Provincial Heritage Resources Authorities (PHRAs) at the provincial level of Government; and
- Grade III heritage resources are managed at the local government level.

This therefore means that national, provincial and local authorities share the responsibility of identifying, managing and protecting heritage resources.

The functions, powers and duties of PHRAs are set out in section 24 of the NHRA and are similar to those of SAHRA with the additional duty to notify SAHRA of the presence of any heritage resources in the province that a Provincial Heritage Resources Authority (PHRA) considers as qualifying for protection at the national level.

Training and professional development

Section 5(2) further notes the following to ensure the effective management of heritage resources:

- “(a) the skills and capacities of persons and communities involved in heritage resources management must be developed; and
- (b) provision must be made for the ongoing education and training of existing and new heritage resources management workers.”

Therefore, not only is there a requirement that qualified and competent persons must be appointed to deal with heritage resources, but also that the skills of anyone involved in heritage management must be developed.

II. World Heritage Convention Act, 1999

The World Heritage Convention Act serves to incorporate the World Heritage Convention into South African law and provides for the nomination, identification and management of World Heritage Sites in South Africa. Section 4(1) of the Act further requires that, among others:

- Cultural and national heritage management must be sensitive to the people and their needs and must equitably serve their physical, psychological, developmental, cultural and social interests,
- The participation of all interested and affected parties in the governance of cultural and national heritage must be promoted,
- All people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation,
- Participation by vulnerable and historically disadvantaged persons must be ensured, and
- Community well-being and empowerment must be promoted through cultural and national heritage education, the raising of cultural and national heritage awareness, the sharing of knowledge and experience and other appropriate means.

Other legislation that relates to heritage resources management, includes but is not limited to:

Other acts and policy papers that relate to the management of heritage resources include:

- National Heritage Council Act (Act No. 11 of 1999)
- Cultural Institutions Act (Act No. 119 of 1998)

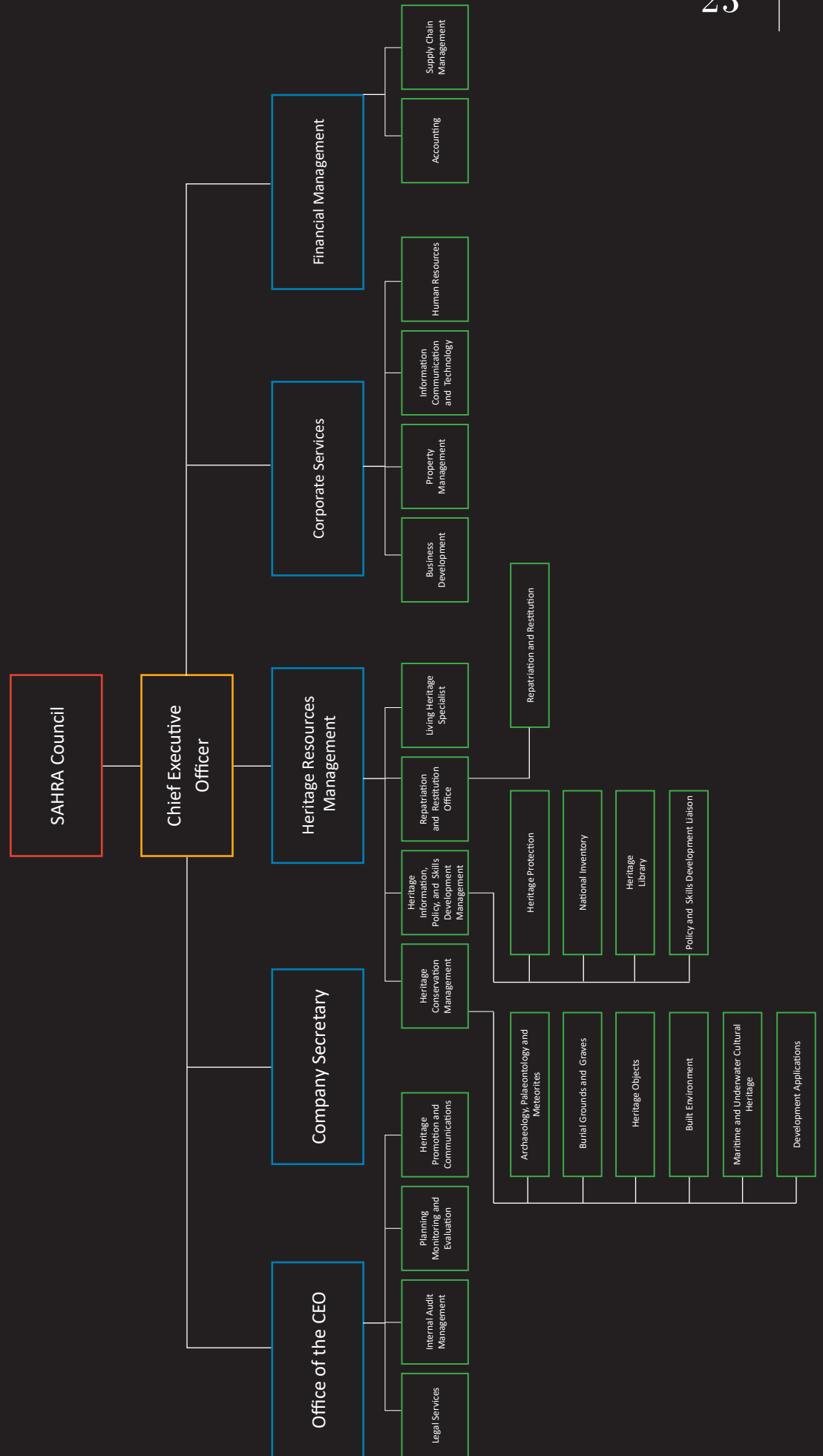
- South African Geographical Names Council Act (Act No. 18 of 1998)
- National Library of South Africa Act (Act No. 92 of 1998)
- National Environmental Management Act (Act No. 107 of 1998)
- National Environmental Management: Protected Areas Act (Act No. 57 of 2003)
- South African Library for the Blind Act (Act No. 91 of 1998)
- National Film and Video Foundation Act (Act No. 73 of 1997)
- National Arts Council Act (Act No. 56 of 1997)
- Legal Deposit Act (Act No. 54 of 1997)
- National Archives and Record Service of South Africa Act (Act No. 43 of 1996)
- Pan South African Language Board Act (Act No. 59 of 1995)
- Culture Promotion Act (Act No. 35 of 1983)
- Heraldry Act (Act No. 18 of 1962)
- Revised White Paper on Arts, Culture and Heritage, 2013
- National Policy on Living Heritage, 2009

Other relevant legislations and guiding documents include:

- Public Finance Management Act (Act No. 1 of 1999)
- The Annual Division of Revenue Act (Act 1 of 2018)
- Basic Conditions of Employment Act (Act No. 75 of 1997 as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)
- Skills Development Act (Act No. 37 of 2008)



8. ORGANISATIONAL STRUCTURE



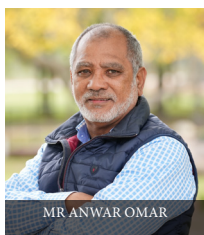
THE SAHRA COUNCIL



MS ELODIE SEOTSENG
TLHOALE
Chairperson



MR KGERESHI PETRUS
MOKWENA



MR ANWAR OMAR



MR MARVIN VINCENT
MDHLULI



MR MATHATHA TSEDU



PROF ELEANOR ALVIRA
HENDRICKS



ADV. NOMONDE
NOKHUTHALA JANUARY



PROF. SUSAN BOUILLON



PROF. MOKGALE ALBERT
MAKGOPA



MS REYHANA GANI

SAHRA EXECUTIVES



ADV. LUNGISA MALGAS
Chief Executive Officer



MR SIMPHIWE MOME
Head of Legal & Company
Secretary, Legal Advisor



MS GABISILE SIMELANE
Chief Financial Officer

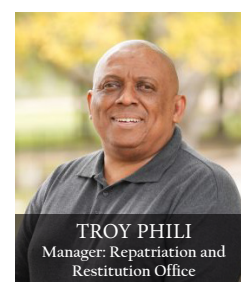
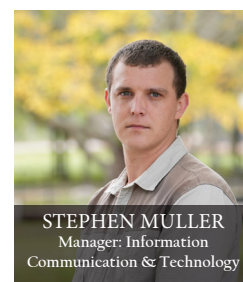
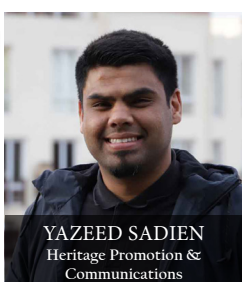
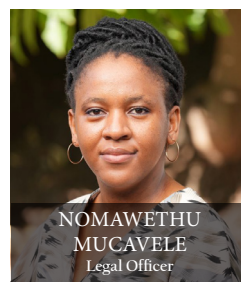


MS MAMAKOMORENG
NKHASI-LESAOANA
Heritage Resources
Management



MS NTOMBOZUKO
MPHAMBANI
Executive Officer: Corporate
Services

SAHRA MANAGEMENT



PART B

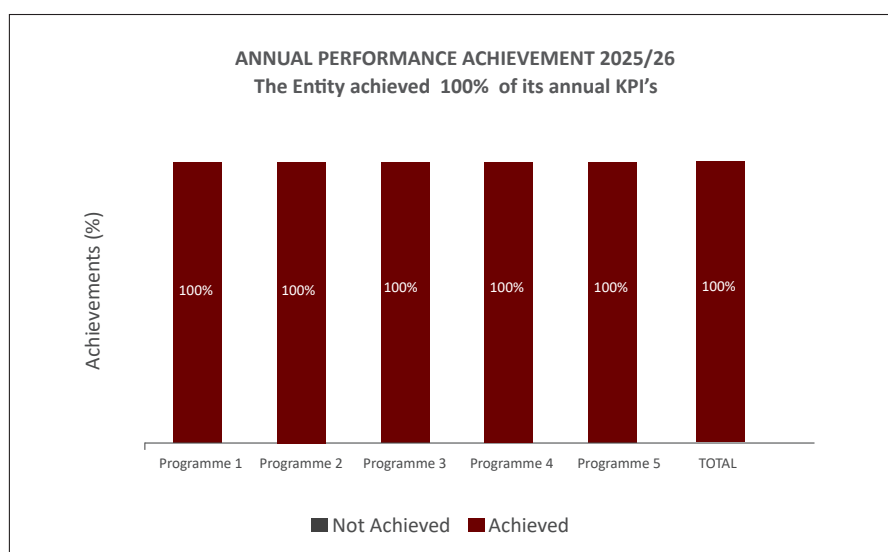
PERFORMANCE
INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General has conducted audit procedures for usefulness and reliability of the reported performance information against predetermined objectives for selected material performance indicators in the annual report. Refer to page 107-112 of the report for the Auditor-General's Report, included in Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

SAHRA has managed to continue to co-ordinate and promote the management of South Africa's heritage resources. The Entity managed to deliver 100% (18 out of 18) of its applicable outputs for the 2025/26 financial year.



2.1 SERVICE DELIVERY ENVIRONMENT

The PESTEL analysis below informs the strategic direction of SAHRA:

Political

SAHRA operates within a politically dynamic environment that significantly influences its mandate execution and resource allocation. The formation of a Government of National Unity (GNU) and uncertainty around local government elections create instability, affecting long-term planning and policy consistency. Political priorities often shift focus and funding away from heritage, especially at the local government level, where implementation of the NHRA is most critical. However, municipalities are frequently under-capacitated and do not prioritize heritage management. The legislative framework, particularly the NHRA, depends heavily on political will for effective implementation. Budgetary constraints, driven by national expenditure decisions, directly impact SAHRA's operations, leading to underfunding, loss of staff, and cutbacks in critical positions. Frequent changes in political leadership result in shifting priorities and hesitation around strategic initiatives like mergers, which in turn affect funding from National Treasury. SAHRA also faces devolution challenges, as many provinces lack functional PHRAs due to political interference or neglect, compromising heritage oversight. Political influence extends to heritage assets, with state-owned properties vulnerable to manipulation when oversight bodies lack autonomy. Additionally, political resistance has led to a failure to prosecute heritage crimes, weakening enforcement and accountability.

Economical

SAHRA is operating in a challenging economic climate marked by declining national growth, reduced government revenue, and lower budget allocations from DSAC. Rising inflation, cost of living, and fuel prices have significantly increased operational expenses, including site management, staff compensation, and travel costs. Additionally, currency devaluation, US tariffs, and cost fluctuations in materials especially for memorials further strain resources and increase risks to heritage assets. Despite these pressures, SAHRA can leverage several positive economic trends. The expansion of the energy sector has led to more development applications, creating revenue opportunities through permitting. Property rentals, contracted memorial work, and fee schedules offer additional income streams. Moreover, currency devaluation may boost tourism, enhancing public engagement with heritage sites.

Social

SAHRA faces several social challenges that impact heritage preservation. Crime and social unrest often lead to vandalism and theft at heritage sites, while homelessness results in abandoned buildings being occupied and stripped, increasing security costs. Inequity limits access to heritage experiences, with affordability issues and low public interest. There is a lack of education and awareness about cultural values, and heritage is often deprioritized compared to other government portfolio's such as health and education. Moral decline, such as grave robbing and dumping on sites, further threatens heritage. Economic pressures and lifestyle demands reduce engagement, and there are few influencers or ambassadors promoting heritage. Opportunities exist through corporate social responsibility initiatives and youth activism, but heritage must be made relevant to newer generations to foster community pride and identity.

Technological

SAHRA's technological advancement is constrained by funding limitations, skills shortages, and infrastructure gaps, which hinder the implementation and sustainability of digital systems. Challenges such as unreliable internet connectivity, outdated equipment, and a lack of trained professionals reduce the efficiency and quality of technology-driven initiatives. Despite these constraints, digitisation presents significant opportunities for preservation, access, and research through trusted digital repositories. However, achieving compliance with international standards requires strategic investment in policy development, training, and technology upgrades. Digital platforms like South African Heritage Resource Information System (SAHRIS) and social media enhance community engagement through storytelling, but also introduce risks such as information overload, misinformation, and cybersecurity threats. SAHRA must ensure content authenticity and invest in secure infrastructure to protect sensitive heritage data. To fully leverage technology for heritage conservation, SAHRA must prioritize capacity building, infrastructure development, and robust cybersecurity policies, ensuring long-term sustainability and public trust in the digital age.

Environmental

SAHRA's strategic planning is increasingly influenced by external environmental challenges, particularly those related to climate change and ecological sensitivity. Rising temperatures, floods, fires, and droughts pose direct threats to the conservation of heritage resources, which are nonrenewable and vulnerable to degradation. Issues such as pollution, signage deterioration, and ecosystem disruption further complicate preservation efforts, especially at sites located in ecologically sensitive areas. To mitigate these risks, SAHRA must prioritize disaster risk management, proactive climate planning, and alignment with local and international environmental standards. These frameworks guide responsible conservation practices and ensure compliance in heritage-sensitive zones. On the positive, growing public interest in eco-tourism and sustainable heritage management presents opportunities for SAHRA to promote green heritage initiatives. Educational campaigns, community partnerships, and ecological art practices can enhance environmental awareness and stewardship. Additionally, tourism linked to heritage sites contributes to economic sustainability and public engagement.

Legal

SAHRA operates within a complex legal landscape shaped by local, provincial, national, and international legislation, including the National Heritage Resources Act (NHRA), Municipal Planning bylaws, United Nations Educational Scientific and Cultural Organisation (UNESCO) conventions, and various environmental and cultural acts. These frameworks guide heritage management but also present challenges due to overlapping mandates, inconsistent by-laws, and limited enforcement capacity, particularly at local and provincial levels.

Key legal challenges include:

- Lack of heritage competency at municipal level, resulting in backlogs for Section 34 applications.
- Manipulation or misinterpretation of legal processes by stakeholders, often delaying or obstructing heritage-related projects.
- Limited understanding and enforcement of the NHRA, especially by SAPS and applicants.
- Amendments and political decisions, such as presidential decrees and shifting priorities, can redirect focus and resources away from core heritage mandates.

Internationally, UNESCO and African Union priorities, as well as country-to-country legal differences, affect project implementation, especially in repatriation efforts. SAHRA's role is further complicated by its lack of mandate over UNESCO sites, which falls under the Department of Forestry, Fisheries and the Environment (DFFE). To navigate these legal complexities, SAHRA must advocate for NHRA updates, capacity building across all government levels, and streamlined legal processes that support effective heritage conservation and compliance.

2.2 ORGANISATIONAL ENVIRONMENT

Strengths

SAHRA is a well renowned institution with a strong foundation in governance, leadership, and operational excellence. Its professional, youthful, and diverse team brings energy, versatility, and a wide range of skills, supported by a strategic leadership vision and a culture of professionalism and diligence. The organisation benefits from clean audits, strong internal controls, and self-sufficiency through revenue generation and property ownership. Its proximity to Parliament, visibility in the heritage sector, and effective communication strategies enhance its influence and public engagement. SAHRA's collaborative relationships, involvement in the NHRA review, and the use of SAHRIS demonstrate its commitment to innovation and policy development. The organisation is transitioning from survival to strategic growth, with a renewed structure that enables focus on impactful projects and long-term goals.

Weaknesses

SAHRA faces several critical challenges that hinder its ability to fully deliver on its mandate. Primarily among these is a widespread lack of awareness and understanding of its role, the National Heritage Resources Act (NHRA), and the importance of heritage management among stakeholders, including the public and government officials. This undermines compliance, support, and collaboration. The agency also operates under an underfunded mandate, with stagnant budget allocations from the Department of Sport, Arts and Culture (DSAC), limiting its capacity to initiate projects, retain skilled staff, and invest in infrastructure and outreach. Additionally, the complexity of the NHRA and intersecting legislation creates implementation challenges, leading to inconsistent decisions and delays. Finally, capacity constraints including staffing shortages, limited training, and outdated technology further restrict SAHRA's operational effectiveness and institutional resilience. Addressing these weaknesses is essential to strengthen SAHRA's authority, improve service delivery, and ensure the sustainable preservation of South Africa's heritage.

Opportunities

SAHRA is well-positioned to capitalize on a range of strategic opportunities that can enhance its visibility, partnerships, and impact. Global platforms like the G20 and collaborations with foreign embassies and China offer avenues for international exposure and learning. The presence of World Heritage Sites and SAHRA owned battlefields presents strong potential for tourism development and revenue generation. Private sector investments, such as renewable energy projects, and economic infrastructure development create opportunities for permitting and funding. The growth of digitization enhances public access and engagement, while academic partnerships and heritage-focused curricula support research and awareness. SAHRA can also leverage community-based commemorations, social cohesion projects, and public support in high-profile cases to strengthen grassroots engagement. Internship programs with SETAs and career pathways in heritage management contribute to job creation and sector sustainability. Additionally, legislative amendments and branding during stakeholder engagements offer further opportunities to reinforce SAHRA's mandate and public profile.

Threats

SAHRA faces a range of external threats that challenge its operational stability and mandate execution. Declining revenue from DSAC, driven by broader economic downturns, threatens financial sustainability and limits capacity for growth and service delivery. Political instability, including frequent leadership changes and lack of alignment on key issues like repatriation, further disrupts continuity and strategic planning. The rise of criminal elements, such as the "construction mafia" and "grave mafia," poses direct threats to heritage sites and undermines public trust. Riots, vandalism, and informal land use often without required heritage impact assessments (HIA) jeopardize the protection of heritage resources. SAHRA also contends with legislative and institutional challenges, including the lack of case law, misinterpretation of the NHRA, and absence of legislative costing, which weaken enforcement and clarity. Limited stakeholder involvement, siloed operations, and skills shortages, particularly within SAPS and local authorities, compromise effective heritage management. Additional risks include illicit trading of heritage materials, uncertainty around office refurbishment funding, and the emergence of AI-generated submissions, which may complicate authenticity and compliance processes.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There have been no key policy developments or legislative changes that impacted the entity functions during the 2025/26 financial year.

2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

SAHRA's 2025–2030 Strategic Plan approved by Council in 2024, was planned to align with SAHRA's mandate, the Constitution, the National Development Plan (NDP) Vision 2030, relevant sector legislation and policies, as well as international and regional development trends. It adopts an outcomes-based approach that defines four long-term outcomes in support of SAHRA's impact statement: "A nation that knows and celebrates its heritage."

Outcome 1: Improved Organisational Capacity (Human And Financial)

OUTCOME INDICATOR	5 YEAR TARGET
Growth in non-fiscal revenue and resource acquisition over a five-year period.	8% annual increase in non-fiscal revenue and resource acquisition over a five-year period.
Retaining the staff turnover rate.	Maintain the staff turnover rate at or below 10%.
Develop and Implement a People Strategy Framework using digital systems	100% of the People Strategy implemented using digital systems. • Year 1-2 – Performance Management (digital) • Year 3 – Talent Management & succession plan (framework & digital system) • Year 3-4– Training (Learning Management System – updated framework) • Year 4-5 – digitised employee files and framework on process flows

PROGRESS

Outcome 1 focuses on identifying and converting additional sources of funding to augment the budget allocated to SAHRA by DSAC and strengthening SAHRA's human resources management practices (including training).

Property leasing remains a key income stream for the South African Heritage Resources Agency (SAHRA) and supports its mandate of sustainable utilisation, conservation, and adaptive reuse of heritage assets. Through effective portfolio management, SAHRA continues to manage lease execution and renewals across its properties, including sites such as the Old Gaol in Makhanda, the Struisbaai Fisherman Cottages, and the Tulbagh property in the Western Cape.

A strong example of value creation is the Struisbaai Fisherman Cottages, where the tenant has made substantial capital investments beyond lease requirements to restore and maintain the heritage site in line with approved land-use and conservation principles. This tenant-funded investment preserves the asset's historical integrity while delivering significant cost savings to SAHRA by reducing future maintenance and capital expenditure. Overall, lease income remains stable and high performing. In addition, SAHRA continues to generate strategically important revenue from statutory fees linked to its permitting and regulatory functions, supporting both income generation and its legislative mandate.

SAHRA successfully maintained a staff turnover rate below 10% for the 2025/26 financial year, achieving a rate of 6%. This stability supported the effective functioning of the organisation. SAHRA remains committed to ensuring high performance through the effective management, development, and empowerment of its human capital. To this end, the entity has developed a People Strategy Framework together with an implementation plan. This framework has been developed in alignment with SAHRA's strategic goals and will be implemented over the upcoming financial years.

Outcome 2: Organs of the State and Stakeholders actively participate in the management and celebration of Heritage resources

OUTCOME INDICATOR	5 YEAR TARGET
Strategic initiatives successfully executed as per the Heritage Resources Management Coordination Plan.	80% over 5 years of the approved Heritage Resources Management Coordination Plan implemented.
Development and implementation of a comprehensive Skills Development Plan aimed at improving the competencies of current professionals and empowering young people entering the Heritage sector	• Skills audit completed across key heritage institutions. • Draft Skills Development Plan developed and validated with stakeholders. • At least 3 partnerships established with training institutions • 50% Implementation of the skills development plan



PROGRESS

In terms of s13(1)(b) of the NHRA, SAHRA's main obligation under the NHRA is the requirement to "coordinate the management of the national estate by all agencies of the State and other bodies and monitor their activities to ensure that they comply with national principles, standards and policy for heritage resources management". The NHRA further explains that these activities should be performed across all three spheres of Government as follows:

- SAHRA is responsible for the management of heritage resources at the national level,
- PHRAs are responsible for the management of heritage resources at the provincial level, and
- Heritage resource management at the local level is the responsibility of municipalities.

The multifaceted nature of heritage resource management impacts on SAHRA's ability to effectively deliver on its mandate. The ineffective performance of certain PHRAs and municipalities in fulfilling their obligations poses a significant obstacle to SAHRA's ability to fulfil its mandate. The NDP's Vision 2030 emphasizes the importance of community involvement in efforts to overcome obstacles hindering personal growth. Therefore, encouraging individuals closely connected to their heritage to engage in managing and safeguarding the nation's heritage resources is deemed essential for effective heritage preservation and management.

In recognition of the multifaceted nature of heritage resources management, outcome 2 seeks to enhance collaboration between SAHRA, the relevant state entities responsible for heritage resource management and the community at large. The entity developed a Heritage Resources Management Coordination Plan (HRMCP) to enhance coordination among stakeholders to enforce heritage legislative frameworks in South Africa. This plan is aligned with broader national and international agendas such as the NDP 2030, the African Union (AU) Agenda 2063, and United Nations Educational Scientific and Cultural Organisation (UNESCO's) Sustainable Development Goals (SDGs). This alignment ensures that heritage management efforts are integrated into larger developmental goals.

In the 2025/26 financial year, SAHRA targeted the implementation of 30% of the eleven Key Performance Indicators (KPIs) set for the third year of the Heritage Resources Management and Coordination Plan (HRMCP), spanning five strategic objectives. Of the eleven KPIs, six were successfully achieved, resulting in an overall performance rate of 54.6%. Key achievements during the period included the assessment of institutional capacity to support the effective functioning of local authorities, as well as the establishment of a foundational framework for heritage resources management in South Africa. These outcomes demonstrate substantive progress towards the objectives of the HRMCP. Considering both achieved and unmet targets, SAHRA has undertaken a review of the relevant KPIs and adjusted targets accordingly to strengthen alignment and improve performance in subsequent implementation phases.

The Skills Development initiative is designed to address existing skills gaps, promote sector-specific expertise, and build a sustainable pipeline of skilled young professionals capable of contributing meaningfully to the growth, preservation, and innovation of the heritage sector. This initiative supports SAHRA's broader mandate to strengthen institutional capacity and ensure long-term sustainability within the heritage environment.

During the reporting period, the entity commenced implementation of the initiative by conducting a survey to identify higher education institutions across South Africa that offer heritage-related academic programmes. This foundational work will inform a forthcoming sector-wide skills audit aimed at identifying priority skills gaps and training needs. The outcomes of the audit will guide the development of a targeted Skills Development Plan aligned with national heritage priorities and youth development strategies. Central to the success of this initiative is the establishment of strategic partnerships with accredited training and higher learning institutions.

The entity continues to maintain strong relationships with higher education institutions and actively contributes to skills development within the heritage and related sectors through knowledge-sharing and academic engagement. In the financial year under review, the entity delivered a total of nine formal lectures to honours and master's level students at the University of Cape Town, the University of the Western Cape, and Sol Plaatje University. These engagements support capacity building within the sector and reinforce the entity's role in shaping future heritage practitioners.

Outcome 3: An Inclusive National Estate that is effectively managed

OUTCOME INDICATOR	5 YEAR TARGET
Status report on conservation as it pertains to formal protection processes.	Status report on conservation as it pertains to formal protection processes.

PROGRESS

SAHRA's strategic approach focuses on the protection and effective management of an inclusive national estate that reflects South Africa's diverse social, cultural, and historical experiences. Aligned with Chapter 15 of the National Development Plan (NDP) and Priority 2 of the Medium-Term Development Plan (MTDP), this approach emphasises the systematic identification, legal protection, and sustainable management of heritage resources. Strengthened regulatory frameworks, institutional capacity, and partnerships with provincial and local authorities are central to ensuring the long-term protection, sustainability, and equitable representation of the national estate.

To ensure the effective management of heritage resources, the entity adopted an approach that goes beyond the declaration of heritage sites. Equal emphasis was placed on establishing appropriate management instruments, including heritage agreements, conservation management plans, and integrated management plans, which are critical to safeguarding the long-term protection and sustainable use of heritage resources. In addition, the entity moved to address management gaps relating to heritage resources that had been declared in prior years, ensuring that necessary management tools were put in place. During the 2025/26 financial year, SAHRA declared two heritage resources and ensured that six management tools were put in place for previously declared heritage resources, thereby strengthening the effective protection and management of the national estate.

Outcome 4: The Heritage Value Chain contributes to the National GDP

OUTCOME INDICATOR	5 YEAR TARGET
A commissioned study to understand the contribution of Cultural Heritage Resources to the GDP	Report on contribution of Cultural Heritage resources to the GDP.

PROGRESS

SAHRA has identified the need to better understand and articulate the economic impact of its work on gross domestic product (GDP), including the contribution of heritage resource management activities as part of the development process. While this assessment has not yet been undertaken, the entity intends to explore, in collaboration with strategic partners, how the implementation of the National Heritage Resources Act (NHRA) contributes to GDP growth. Looking ahead, SAHRA aims to promote a more deliberate and coordinated institutional effort to align heritage resource management with the National Development Plan's job-creation objectives. This includes leveraging heritage resources to support economic participation, community empowerment, and employment creation.

To this end, SAHRA has offered many opportunities for students to gain experience through internships. The entity has employed six (6) interns in 2025/26. SAHRA also offered sixty-two (62) indirect employment opportunities through the rehabilitation, refurbishment and erection of memorials, properties, and other infrastructure projects.

2.5 PROJECT HIGHLIGHT: Repatriation of Apartheid Liberation Heroes

The Repatriation and Restitution Office (RRO) has achieved significant milestones in the implementation of the National Policy on Repatriation and Restitution of Human Remains and Heritage Objects. Through strategic partnerships, international cooperation, and community-centred processes, the South African Heritage Resources Agency (SAHRA) has successfully led the return of culturally and historically significant heritage objects, as well as the dignified repatriation of ancestral human remains. These efforts not only address historical injustices rooted in colonial and apartheid eras but also reaffirm the importance of restoring dignity, identity, and cultural heritage to affected communities.

This report highlights key achievements, including the restitution of the Shilubane cultural objects from Switzerland, the repatriation and reburial of Khoi and San ancestral remains from Scotland, and ongoing international efforts to locate and return the remains of South African exiles.

Restitution of the Shilubane Heritage Objects

The Repatriation and Restitution Office reached a policy implementation milestone through its first successful return of heritage objects from international museums. The restitution of the Shilubane divination tools and cultural stick was an impactful project completed in October 2025. The Shilubane divination tools and cultural stick were taken by a Swiss missionary Dr Henri Junod in the late 1800s.

While at Shilubane Mission Station, Dr Junod met Prince Mugevisa Mankhelu Shilubane who belonged to the Nkuna Royal Family. Mugevisa was a traditional healer, a rainmaker, warrior and a councillor. It is alleged by the Nkuna Royal Family that Dr Junod took Mugevisa's magic stick, divinatory bones and war garments under the pretext that he was going to test if the objects were indeed possessing magical powers.

The SAHRA as the implementing agency of the National Policy on Repatriation and Restitution of Human Remains and Heritage Objects had multiple roles and responsibilities in seeing these cultural items being returned to their rightful owners. The first was to collaboratively facilitate the legal release and transfer of the Shilubane ancestral gifts from Neuchatel Museum to the custodianship of the SAHRA as the national heritage entity for repatriation to South Africa and subsequent restitution to the Shilubane family. Secondly SAHRA had the responsibility to ensure that the signature of the transfer agreement between Neuchatel Museum and SAHRA takes into cognisance the Swiss and South African legal framework based on international laws for restitution of cultural items to communities of origin.

Through multiple consultations with all critical stakeholders, the Shilubane family was at the centre of consultations and engagements to see this repatriation process through. The SAHRA with its implementing stakeholders embarked on a journey to Switzerland during the Presidential State visit to conclude the return of the cultural artefacts.

The restitution of the Shilubane cultural objects began with a handover ceremony in Neuchatel City Hall. The program was directed by Neuchatel Museum wherein a keynote address was delivered by the Minister of Higher Education, Hon. Buti Manamela, representing the Department of Sport, Arts and Culture Minister Gayton McKenzie. This ceremonious handover also finalized the transfer agreement between the SAHRA and the Neuchatel Museum. President Cyril Ramaphosa held official talks with Switzerland President Keller-Sutter on a range of bilateral issues, including signing of two agreements on cooperation in the fields of Arts, Culture and Heritage and Letter of Intent on Cooperation in Peace Mediation and Democracy Resilience. The agreements sought to strengthen cultural ties, explore new cooperation initiatives under domestic law and promote joint efforts in peace-making and mediation within multilateral organisations. The handover ceremony to the government of South Africa was on the afternoon of the 29th of October 2025 at the Federal Palace (Bundeshaus) in Bern.

Repatriation and Reburial of Khoi and San Ancestral Remains

In October 2025, the SAHRA successfully repatriated the ancestral remains of Khoi and San individuals from the University of Glasgow in Scotland. The remains had been housed at the Hunterian Museum and were unethically removed from their graves between 1868 and 1924 without the consent of the affected communities for race-based scientific research.

The ancestral remains, predominantly of Khoi, San and other indigenous origins, were unethically collected during the late 19th and early 20th centuries through grave robbing, illicit trade, unauthorized exhumation therefore unethically taken for race-based scientific study. For more than a century, these ancestors were stored in institutions because of colonial and apartheid-era practices that treated them as objects of study and display. Such actions inflicted deep wounds on affected communities, making restitution a long-standing demand in the pursuit of justice.

The SAHRA journeyed to Scotland, the Hunterian Museum at the University of Glasgow wherein a handover ceremony was held inside the Kelvin hall Memorial Chapel. On 13th October 2025. This handover ceremony was once again a milestone achieved in the continuation of implementing the policy of repatriation and restitution of human remains and heritage objects. This international repatriation was the first under the policy objective to repatriate human remains from Museums.

On 16 October 2025, the ancestral remains arrived at Cape Town International Airport, where a solemn airport reception ceremony was conducted. Following their return to South Africa, the ancestral remains were received in a homecoming ceremony and united with others that were under the care of the Iziko Museums of South Africa.

In March 2026 the official reburial ceremony was held at the heritage site Kinderle, in the Northern Cape. This reburial was officiated by the President H.E Mr Cyril Ramaphosa. The official reburial was for all sixty-three (63) human remains.

Once again, this milestone was achieved through multiple stakeholder engagements and guided by the reburial community task team, who are representatives of the descendants of the Khoi and San people who saw the convergence of Khoi, San, Nama, Griqwa and Korana communities come together in peace at Kinderle.

The ancestral mortal remains were not a mass grave compared to the Kinderle grave of 32 children who were killed in intercommunity feuds, but rather it was individual graves in rows of 21 within each of the three trenches, symbolising the commonality of their pain and their unity in the final resting place. The coffins were covered in a cultural cloth “lappieskombers” chosen by the community.

The elders of the community, clad in traditional skins, burnt buchu, singing solemn Nama songs and beating the drums as they blew the horns of Kudus to exhort the spirits of the forefathers to descend and welcome them back to their homeland. Through the execution of this impactful project the SAHRA has rehumanized through a dignified reburial ceremony of the first batch of human remains that were objectified in museum exhibitions for years.

The ceremony formed part of government’s broader country-to-country repatriation programme for human remains and heritage objects, which seeks to restore dignity to those whose remains were taken during the colonial and apartheid eras.

Exile Repatriation Project: Angola and Lesotho

On the 9th of June 2025, Minister G. McKenzie, made an announcement of the key countries for implementation of Exile Repatriation Project on the 9th of June 2025 at the GCIS Headquarters in Pretoria. In July 2025, the SAHRA and Missing Persons Technical Team joined an intergovernmental delegation to Angola to conduct the Mapping of Graves Phase of the country-to-country implementation plan, with an objective to identify and document graves, for exhumations and repatriation, within the next phase.

The focus was on three distinct regions of Angola with complex post-conflict challenges where isolated former camps of the South African liberation movement forces have become inaccessible, and only a few graves were identified within the peripheries of two former camps. A mass burial site associated with an ambush by rebel forces in the 1980s, was identified for test trenching during the second phase of exhumations, pending re-configuring of camp layouts, bush clearance and completion of current demining activities, for access to sites, identification of graves, exhumations and recovery of human remains for repatriation and reburial in South Africa.

Similarly, in the Eastern front, Malanje Province, camp gravesites were not accessible for identification of graves in the municipal cemetery located within the regional capital Malanje Town, numerous graves with visible names and unique insignia associated with the African National Congress military wing. A mass burial site of ambushed military casualties was identified in Caucuso for a planned test trenching and possible use of Ground Penetrating Radar (GPR) equipment, to confirm and locate the mortal remains. Luanda's three main cemeteries, graves of South African freedom fighters were identified within all locations, and it was decided that a further documentation process was required for further verification through cemetery records and archival resources. Further tracing, liaison and mobilisation of families is continuing for participation of families in the inter-faith conducted spiritual repatriation and intercession.

In February 2026, the technical team also conducted a mapping of graves in Lesotho, and several graves were identified and consents secured from families for exhumations and repatriation. The Lesotho technical team counterpart, facilitated consultations with traditional leadership and engagements with communities, survivors of the Lesotho raids and occupants of massacre sites and families of the deceased or discussions with the South African team to acknowledge sacrifices and collateral damage suffered by Basotho civilian casualties during the cross-border raids and ultimate inclusion in the planned different forms of memorialisation.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration and Governance

Outcome: Improved Organisational Capacity (Human and Financial)

Programme 1 aims to build and maintain sound organisational financial and human capacity within SAHRA. The programme managed to achieve 100% of its output indicators.



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS INFORMATION

PROGRAMME 1 – ACTUAL ACHIEVEMENTS

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reasons for deviations
			2023/2024	2024/2025				
			Programme 1 - Administration and Governance					
Improved organisational capacity (human and financial)	Partnerships that can financially benefit SAHRA	1.1 Number of revenue generating streams implemented	3 Revenue generating streams implemented	5 Revenue generating streams implemented	3 Revenue generating streams implemented	6 Revenue generating streams implemented	3	Additional revenue generating streams were introduced as a result of lease renewals and updates to the fee schedule
	A revised organisational structure that supports the implementation of SAHRA's 2025-2030 strategy	1.2 Maintain the annual turnover rate at or below 10%	Annual turnover rate is at 8.9%	8.6%	Maintain the annual turnover rate at or below 10%	6%	N/A	N/A
	Staff training/development opportunities	1.3 % of training interventions rolled out according to the HR training plan	100%	100%	100%	100%	N/A	N/A
	Development and Implementation of a people strategy framework	1.4 % An approved people strategy framework with an implementation plan	100% of the new performance management system implemented	100% of the performance management system implemented	An approved people strategy framework with an implementation plan	An approved people strategy framework with an implementation plan	N/A	N/A

The entity implemented 6 revenue generating streams. We draw your attention to a few examples of the income streams discussed below

Financial Sustainability

Struisbaai Fisherman Cottages - Property leasing remains a key income stream for the South African Heritage Resources Agency (SAHRA) and plays an important role in advancing the sustainable use, conservation, and adaptive reuse of heritage assets. A notable example of the value derived from SAHRA's leasing portfolio is the Struisbaai Fisherman Cottages, which continue to demonstrate the strategic benefits of well-structured heritage leasing arrangements. At the Struisbaai Fisherman Cottages, the tenant has undertaken substantial capital investment that exceeds the minimum requirements of the lease agreement. These tenant-funded interventions have focused on the restoration, stabilisation, and ongoing maintenance of the heritage site in accordance with approved land-use and conservation principles. The investment has ensured the preservation of the site's historical character while enhancing its operational viability.

Critically, this investment represents a significant cost saving to SAHRA, as the associated restoration, infrastructure upgrades, and maintenance works would otherwise have required direct capital and operational expenditure by the Agency. The Struisbaai Fisherman Cottages therefore illustrate how strategic leasing contributes not only to stable rental income but also to reduced long-term maintenance liabilities and improved asset sustainability. Overall, lease income remains stable and high performing. In addition, SAHRA continues to derive strategically important revenue from statutory fees linked to its permitting and regulatory functions, which support both income generation and the fulfilment of its legislative mandate.

Staff turnover, training, and performance management

The operational effectiveness of SAHRA remained stable by maintaining an annual turnover rate below 10%, achieving a rate of 6%. The organisation demonstrates a strong commitment to employee development, focusing on agility and adaptability to change, and prioritising human capital enhancement through comprehensive training programmes utilising various models. All essential training initiatives were successfully executed as per the HR Training Plan, achieving a 100% rollout. The Supply Chain Management (SCM) Unit actively engages and appoints diverse service providers to facilitate training aligned with the plan, covering areas such as Financial Management, Policy Development, and GIS. Beyond individual skill enhancement, these training sessions are poised to contribute significantly to SAHRA's overall effectiveness in fulfilling its mandate. Notably, the entity has developed a People Strategy Framework together with an implementation plan. This framework has been developed in alignment with SAHRA's strategic goals and will be implemented over the upcoming financial years.

3.2 Programme 2: Strategic Coordination

Outcome: The relevant organs of state and communities participate actively in the identification, management, and protection of heritage resources

Programme 2 is strategically focused in strengthening existing and newly formed external partnerships in the Heritage Resources Management sector. SAHRA as the national regulatory body for heritage resources management is interested in the further integration of its national management framework and is actively seeking partners that can assist with realizing its strategic objectives and creating a sustainable heritage sector in South Africa. The entity achieved 100% performance of its output indicator for the programme.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND
ACTUAL ACHIEVEMENTS ACTUAL ACHIEVEMENTS
PROGRAMME 2 – ACTUAL ACHIEVEMENTS

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievements	Deviation from planned target to Actual Achievement		Reasons for deviations
			2023/2024	2024/2025			2025/2026	2025/2026	
Programme 2 - Strategic Coordination									
Organs of the state and stakeholders actively participate in the management and celebration of heritage resources	Finalised Coordination Strategy with Critical Stakeholders	2.1 Percentage implementation of the Heritage Resources Management Coordination Plan	28.6% of the Heritage Resources Management Coordination Plan was Implemented	77.8% of the Heritage Resources Management Coordination Plan was Implemented	30% of the Heritage Resources Management Coordination Plan implemented	54.6% of the Heritage Resources Management Coordination Plan was Implemented	24.6%	SAHRA demonstrated enhanced performance through its continued commitment to engaging with the Provincial Heritage Resources Authorities (PHRAs) and the effective implementation of the HRMCP KPIs. During the period under review, SAHRA successfully achieved the HRMCP Year 3 goals.	

In the 2025/26 financial year, SAHRA targeted the implementation of 30% of the eleven Key Performance Indicators (KPIs) set for the third year of the Heritage Resources Management and Coordination Plan (HRMCP), spanning five strategic objectives. Of the eleven KPIs, six were successfully achieved, resulting in an overall performance rate of 54.6%. Key achievements during the period included the assessment of institutional capacity to support the effective functioning of local authorities, as well as the establishment of a foundational framework for heritage resources management in South Africa. These outcomes demonstrate substantive progress towards the objectives of the HRMCP. Considering both achieved and unmet targets, SAHRA has undertaken a review of the relevant KPIs and adjusted targets accordingly to strengthen alignment and improve performance in subsequent implementation phases.

3.3 Programme 3: Public Engagement

Outcome: The relevant organs of state and communities participate actively in the identification, management, and protection of heritage resources

The purpose of Programme 3 was to promote knowledge and skills development, as well as policy development, in support of effective heritage resources management. The entity continued to strengthen its role as a leading regulatory authority by disseminating knowledge and providing advisory support to stakeholders across available platforms, thereby reinforcing the protection and management of heritage resources and achieving 100% of its target.



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS ACTUAL ACHIEVEMENTS INFORMATION

PROGRAMME 3 – ACTUAL ACHIEVEMENTS

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievements	Deviation from planned target to Actual Achievement		Reasons for deviations
			2023/2024	2024/2025			2025/2026	2025/2026	
Programme 3 - Public Engagement									
Organs of the state and stakeholders actively participate in the management and celebration of heritage resources	Promotional knowledge dissemination activities about heritage resources	3.1 Number of promotional knowledge dissemination activities about heritage resources	21	25	12	21	9		Additional promotional knowledge dissemination activities took place due to easier access and usage of digital platforms as a means of disseminating information
	HRM Skills Development initiatives	3.2 Number of HRM Skills Development initiatives	New Indicator	New Indicator	4	9	5		Additional HRM Skills Development initiatives took place due to easier access and usage of digital platforms as a means of disseminating information
	Diverse representation at SAHRA hosted heritage events	3.3 % of women, youth and persons with disabilities attending SAHRA hosted events	% of people in the following groups attending SAHRA hosted events; Women: 59% Youth: 41% Persons with disabilities: 1%	Minimum % of people in the following groups attended SAHRA hosted events; 56% Women; 33% Youth; 1% Persons with disabilities	Minimum % of people in the following groups attending SAHRA hosted events: 50% Women or 40% Youth or 2% Persons with disabilities	Minimum % of people in the following groups attended; 64.3 % Women; 36.4% Youth or 0.6% Persons with disabilities	N/A	N/A	N/A

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievements	Deviation from planned target to Actual Achievement		Reasons for deviations
			2023/2024	2024/2025			2025/2026	2025/2026	
Programme 3 - Public Engagement									
	Engagement with communities while developing HRM Policies, Regulations, Sops and Guidelines.	3.4 Average number of community engagements/ consultations while developing/ revising HRM policies, Regulations, Sops and Guidelines	Average 1 engagement / consultation per developed/ revised HRM policy	An Average of 41 community engagements/ consultations per developed/ revised HRM policy were held	Minimum 1 engagement/ consultation per developed/ revised HRM policy, Regulation, Sop and Guideline	An Average of 3.4 community engagement/ consultation per developed/ revised HRM policy, Regulation, Sop and Guideline were held	N/A	N/A	N/A

SAHRA has a statutory responsibility to promote and regulate heritage resources, as well as to contribute to skills development within the heritage sector. This mandate is advanced through the dissemination of knowledge via hosted and participatory conferences, workshops, seminars, and lectures at both national and international levels. During the reporting period, the entity conducted a total of 21 promotional knowledge-dissemination activities focused on heritage resources and implemented nine skills development initiatives aimed at strengthening sector capacity. In addition, SAHRA actively engaged stakeholders, including affected and interested members of the public, during the development and revision of Heritage Resources Management (HRM) policies, regulations, standard operating procedures (SOPs), and guidelines. A selection of these activities are discussed below.

Workshops/Conferences/Seminar Webinar

Scientific and Technical Advisory Body (STAB) of the 2001 UNESCO Convention - The Scientific and Technical Advisory Body (STAB) of the 2001 UNESCO Convention on the Protection of the Underwater Cultural Heritage held its annual meeting in Paris on 18 June 2025, followed by a dedicated conference on climate change and underwater cultural heritage on 19 June 2025. South Africa and the sub-Saharan Africa region were represented by SAHRA through Ms Lesa la Grange, who serves on STAB with a term running until 2027.

The meeting reviewed the activities of the Convention Secretariat for the period June 2024 to June 2025. Progress was noted in promoting the ratification and implementation of the Convention, as well as the approval of field missions to Oman and Bulgaria. STAB endorsed best-practice submissions from France, Spain, and Mexico, and noted positive accreditation outcomes for seventeen non-governmental organisations. Preparations for the 2025 Meetings of States Parties and the next STAB session were also confirmed.

STAB members reported on recent technical assistance missions. Missions to La Isabela in the Dominican Republic and Qalhat in Oman identified significant underwater cultural heritage resources, highlighted conservation challenges, including erosion, and recommended further research and increased community engagement. Preparatory work also advanced for a planned 2025 mission to Nessebar, Bulgaria. Regional cooperation initiatives progressed through planning for a museum-focused meeting in Mexico and consultations relating to shipwreck protection in the Baltic Sea region.

The meeting further received a presentation on the UNESCO White Paper on Underwater Cultural Heritage and Climate Change, which highlighted escalating climate-related risks to underwater heritage and proposed strengthened adaptation and mitigation measures, as well as integrated, ecosystem-based approaches to management. The STAB adopted a set of recommendations endorsing the Secretariat's work, encouraging expanded technical assistance to regions with lower ratification levels, and calling for the continuation of key field missions. These include follow-up phases in the Dominican Republic and Oman, as well as a pending assistance mission to Hoyo Negro in Mexico. It was confirmed that the 17th STAB meeting will be hosted in Poland in 2026.

Lectures

University of Cape Town - SAHRA was approached by the Programme Convenor of the MPhil in Conservation of the Built Environment at the University of Cape Town to discuss SAHRA's responsibilities and its response to evolving social, political, and physical contexts. During this hybrid lecture, representatives from SAHRA provided an overview of SAHRA's role in assessing cultural heritage significance and its responsibility in establishing an integrated system to support this work. Students were introduced to the development of the thematic framework as a tool to strengthen heritage assessment processes.

The presentation included a detailed explanation of the thematic framework, its purpose, and its practical implementation. Each theme was discussed, along with the types of subthemes and topics that could be explored. The Mendi Memorial was used as a case study, after which the class worked through two additional examples;

Freedom Park and the Castle as a group exercise. During the students' exploration of narrative development through the thematic framework, discussions highlighted the framework's role in uncovering new stories and enabling a more holistic and nuanced understanding of heritage sites. This deeper understanding supports more effective responses to changing social and contextual dynamics. Several students expressed interest in applying the thematic framework to their site analysis projects.

SAHRA Hosted Events

Heritage Month Webinar - As part of its Heritage Month 2025 programme, SAHRA hosted a G20-aligned international side event focused on the restitution of cultural property, framed under the theme "Restitution of Cultural Artefacts to Countries of Origin – Solidarity in Restoring the Cultural Heritage of Descendant Communities." The event was convened as a webinar and formed part of the Day 3 programme, bringing together heritage practitioners, government officials, academics, and policy specialists from across Africa and the international community to engage on global practices, shared challenges, and emerging opportunities related to the return of cultural artefacts to their countries and communities of origin.

The seminar was formally opened by the Chairperson of the SAHRA Council, Ms Elodie Seotseng Tlhoale, who highlighted the moral, ethical, and historical significance of restitution as a process central to restoring dignity, addressing historical injustices, and acknowledging the lived experiences of descendant communities. Her remarks set the tone for the discussions that followed, grounding the restitution debate within broader frameworks of accountability, healing, and heritage justice.

Opening messages were delivered by the Honourable Gayton McKenzie, Minister of Sport, Arts and Culture of South Africa; the Honourable Aba Dzifa Gomashie, Minister for Tourism, Culture and Creative Arts of Ghana; and Ms Angela Martins, representing the African Union Commission. Collectively, the speakers emphasised Africa's growing leadership in global restitution discourse and underscored the importance of solidarity, coordinated advocacy, and shared African positions within international platforms such as the G20. The opening remarks reinforced the role of restitution as both a cultural and political process that requires collaboration between states, institutions, and communities.

The discussions that followed were constructive and thought-provoking, reflecting a strong shared commitment to justice, reconciliation, and sustainable heritage management. Participants engaged on practical experiences, policy considerations, and institutional responsibilities, and acknowledged the importance of integrating African perspectives into global restitution frameworks. Delegates commended SAHRA for creating a collaborative platform that linked African experiences and priorities with broader international and G20-level dialogue, and for positioning heritage restitution as a strategic issue within contemporary cultural governance.

The seminar concluded with closing remarks by Ms Lisa Combrinck, Chairperson of the South Africa G20 Culture Working Group, who reflected on the relevance of the discussions to South Africa's G20 engagement and the broader culture agenda. A formal vote of thanks was delivered by Pastor Peter Mokwena, Chairperson of SAHRA's Heritage Management Committee. The event reinforced SAHRA's role in advancing restitution discourse, strengthening international cooperation, and promoting ethical and inclusive approaches to the management and return of cultural heritage.

Attendance at SAHRA Hosted Events

In its commitment to align its goals with the MTDP, SAHRA made sure to invite women, youth and people living in rural areas to attend SAHRA hosted events. The Heritage Week Webinar was an opportunity for inclusion of this specific subgroup of stakeholders as their participation in heritage related activities is vital as they are an important part of custodianship of South Africa's Heritage. The minimum targeted attendees were achieved with women yielding majority of the attendees at the webinar.

3.4 Programme 4: Business Development and Transformation

Outcome: A national estate that is representative of South Africa's diverse heritage

Programme 4 is aimed at implementing SAHRA's mandate through inclusive identification, conservation, promotion, and management of heritage resources. Programme 4 achieved 100% of the expected outputs for this financial year.



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS ACTUAL ACHIEVEMENTS

PROGRAMME 4 – ACTUAL ACHIEVEMENTS

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievements	Deviation from planned target to Actual Achievement	Reasons for deviations
			2023/2024	2024/2025				
Programme 4 - Business Development and Transformation								
An inclusive national estate that is effectively managed	Grade 1 Heritage resources declared with management tools	4.1 Number of grade 1 Heritage resources declared with management tools	New Indicator	New Indicator	2	2	N/A	N/A
	Previously declared heritage resources having management tools	4.2 Number of previously declared heritage resources having management tools	New Indicator	New Indicator	6	6	N/A	N/A
	Monitoring of declared National Heritage Resources/ Objects	4.3 Planned monitoring of declared National Heritage Resources/ Objects	New Indicator	New Indicator	16	41	25	Additional declared National Heritage Resources/ Objects were monitored due to sparing financial resources by combining activities at heritage sites. Due to the high-profile nature of the Parliament project and the strict deadlines stipulated, SAHRA was required to conduct more frequent site visits.
	Resolving of complaints or contraventions	4.4 Progress made towards the handling or resolving of complaints or contraventions	New Indicator	New Indicator	Report on progress towards the handling or resolving of complaints or contraventions received	Report on progress towards the handling or resolving of complaints or contraventions received	N/A	N/A

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievements	Deviation from planned target to Actual Achievement		Reasons for deviations
			2023/2024	2024/2025	2025/2026	2025/2026	2025/2026		
Programme 4 - Business Development and Transformation									
	Declared National Heritage Sites marked with approved badge	4.5 Number of declared National Heritage Sites marked with approved badges	New Indicator	New Indicator	4	4	N/A	N/A	N/A
	Monuments and memorial sites rehabilitated and erected	4.6 Number of monuments and memorial sites rehabilitated and erected	4	2	4	4	N/A	N/A	N/A
	Formal partnership agreements with strategic institutions	4.7 Number of formal partnership agreements with identified strategic institution	4	4	4	5	1	The entity entered into an additional formal partnership	

The National Heritage Resources Act (Act 25 of 1999) mandates SAHRA to protect, manage, grade, declare, and conserve the national estate. This mandate has been carried out successfully, as the entity declared two (2) Grade 1 heritage resources with management tools, and marked some National Heritage Sites (NHS) with approved badges and monitored 41 National heritage sites among other key performance indicators achieved under Programme 4. A few of these achievements are highlighted below.

Declarations

Nelson Mandela Museum Collection - The South African Heritage Resources Agency (SAHRA) formally declared the collection of gifts bestowed on Nelson Mandela as a specifically protected national heritage collection. It acknowledges the exceptional historical, cultural, and symbolic value of these items, which were presented to Mandela by individuals, governments, and organisations from around the world in recognition of his leadership and role in South Africa's transition to democracy. By granting the collection this status, the gazette places it under legal protection, ensuring that it is carefully preserved, documented, and managed for the benefit of present and future generations. The declaration also aims to regulate how the collection is used, displayed, or loaned, promoting responsible stewardship while allowing for public access, education, and research. Ultimately, this collection has been declared as a significant part of South Africa's national heritage and a reflection of Mandela's global legacy and enduring influence.

Solomon Linda - The South African Heritage Resources Agency (SAHRA) formally declared the grave of Solomon Linda, situated at Doornkop Cemetery in Soweto, Johannesburg, as a National Heritage Site. This declaration serves to recognise and honour Solomon Linda's enduring contribution to South Africa's cultural and musical heritage, particularly his role as the composer of the iconic song "Mbube," which gained international prominence. By granting the grave national heritage status, this ensures that the site is legally protected under heritage legislation, safeguarding it against neglect, alteration, or damage. The declaration also underscores the importance of preserving sites associated with significant historical figures, thereby promoting public awareness, respect for cultural history, and the commemoration of individuals who have shaped the country's artistic and social legacy.

Previously declared heritage resources having management tools

Recognising the importance of strengthening the protection, management, and compliance of previously declared heritage resources, this exercise aimed to obtain appropriate management tools to support their long-term safeguarding. SAHRA undertook targeted engagements with custodians and owners to facilitate the development and finalisation of instruments such as Heritage Agreements (HAs), Conservation Management Plans (CMPs), and Integrated Management Plans (IMPs). These are highlighted below.

Genadendal Mission Museum (GMM) - In the 2010s, SAHRA commissioned an assessment to inform a Conservation Management Plan (CMP), which produced recommendations on maintenance and preventative conservation. The CMP, however, remained outstanding for several years. In late 2024, SAHRA formally requested its submission, and by 2025 the museum provided approved management tools under council and provincial oversight. This enabled the successful negotiation and finalisation of a Heritage Agreement (HA) once the museum council had been appointed.

Gnome Aircraft Engine - In October 2024, SAHRA assessed the Gnome Aircraft Engine at the National Museum and noted the absence of a CMP, although a housekeeping plan with biannual cleaning was in place. Due to the lack of a professional conservator, the section curator assumed conservation responsibilities. Following SAHRA's engagement, the museum developed and refined a management plan through ongoing collaboration, although the Heritage Agreement remained outstanding.

Thulamela - The Archaeology, Palaeontology and Meteorites (APM) Unit focused on finalising the Heritage Agreement for Thulamela National Heritage Site in collaboration with South African National Parks (SANParks), the site's management authority.

SANParks remained responsible for the day-to-day conservation and management of the site. The agreement took several years to finalise due to the complexities associated with managing a heritage resource within a national park, where biodiversity conservation is a priority. The agreement aimed to ensure long-term conservation, streamline approval processes, and regulate sustainable development at the site.

Mapungubwe - The APM Unit also finalised the Heritage Agreement for Mapungubwe National Heritage Site in partnership with SANParks. Similar to Thulamela, the process was prolonged due to the complexities of integrating heritage management within a protected natural environment. The agreement established a framework to support sustainable conservation, monitoring, and development, ensuring alignment between heritage protection and environmental management priorities.

Sibudu - SAHRA endorsed the updated Integrated Conservation Management Plan (ICMP) for Sibudu Cave, a national and World Heritage Site. The ICMP was approved by the SAHRA Grading and Declarations Review Committee on 27 March 2026 and was prepared for submission to UNESCO for implementation over the 2026–2031 period. The plan provided a comprehensive management framework to guide conservation efforts and regulate future development at the site.

South African Astronomical Observatory - The Built Environment Unit (BEU) included the South African Astronomical Observatory as a priority site for engagement during the 2025–26 fiscal year. Through coordinated engagements, including virtual and in-person meetings, SAHRA facilitated discussions on Heritage Agreements and related management tools. A draft agreement and maintenance template were shared in advance to support stakeholder participation. As a result of this structured process, SAHRA, in collaboration with the Heritage Protection Unit, successfully concluded a Heritage Agreement with the Observatory on 31 March 2025. This formalised the management framework for the site, with provision for the future inclusion of a detailed maintenance schedule.

Installation of SAHRA Approved Badge on National Heritage Sites

The South African Heritage Resources Agency (SAHRA) has begun a nationwide rollout of its newly developed National Heritage Site (NHS) badges, representing a significant step toward enhancing public awareness and appreciation of the country's most important heritage locations. These badges not only visually confirm the national status of each site but also act as visible symbols that reflect the history, achievements, and significant events associated with these places.

The initial phase of installations was carried out at the Dal Josafat Cultural Landscape, the Castle of Good Hope, the South African Astronomical Observatory, and Trafalgar High School. Given that there are over 170 declared National Heritage Sites across the country, these four locations were selected based on their closeness to SAHRA offices, ease of access, and existing relationships with site owners. The badges were personally delivered to the custodians of each site, with SAHRA officials overseeing the installation process to ensure proper placement.

Goede Rust (Dal Josafat Cultural Landscape) - On the 26th of March 2026, the Goede Rust homestead within the Dal Josafat Cultural Landscape was selected as it is a SAHRA owned property and has on site security. The installation was performed by SAHRA staff. The badge was placed at the front entrance of the main homestead building.

The Castle of Good Hope - On the same day, a badge was installed at the primary entrance to the Castle of Good Hope. This location was selected as a point of prominence where all members of the public entering the site would see the badge. The badge was installed by the castle maintenance staff under supervision of the Castle CEO and SAHRA staff.

Planned Monitoring of Heritage

Monitoring of Resources

The entity monitored a total of 41 declared heritage resources/ objects, some amongst them hold significant importance. We wish to draw your attention to these particular heritage resources/ objects by providing a more detailed explanation about them.

Cradle of Humankind - The SAHRA team conducted a biannual inspection of several key palaeontological and archaeological sites within the Cradle of Humankind World Heritage Site from 15– 16 April 2025. The visit included the reopening ceremony of the Sterkfontein Caves, inspections of Wonder Cave, Greensleeves (Aves Cave), Klinkert's (Waypoint 106 and Brad Pit), and Gondolin. The purpose was to assess compliance with permit conditions, advise on excavation practices, and evaluate site significance and risks. Key findings included the potential heritage value of the Wonder Cave, management and conservation challenges such as airflow issues and acid mine drainage, and the need for infrastructure improvements at Greensleeves and Klinkert's. Gondolin NHS was noted for geological sampling, with safety concerns raised about unstable sections. The emphasis on the importance of community involvement, educational use, and future preservation efforts were also highlighted.

Josiah Tshangana Gumedde Burial Site in Mountain Rise Cemetery - On 17 September 2025, the South African Heritage Resources Agency (SAHRA) conducted a site assessment of the grave of Mr Josiah Tshangana Gumedde, located at Mountain Rise Cemetery, Pietermaritzburg. The grave, declared a National Heritage Site in 2013, was found to be in a deteriorating condition. Key concerns include overgrown vegetation, fading of the ANC logo on the memorial stone, and structural damage to the grave's kerbs. Accessibility issues during the rainy season and general neglect of the cemetery precinct further threaten the site's integrity. SAHRA recommends collaboration with local authorities, regular monitoring, and the establishment of a Heritage Agreement to ensure the long-term preservation and protection of the site.

South African Astronomical Observatory (SAAO) Site Inspection - The South African Heritage Resources Agency (SAHRA) conducted a site monitoring exercise at the South African Astronomical Observatory (SAAO) in Cape Town on 13 November 2025. The visit aimed to advance negotiations on a Heritage Agreement, assess site conditions, and integrate conservation with operational needs. The SAAO, declared a National Heritage Site in 2018, holds exceptional scientific and cultural value, featuring historic buildings like the Royal Observatory and instruments such as the McClean Telescope. Discussions focused on maintenance planning, disaster risk management, digitisation of archival materials, and balancing scientific work with public engagement. The site inspection revealed generally good conditions, with minor issues like dampness and structural wear requiring attention. Key facilities reviewed included the Visitor Centre, McClean Telescope Museum, and research areas, alongside heritage objects of national significance. Recommendations include finalising the Heritage Agreement, implementing a maintenance schedule, enhancing disaster risk measures, and improving accessibility and lighting for visitor engagement. Overall, the exercise reinforced the importance of safeguarding SAAO's heritage while supporting its role as a leading scientific institution within the Two Rivers Urban Park precinct.

Nurul Huda Mosque - The SAHRA site inspection of the Nurul Huda Mosque, a declared National Heritage Site in Bo-Kaap, was conducted following a complaint about unauthorized alterations. The inspection found that a concrete slab had been installed without approval to address stormwater runoff issues, requiring a formal retrospective application and impact assessment. While the mosque interior remains generally well maintained, some water damage was observed. Concerns were also raised about an adjacent residential development constructed close to the mosque boundary without SAHRA consultation, potentially affecting the heritage context. The mosque management has plans for future expansion and improvements, but SAHRA emphasized that all work must follow proper heritage permitting processes to ensure the preservation of the site's cultural and architectural significance.

The Miracle Cannon - SAHRA conducted a site monitoring visit and stakeholder meeting held on 20 November 2025 at the Nelson Mandela Art Museum to assess the status and management of the Miracle Cannon of Sacramento and an associated antique collection, both formally declared heritage objects. The visit focused on ensuring compliance with the National Heritage Resources Act (NHRA), clarifying ownership responsibilities, and introducing plans for formal heritage agreements and improved statements of significance under a thematic framework. It was established that neither object is currently housed at the museum: the cannon is kept at the Prince Alfred's Guard Military Museum under SANDF care, while the antique collection is located at Castle Hill. Although the cannon is reportedly well maintained, uncertainties remain regarding past transfer agreements and custodianship responsibilities. SAHRA plans to investigate these arrangements, engage the current custodians, and conduct a workshop to strengthen governance, documentation, and conservation practices for both heritage assets.

Mqhekezweni Great Place - During May 2025, SAHRA visited Mqhekezweni Great Place, a National Heritage Site and key component of the Nelson Mandela legacy, to assess its condition, engage stakeholders, and plan for conservation. The site has historical and cultural significance due to the seat of the abaThembu Traditional Authority and a formative place in Nelson Mandela's early life, while noting that several buildings including the "Mandela Hut" are in a deteriorating state and require urgent restoration using appropriate traditional methods. Discussions with the Mtirara Royal Family and stakeholders revealed concerns around maintenance permissions, safety, tourism potential, and inadequate infrastructure such as signage and visitor facilities. The inspection identified broader needs for coordinated management, improved conservation planning, and clearer roles through instruments like a Heritage Agreement and management plans, with commitments made by SAHRA and partners to support restoration, documentation, and future site development.

Monuments and Memorial Sites Rehabilitated and Constructed

The entity rehabilitated and constructed a total of four (4) monuments and memorial sites, some amongst them that hold significant importance. We draw your attention to one site discussed below.

Hector Zolile Pieterse Grave - The successful upgrade of Hector Zolile Pieterse's grave at Avalon Cemetery formed part of SAHRA's 2025/26 performance targets and its mandate to protect heritage graves. The project involved consultation with the Pieterse family and key stakeholders, ensuring their approval of the memorial design and inscriptions, as well as accommodating future family burial arrangements. A service provider was appointed through a formal procurement process, and construction included the replacement of the old tombstone with a new granite structure featuring symbolic elements. The project was completed ahead of schedule on 26 February 2026, despite minor challenges, and contributes to preserving an important site of national memory while honouring the legacy of the 1976 Soweto Uprising.

Partnerships

The entity entered into a total of five (5) partnerships, some amongst them that hold significant importance. We wish to draw your attention to some of these partnerships by providing a more detailed explanation.

Memorandum of Agreement between IZIKO and SAHRA - The Memorandum of Agreement between SAHRA and Iziko Museums of South Africa aims to formalise a collaborative partnership to protect, preserve, and promote the country's tangible and intangible heritage through jointly implemented projects such as research, conservation, digitisation, education, tourism, and capacity building initiatives. It provides a structured framework for coordinated planning, funding, information sharing, and project management aligned with each entity's legislative mandate, ensuring efficient and compliant heritage management. The agreement benefits SAHRA by strengthening its national oversight role and extending its implementation capacity, while Iziko gains access to funding support, regulatory alignment, and collaborative expertise. Additionally, it benefits government and the public by enhancing heritage preservation outcomes, improving access, supporting skills development, and promoting sustainable cultural and socio-economic value for present and future generations.

Agency Agreement with Limpopo Heritage Resources Authority - The purpose of the agency agreement between SAHRA and Limpopo Heritage Resources Authority (LIHRA) is to formalise a cooperative governance arrangement in which SAHRA is appointed as an agent to perform specific heritage management functions on behalf of LIHRA where the latter lacks full competency, in line with the National Heritage Resources Act. This ensures that statutory responsibilities particularly in complex areas such as archaeology, heritage impact assessments, and national-level resources are effectively carried out while enabling LIHRA to continue exercising authority in areas where it is competent.

The benefits for stakeholders are that SAHRA ensures regulatory compliance, technical expertise, and continuity in managing critical heritage functions; LIHRA gains operational support, capacity-building opportunities, and a structured pathway to improve its competency; and broader stakeholders (including communities, developers, and government) benefit from clearer roles, coordinated decision-making, improved service delivery, and stronger protection and sustainable management of heritage resources across national and provincial levels.

3.5 Programme 5: Economic Empowerment

Outcome: Economic empowerment, including employment opportunities, for local communities through SAHRA's activities

Programme 5 was introduced as a means of SAHRA accounting for its contribution towards economic empowerment. Although SAHRA is not a job creation entity, the entity identified potential areas in which it could either directly, or indirectly, contribute to economic empowerment. The 100% achievement of the programme is evidence that the entity has had made a positive contribution.



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS ACTUAL ACHIEVEMENTS

PROGRAMME 5- ACTUAL ACHIEVEMENTS

Outcome	Output	Output Indicator	Audited Actual Performance		Planned Annual Target	Actual Achievements	Deviation from planned target to Actual Achievement		Reasons for deviations
			2023/2024	2024/2025			2025/2026	2025/2026	
Programme 5 - Economic Empowerment									
The Heritage Value Chain contributes to national GDP	Increase in the number of employment opportunities created through partnerships with SETAs	5.1 Number of employment opportunities created through internships	8	7	5	6	1		An additional intern was placed at SAHRA
	The number of employment opportunities for local communities created, indirectly, through SAHRAs memorials and/or infrastructure projects	5.2 Number of employment opportunities for local communities created, indirectly, through SAHRA's memorials and/or infrastructure projects	33	52	20	62	42		Additional employment opportunities were created for local communities through SAHRA's memorial and infrastructure projects. In particular, the head office project contributed significantly to increasing employment numbers.

In collaboration with Sector Education Training Authority (SETA), SAHRA has offered opportunities for students to gain experience through internships. Many of these interns have even gained further internal opportunity through contracts, and some have even been provided permanent positions within the Entity. The Entity employed 6 interns during the 2025/26 financial year.

SAHRA offered indirect employment opportunities through the rehabilitation, refurbishment, and erection of memorials, properties, and other infrastructure projects. The Entity provided opportunities to Small, Micro and Medium Enterprises (SMMEs) and other businesses that often source local labour to complete these projects with a total of 62 individuals employed.

4. LINKING PERFORMANCE WITH BUDGETS

Programme/Activity/Objective	2024/2025			2025/2026		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration and Governance	79 002	55 127	23 875	76 541	53 844	22 697
Programme 2: Strategic Coordination	3 869	5 070	(1 201)	4 007	1 679	2 328
Programme 3: Public Engagement	9 455	2 558	6 897	5 015	1 942	3 073
Programme 4: Business Development and Transformation	34 242	25 625	8 617	35 550	30 563	4 987
Programme 5: Economic Empowerment	33 208	5 293	27 914	45 329	4 498	40 831
Total	159 776	93 673	66 103	166 442	92 526	73 916

Entity achieved 100% of its predetermined objectives while utilising 56% of the budget, with total expenditure of R93 million for the 2025/26 financial year, and the resulting R74 million underspending primarily attributable to projects that could not be fully implemented during the year and the strict application of cost-containment measures.

5. REVENUE COLLECTION

Source of Revenue	2024/2025			2025/2026		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Grant from DSAC	66 339	66 339	-	76 541	72 032	4 509
Interest	900	7 456	(6 556)	4 007	6 187	2 180
Rent Revenue	2 350	4 672	(2 322)	5 015	4 790	225
Permit Fees and Other Income	5 022	12 058	(7 036)	35 550	9 766	25 784
Realisation of Deferred Revenue	85 165	5 515	79 650	45 329	6 648	38 681
Total	159 776	96 040	63 736	166 442	99 423	67 019

Funding for the Agency is derived from grants received from DSAC, project funding, and internally generated revenue, which includes rental income from properties owned by SAHRA and interest earned on investments held in deposit accounts. Permit fees and other income comprise legal fee reimbursements, and reversal of debt impairment. The variance in deferred revenue and interest income is attributable to delays in the implementation of projects.

6. CAPITAL INVESTMENT

	2024/2025			2025/2026		
Infrastructure Projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Restoration and repurposing of Heritage Properties	17 624	2 603	15 021	14 519	8 754	5 765
Restoration Delvillewood	14 674	-	14 674	14 674	-	14 674
Upgrade of Head Office	33 448	2 184	31 264	30 270	2 943	27 327
Fencing and Security	9 542	574	8 968	8 969	2 459	6 510
Total	75 288	5 361	69 927	68 432	14 156	54 276

The entity incurred an expenditure of R8.8 million on the restoration and repurposing of heritage properties, which encompassed the following projects:

(a) Upgrade of Head Office - Phase One of the project focused on developing the concept design to ensure that the space requirements for key facilities, including the Library, Registry, Marketing and Communications, and Exhibition areas, were adequately addressed. The architectural concept design has been finalised and approved by Council, and the project has now progressed to Phase Two.

(b) Fencing and Security - The Old Residency (EC) project has been successfully completed and the project included site clearance, tree removal and replanting, installation of fencing and gates, as well as the provision of electricity and lighting to enhance visibility and security.

(c) Restoration and repurposing of Heritage Properties - The entity incurred an expenditure of R8.8 million on the restoration and repurposing of heritage properties, which encompassed the following projects:

(i) Repatriation and Reburial of Khoi and San Ancestral Remains - SAHRA successfully repatriated the ancestral remains of Khoi and San individuals from the University of Glasgow in Scotland. The remains had been housed at the Hunterian Museum and were unethically removed from their graves between 1868 and 1924 without the consent of the affected communities for race-based scientific research.

(ii) Restitution of the Shilubane Heritage Objects - SAHRA successfully repatriated the Shilubane divination tools and cultural stick in October 2025. These culturally significant artefacts had been taken to Switzerland in the late 19th century by Swiss missionary Dr. Henri Junod.

(iii) Exile Repatriation Project: Angola and Lesotho - SAHRA implemented the Graves Mapping Phase in Angola and Lesotho as part of the country-to-country implementation plan. The objective was to identify and document graves to facilitate their exhumation and repatriation in the next phase.



PART

GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance regarding public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run-in tandem with the principles contained in the King's Report on Corporate Governance. Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEE

There were no meetings held with the Portfolio Committee in the 2025/26 financial year.

3. EXECUTIVE AUTHORITY

Reports Submitted to Executive Authority	Dates
Quarter 1 Performance Report	31st July 2025
Quarter 2 Performance Report	31st October 2025
Quarter 3 Performance Report	31st January 2026
Quarter 4 Performance Report	30th April 2026
Annual Report	31st August 2026

4. THE ACCOUNTING AUTHORITY/ THE COUNCIL

Responsibilities and duties of the council

The primary role of the Council is to provide leadership to the Executive of the Entity in discharging the responsibilities assigned to it under its establishment statute (NHRA), the DSAC policies, other relevant legislation, and approved codes of good practice in governance and business behaviour.

Council members of SAHRA are valued as professionals based on their individual expertise, and they are not to represent the sole interest of their companies or institutions. The functions below should be read with the governance manual developed by the DSAC.

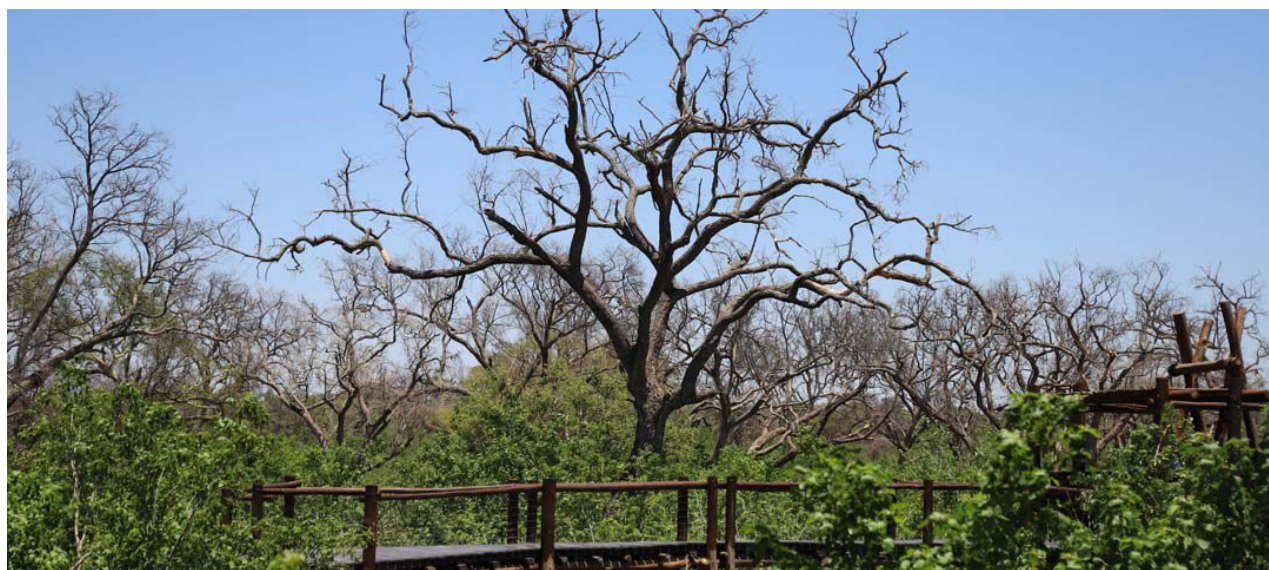
Function of the Council

Functions as outlined in section 14 read with section 16 and other relevant provisions of the NHRA, PFMA and other relevant legislations shall include the following:

- Run the affairs of SAHRA in line with the NHRA, the PFMA, DSAC priorities, Medium-Term Strategic Framework (MTSF), Medium Term Development Plan (MTDP), Medium Term Expenditure Framework (MTEF), the National Development Plan (NDP) and other relevant government strategies and policies.
- Setting broad strategy for the SAHRA to meet its objectives and performance targets.
- Ensure proper preparation of and approve Strategic and Annual Performance Plans (APP), compliance reports, key procedures, and policies.
- Approve decisions related to strategic initiatives such as commercial ventures, significant acquisitions, internal restructures, and disposals.
- Approve the annual budget of the SAHRA.
- Ensure that SAHRA follows corporate planning provided by the Minister of Sport, Arts & Culture, National Treasury (NT) and the Department of Sport, Arts & Culture (DSAC).
- Set SAHRA's values and standards of conduct and ensuring that these are adhered to, in the interest of stakeholders, employees, customers, suppliers and communities in which it operates and generally safeguarding the reputation of SAHRA.
- Provide leadership of SAHRA within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Set the direction, strategies and financial objectives and ensure that the necessary resources are available for SAHRA to meet its mandate and obligations.
- Always act in the best interest of SAHRA.

Council Charter

The Council Charter that sets out the roles, responsibilities, membership, and other key governance information is reviewed at least annually. The Council Charter was accordingly reviewed and approved by Council on the 31st March 2024.



Composition of Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees e.g.: Audit committee)	No. of Meetings attended
Dr Luyanda Mpahlwa	Council Chairperson	01 August 2022	31 July 2025 (term ended)	Architect	Architect	National Heritage Council	DSAC's Chairperson's Forum	5
Mr Benjamin Moduka	Council member	01 August 2022	31 July 2025 (term ended)	B. A Dramatic Art (Hons), Integrated Heritage Resources Management Cert, Government Policy Formulation Course (NQF 5), Applied Heritage and Time Travel Course	Heritage Management	N/A	BDC Chairperson & CSC Member	5
Mr Tariq Patrick Mellet	Council member	01 August 2022	31 July 2025 (term ended)	Masters degree (MSc), MSc Tourism Development & Management, Dip Human Resources Management, Dip Offset Lithographic Printing & Publishing, Certificate in Lithographic Printing, Certificate Mechanical Engineering & NTC 3	Historian	N/A	CSC Chairperson	5
Mr Motsaathebe Serekoane	Council member	01 August 2022	31 July 2025 (term ended)	B.Soc.Sc (Social Work and Psychology)	Medical Anthropology	N/A	HRM Chairperson & BDC Member	5
Mr Tshepiso Poho	Council member	01 August 2022	31 July 2025 (term ended)	Chartered Accountant (SA) B Compt Hons (Certificate in Theory)	Chartered Accountant (SA)	N/A	ARC & BDC Member	4
Adv Mandla Mdludlu	Council member	01 August 2022	31 July 2025 (term ended)	BIURIS, LLB	Law	Heritage Western Cape	CSC Member	4
Mr Khularo Ramantsi	Council member	01 August 2022	31 July 2025 (term ended)	BA Education	Education	N/A	BDC & HRM Member	2
Ms Rehana K Parker	Council member	01 August 2022	31 July 2025 (term ended)	Degree - B.Proc, admitted attorney & Acting Judge	Law	N/A	ARC & CSC Member	5
Mr Vincent Maumela	Council member	01 August 2022	31 July 2025 (term ended)	Postgraduate Diploma in Heritage and Museum Studies, Bachelor of Arts, Education Diploma	Bachelor of Arts	Gauteng PHRA	BDC & HRM Member	2
Dr Jonathan Sharfman	Council member	01 August 2022	31 July 2025 (term ended)	PhD Maritime and Underwater Cultural Heritage Management in Sub-Saharan Africa, Masters in Maritime Archaeology, BA(Hons) Archaeology, specialising in Maritime Archaeology	Maritime Archaeology	N/A	CSC & HRM Member	5
Dr Vikinduku Mnculwane	Council member	01 August 2022	31 July 2025 (term ended)	PdD Public Administration	Public Administration (Public Policy Implementation)	Amafa Kwazulu Natal	HRM Member	5
Prof MA Makgopa	Council member	27 January 2025	31 July 2025 (term ended)	Doctor of Literature and Philosophy (DLittet Phil) (African Languages; Northern Sotho) Master of Arts (MA) (African Languages; Northern Sotho) BA HONS ((African Languages; Northern Sotho)	Literature & Philosophy	Limpopo PHRA		5

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees e.g.: Audit committee)	No. of Meetings attended
New Council								
Mr Anwar Omar	Council member	01 August 2025	31 July 2028	Mphil Conservation and the Built Environment, MBA, Post Graduate Diploma in Petroleum Economics, Honours in Business Administration		N/A	HRM, BDC Member	4
Mr Marvin Vincent Mdhuli	Council member	01 August 2025	31 July 2028	Law, Attorney	Legal	Chairperson of Iziko Museums of South Africa. Member of the following Councils: National Heritage Council and Ditsong Museums of South Africa	HRM & CSC Member	4
Mr Mathatha Tsedu	Council member	01 August 2025	31 July 2028	Bachelor of Arts (Honours) Journalism and Media Studies	Journalism	N/A	HRM & CSC Member	4
Prof Eleanor Alvira Hendricks	Council member	01 August 2025	31 July 2028	PHD: Social Work, Masters: Social Work, Post Graduate Diploma in Higher Education and Training, Bachelors: Social Work	Social worker	N/A	BDC & CSC Member	4
Ms Nomonde Nokhuthala January	Council member	01 August 2025	31 July 2028	B. Proc LLB (postgraduate)	Legal	N/A	HRM, BDC & CSC Member	3
Prof Susan Bouillon	Council member	01 August 2025	31 July 2028	LLB, LLM & LLD South African Qualification and Certification Committee (SAQCC) Fire Service Technician	Legal	Member of the KwaZulu-Natal Museum Board member of the Municipal Demarcation Board Member of the Construction Industry Development Board (CIDB)	CSC Chairperson & BDC Member	4
Ms Reyhana Gani	Council member	01 August 2025	31 July 2028	Chartered Accountant	Accounting	Member of the National Heritage Council (Western Cape Province. Representative)	ARC & BDC Member	4
Ms Elodie Seotseng Tlhoale	Council Chairperson	01 August 2025 (expired 30 March 2026)	Re appointed on 09 June 2026 to 31 July 2028	Bachelor of Architecture (B. Arch)	Architecture	Council Member of the National Heritage Council	DSAC's Chairperson's Forum	4
Mr Kgereshi Petrus Mokwena	Council member	24 August 2025	31 March 2027	Master of Arts Public Management Modules such as: Public Policy, Strategy & planning, Operations, Communications, HR, Public Finance, and Marketing, Bachelor of Education	NONE	N/A	HRM Chairperson & ARC Member	4
Mr Thato Magogodi	Council member	15 October 2025	30 June 2026	Honours Graduate	International Relations	N/A	NONE	2
Prof MA Makgopa	Council member	01 August 2025	31 July 2028	Doctor of Literature and Philosophy (DLitt et Phil) (African Languages; Northern Sotho) Master of Arts (MA) (African Languages; Northern Sotho) BA HONS ((African Languages; Northern Sotho)	Literature & Philosophy	Chairperson of the Limpopo PHRA	BDC Chairperson & HRM Member	4

Committees of Council

No. of meetings held	No. of members	Name of members	No. of meetings held	No. of members	Name of members
Audit & Risk Committee (From 01 August 2025)			Audit & Risk Committee (FY 01 April 2025 to 31 July 2025)		
3	4	Mr Khotso James Sello (Chairperson)	4	5	Mr Khotso James Sello (Chairperson)
2		Mr Vhonani Denga Ramuedzisi	3		Ms Rehana Khan Parker
3		Ms Reyhana Gani	2		Mr Vhonani Denga Ramuedzisi
3		Mr Peter Kgereshu Mokwena	4		Ms Reyhana Gani
			3		Mr Tshepiso Poho
Heritage Resources Management Committee (From 01 August 2025)			Heritage Resources Management Committee (FY 01 April 2025 to 31 July 2025)		
2 (period ending 31 March 2026)	6	Mr Peter Kgereshu Mokwena (Chairperson)	3 (only from 1 April until 31 July 2025)	5	Mr Motsathebe Joe Serekoane (Chairperson)
1		Adv Nomonde January	2		Dr Jonathan Sharfman
2		Mr Marvin Mdhuli	0		Dr Vikinduku Mnculwane
2		Professor Albert Makgopa	1		Mr Khularo Ramantsi
2		Mr Anwar Omar	0		Mr Vincent Maumela
2		Mr Mathatha Tsedu			
Corporate Services Committee (From 01 August 2025)			Corporate Services Committee (FY 01 April 2025 to 31 July 2025)		
4	5	Professor Susan Bouillon	3	5	Mr Patrick Tariq Mellet
3		Mr Marvin Mdhuli	3		Adv Mandla Mdludlu
4		Professor Eleanor Alvira Hendricks	1		Ms Rehana Khan Parker
2		Adv Nomonde January	2		Dr Jonathan Sharfman
4		Mr Mathatha Tsedu	3		Mr Benjamin Moduka
Business Development Committee (From 01 August 2025)			Business Development Committee (FY 01 April 2025 to 31 July 2025)		
2	6	Professor Albert Makgopa	3	5	Mr Benjamin Moduka (Chair)
2		Mr Anwar Omar	0		Mr Vincet Maumela
2		Mr Reyhana Gani	1		Mr Khularo Ramantsi
2		Prof Susan Bouillon	3		Mr Motsaathebe Serekoane
2		Professor Eleanor Alvira Hendricks	1		Mr Tshepiso Poho
0		Adv Nomonde January			



Remuneration of Council members

- Members are remunerated per meeting attended.
- Members who are employed by the State are not remunerated.
- Travel, accommodation, and meals are paid to members who attend meetings.
- The Chairperson and Chairperson of each subcommittee receive a cell phone allowance.

Remuneration of Council members

Name	Total Remuneration (R)
1. Dr Luyanda Mpahlwa	92 134,00
2. Mr Benjamin Moduka	45 019,00
3. Mr Tariq Patrick Mellet	49 601,00
4. Mr Motsaathebe Serekoane	54 988,00
5. Mr Tshepiso Poho	33 804,00
6. Adv Mandla Mdludlu	29 799,00
7. Mr Khularo Ramantsi	-
8. Ms Rehana K Parker	54 711,00
9. Mr Vincent Maumela	-
10. Dr Jonathan Sharfman	38 250,00
11. Dr Vikinduku Mnculwane	22 230,00
12. Prof MA Makgopa	83 436,00
13. Mr Anwar Omar	62 966,00
14. Mr Marvin Vincent Mdluli	53 708,00
15. Mr Mathatha Tsedu	67 135,00
16. Prof Eleanor Alvira Hendricks	67 135,00
17. Ms Nomonde Nokhuthala January	44 910,00
18. Prof Susan Bouillon	73 858,00
19. Ms Reyhana Gani	93 734,00
20. Ms Elodie Seotseng Tlhoale	79 538,00
21. Mr Kgereshi Petrus Mokwena	74 173,00
22. Mr Thato Magogodi	18 056,00
23. Mr James Sello	117 702,00
24. Mr Denga Ramuedzisi	24 358,00
TOTAL	1 281 245,00

SAHRA's Council and its Committees are remunerated in line with the maximum rates prescribed by the Minister of Finance for non-official members. It must be noted that Committee members who are employees at any level of government including state owned institutions and agencies are not entitled to or paid any additional remuneration.



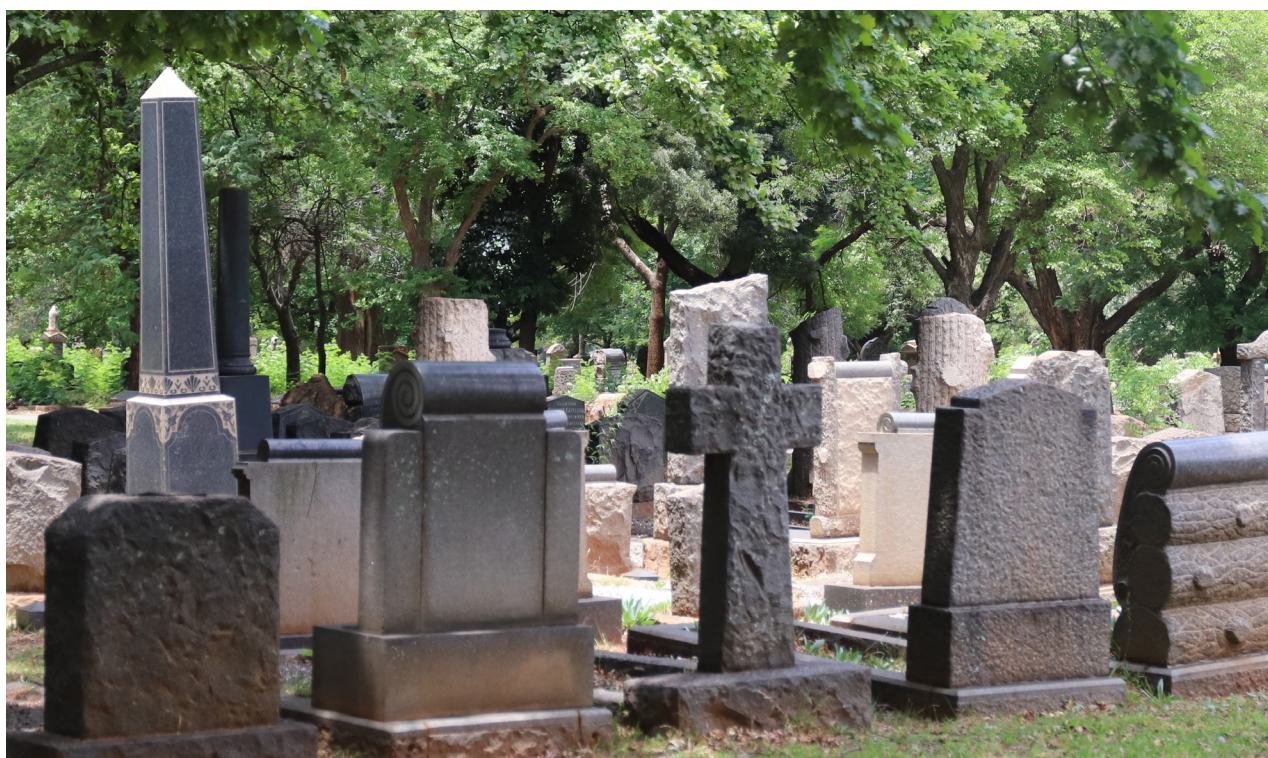
5. RISK MANAGEMENT

SAHRA's Risk Management Policy is based on the Enterprise Risk Management Framework (ERM) published by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission and updated with the requirements of the Public Sector Risk Management Framework (PSRMF). The SAHRA ERM Policy provides a proactive, systematic and integrated approach to risk management.

A comprehensive analysis of key risks based on SAHRA's Strategic objectives is undertaken annually to inform the operational and strategic risks which are further entrenched into the operational processes of the Entity. Risk registers are compiled by management under the guidance of an internal audit function and monitored accordingly by the Audit and Risk Management Committee and Council. In the quest by SAHRA to improve risk management processes, a full review of the strategic risks is performed by management to ensure that risks are aligned to the strategic objectives of the Entity.

The risk management process is put in place by management to improve the identification and management of risks, amongst others:

- Ongoing risk assessments and review of risk management activities that includes the review of strategic risk registers on a quarterly basis by the Audit and Risk Committee and Council;
- Facilitating/attending risk training workshops;
- Facilitating and co-ordinating the development of risk registers at strategic and operational levels and aligned to the Entity's strategic objectives;
- Entrenching risk management as a standard agenda item in key governance committees across the organisation; and
- Review of the ERM Policy to reflect the current risk assessment methodology, including the risk tolerances that the Entity is willing to pursue and the allowable appetite across risk categories.
- The Internal Audit Unit's three-year rolling plan and annual risk-based plan is informed by the Entity's Strategic, Financial Operational & Compliance Risk identified.



6. INTERNAL AUDIT

Purpose and Mandate

The Internal Audit Function of SAHRA, a Schedule 3A public entity, is established in terms of Section 51(1)(a)(ii) of the PFMA and Treasury Regulation 27.2. Its purpose is to provide independent and objective assurance and advisory services that evaluate and improve the effectiveness of governance, risk management, internal control, and compliance processes. The function operates under the oversight of the Audit and Risk Committee and supports the Accounting Authority in fulfilling its governance and oversight responsibilities.

Charter, Methodology, and Internal Audit Plans

Internal Audit operates under an Internal Audit Charter, which is reviewed annually to ensure alignment with regulatory requirements, legislative requirements and organisational change.

The Internal Audit Unit has a methodology that outlines the systematic, disciplined approach to evaluating governance, risk management and control processes.

Internal Audit plans are developed using a risk-based approach aligned to the Entity's strategic objectives, informed by the Entity's risk profile and input from Executive Management, and approved by the Audit and Risk Committee. The audit plan is monitored throughout the year and adjusted, where necessary, to address emerging risks and organisational priorities.

Independence and Objectivity

The Internal Audit function maintains its independence through functional reporting to the Audit and Risk Committee, which provides oversight of the function, approves the Internal Audit Charter and annual audit plan, and receives regular reports on audit activities and outcomes. Objectivity is further strengthened through a co-sourced Internal Audit model with Khulagro Advisory, an independent audit, tax, and advisory firm, which provides access to specialised technical expertise and supports conformance with the Global Internal Audit Standards (GIAS). Internal Audit performs its work with integrity, objectivity, professional scepticism, and due professional care, delivering independent and unbiased assurance and advisory support to the Entity.

Combined Assurance

Internal Audit contributes to the combined assurance framework by coordinating assurance activities with the Chief Risk Officer (CRO), Executives, Management, and other assurance providers through established risk management, compliance, and governance structures. This collaborative approach promotes a shared understanding of key risks and controls, enhances assurance coverage, reduces duplication of effort, and supports integrated assurance reporting to the Audit and Risk Committee and other stakeholders.

Internal Audit Performance During the Year

The Internal Audit Function executed its approved risk-based audit plan during the reporting period and reported the results of audit engagements, significant control matters, and recommendations to Management and the Audit and Risk Committee. Follow-up reviews were conducted to assess the implementation of agreed management actions and to support the continuous improvement of governance, risk management, and internal control processes.

Summary of audit work conducted:

- Review of 2025-2026 Annual Financial Statements;
- Quarterly Performance-Information Verification;

- SMART review of the Annual Performance Plan of 2026/2027;
- Leave Management Review;
- Supply Chain Management Review;
- Asset Management Review;
- ICT General Controls Review;
- Ethics and Organisational-Culture Risk Workshop;
- Follow-up reviews.

Ad hoc projects - We had no ad-hoc assignments during the financial year.

Internal Audit Rollovers - At the end of the financial year, 1 planned Internal Audit assignment was rolled over to the subsequent reporting period. A further 2 assignments were well underway but remained incomplete at year-end. These assignments will be carried forward and completed in the next financial year.

Status of audit findings addressed

	Number of findings	Total addressed	Total Partially addressed / Not yet Due	Total not addressed	Number of recurring findings Last 3 Financial years	Management Accepted Risk – Internal Audit Findings
Internal Audit Findings	25	7	12	0	N/A	6*
AGSA Findings	6	6	N/A	N/A	N/A	N/A

***Management Accepted Risk** - During the reporting period, 6 prior year Internal Audit findings were assessed and classified as management accepted risks. These findings met criteria for risk acceptance and were subjected to an independent assessment by Internal Audit. Based on this assessment, management's decision to accept the associated risks was considered appropriate and adequately justified.

7. AUDIT AND RISK COMMITTEE

The NHRA para 18 Committees of Council 'Council may establish committees to assist it in the performance of its functions and, in addition to any members, it may appoint to such committees' persons whom the Council considers competent or who possess specific skills and expertise.'

Additionally, the PFMA treasury regulations, para 27.1 states 'Audit committees [Sections 51(1)(a)(ii) and 76(4)(d) of the PFMA' and para 27.1.1' The accounting authority of a public entity must establish an audit committee as a sub-committee of the accounting authority.'

In line with the prescripts The Audit and Risk Committee is established as an oversight body of, providing independent oversight in evaluating the adequacy and efficacy of risk management, control and governance processes in the Entity, which include oversight and responsibilities relating to amongst others, the:

- Internal Audit Unit;
- Internal and Financial Control;
- ICT Cyber and Information Security
- External Audit (Auditor-General of South Africa - AGSA);
- Financial reporting and Accounting practices;
- Annual Financial Statements and Accounting policies;
- Performance Management Systems;
- Risk Management processes and Fraud Prevention;
- Compliance with laws and regulations.

Composition of the Audit Committee and Meeting Attendance

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The table below discloses relevant information on the audit committee members

Name (Full Name and Surname, including professional titles)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2025/26		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start Date	End Date	Ordinary Meetings	Special Meeting				
Mr Khotso James Sello	Certified Information Systems Auditor (CISA); Certifications in Risk and Information Systems Control (CRISC); General Accountant ACCA (Association of Chartered Certified Accountants); Technician Accountant ACCA (Association of Chartered Certified Accountants); General Internal Auditor (IIA SA) (Institute of Internal Auditors South Africa)	I SACA (Information Systems Audit and Control Association)	Served from 27 August 2022 and Re-appointed from 29 July 2025	27 July 2028	4	3	YES	NO	Audit Committee Member – Ekurhuleni Metropolitan Municipality	INVITEE TO COUNCIL QUARTERLY MEETINGS
Mr Denga Ramuedzisi	Post Graduate Diploma in Accounting, CA (SA) Registered Auditor Master of Philosophy in Business Rescue and Insolvency Senior Business Rescue Practitioner Independent Director, Trustee and Curator Golden Key International Honour Society MDP – BBBEE	SAICA IRBA Licensed Senior Business Rescue Practitioner, CIPC Turnaround Professional, SARIPA and TMS-SA	28 March 2025	29 March 2028	2	2	YES	NO	The Kwazulu-Natal Tourism and Film Authority, Audit committee	NONE AT SAHRA The Bryanston Country Club, Member of Golf and Finance Ramuedzisi, Director Bosi Properties (Pty) Ltd, Director Kasivest (Pty) Ltd, Director Zwifhato Properties CC, Member

Ms Rehana Khan Parker	Degree - B.Proc, admitted attorney & Acting Judge	Legal Practice Council	1 August 2022	31 July 2025	1	2	YES	NO	NONE	Corporate Services (CSC) & Appeals Committee SAHRA, South African Geographical Names Council, Legal Aid South Africa
Mr Tshepiso Poho	Chartered Accountant (SA) B Compt Hons (Certificate in Theory)	SAICA	1 August 2022	31 July 2025	2	1	YES	NO	South African Council for the Architectural Profession	BDC of SAHRA Motheo TVET College Council member
Ms Reyhana Gani	Chartered Accountant	SAICA	From 27 August 2022 and re-appointed	31 July 2028 Re-appointed from 29 July 2025	4	3	YES	NO	Member of the Fraud IT and Risk Committee at Theewaterskloof Municipality Member of the Fraud, IT and Risk Committee Drakenstein Municipality Chairperson Fraud ICT and Risk Management Committee Bergrivier Municipality	DC SAHRA, Chairperson of Heritage Western Cape 2022-2025 Provincial Ministerial Appointment 2. Representative of KZN Growth Fund as a Board member of a Private hospital Board in KZN – KwaDukuza Private Hospital February 2024 3. Cape Nature Board member September 2024 4. Council/Board member at National Heritage Council 1 November 2024 5. False Bay College Council member April 2025
Mr Peter Kgereshi Mokwena	Master of Arts Public Management Modules such as: Public Policy, Strategy & planning, Operations, Communications, HR, Public Finance, and Marketing, Bachelor of Education	N/A	August 2025	31 July 2028	2	1	YES	NO	NONE	HRM

8. COMPLIANCE WITH LAWS AND REGULATIONS

The South African Heritage Resources Agency (SAHRA) is committed to compliance with all applicable laws, regulations and governance requirements. During the reporting period, the Entity conducted its operations in accordance with the National Heritage Resources Act, 1999 (Act No. 25 of 1999), the Public Finance Management Act, 1999 (Act No. 1 of 1999), applicable National Treasury Regulations, Instructions and Practice Notes, and the principles and recommended practices of the King V Report on Corporate Governance for South Africa.

SAHRA maintains appropriate policies, systems and internal controls to promote compliance, accountability, transparency and ethical conduct, and implements corrective action where instances of non-compliance are identified.

9. FRAUD AND CORRUPTION

SAHRA maintains a zero-tolerance approach to fraud and corruption and has implemented a Fraud Prevention Strategy to support the prevention, detection, reporting and investigation of fraudulent and corrupt activities. Allegations may be reported through various channels, including the dedicated fraud hotline email address (fraud@sahra.org.za), which is accessible via the SAHRA website.

The Internal Audit Unit oversees the fraud reporting process and monitors all reported allegations, with progress reports submitted quarterly to the Audit and Risk Committee. SAHRA encourages the reporting of suspected fraud, theft and corruption and provides for anonymous reporting and the protection of whistle-blowers in accordance with its Whistle-Blowing Policy.

10. MINIMISING CONFLICT OF INTEREST

SAHRA is committed to promoting ethical conduct and ensuring that actual, potential and perceived conflicts of interest are identified, disclosed and appropriately managed. All employees are required to complete a Declaration of Interest form upon appointment and annually thereafter.

In line with the Entity's Fraud Prevention Strategy, employees are required to disclose any business, financial or personal interests that may give rise to a conflict of interest. The Human Resources Unit facilitates the annual declaration process and maintains the relevant records.

Members of the Council and its committees are required to declare any conflicts of interest upon appointment and at the commencement of each meeting. Similarly, participants in governance, Human Resources and Supply Chain Management meetings are required to declare any interests that may affect their impartiality before the proceedings commence.

11. CODE OF CONDUCT

SAHRA promotes a culture of ethical conduct and accountability through the implementation of a Code of Conduct. The Code is provided to all new employees upon appointment, and employees are required to acknowledge and commit to its provisions through a formal declaration.

To further strengthen ethical governance, members of all committees are formally appointed in writing by the Chief Executive Officer and are provided with the Code of Conduct upon appointment.

Members are required to familiarise themselves with and adhere to the provisions of the Code of Conduct when performing their duties.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

SAHRA is committed to providing and maintaining a safe and healthy working environment for its employees and stakeholders. The Entity has implemented an Occupational Health and Safety (OHS) Policy and continues to strengthen its OHS management processes through the training of Safety Representatives, First Aiders and Fire Marshals.

To promote awareness and compliance, occupational health and safety information, including the requirements of the Occupational Health and Safety Act, is displayed at SAHRA offices. An active Occupational Health and Safety Committee meets regularly and reviews workplace health and safety practices on a quarterly basis, making recommendations to address identified risks and improve safety standards.

In addition, SAHRA undertakes planned maintenance of the buildings, facilities and equipment where its staff are located to support a safe working environment and ensure ongoing compliance with applicable health and safety requirements.

13. COMPANY SECRETARY

SAHRA's Company Secretary, who also serves as the Head of Legal, provides independent guidance and support to the Council on matters of governance, compliance and legal obligations. The Company Secretary plays an integral role in promoting sound corporate governance and ensuring compliance with the National Heritage Resources Act, 1999 (Act No. 25 of 1999), applicable regulations and other relevant legislation.

Key responsibilities of the Company Secretary include advising the Council on corporate governance matters and the implementation of governance practices, maintaining an effective channel of communication with the Council Chairperson, and providing administrative and governance support to the Council and its committees. The Company Secretary also serves as a central source of guidance to the Council and Executive Management on legal, ethical and governance matters.

In addition, the Company Secretary provides advice and support to the Council in the discharge of its fiduciary duties and responsibilities, facilitates Council appointments in accordance with the prescribed processes, and assists with the induction, orientation and ongoing development of Council members. This includes identifying and addressing governance, legal and fiduciary training requirements to support the effective functioning of the Council.

14. SOCIAL RESPONSIBILITY

In executing its mandate to identify, protect and conserve South Africa's heritage resources, SAHRA engages with communities, government institutions, heritage practitioners and institutions of higher learning. Through its heritage management, grading, declaration and conservation programmes, the Entity promotes public awareness, participation and the sustainable management of heritage resources.

During the reporting period, SAHRA exceeded its targets for the implementation of the Heritage Resources Management Coordination Plan, heritage knowledge dissemination activities, Heritage Resources Management skills development initiatives, community consultations and strategic partnerships. The Entity also promoted inclusive participation through the involvement of women, youth and persons with disabilities in its programmes and engagements.

Through its partnerships, memorial projects and infrastructure initiatives, SAHRA contributed to the National Development Plan priorities of nation-building, social cohesion and social inclusion. The Entity further exceeded its targets for internship opportunities and indirect employment creation for local communities, supporting skills development and local economic participation while advancing heritage conservation.

15. AUDIT COMMITTEE REPORT

The Audit and Risk Committee (“the Committee” or “ARC”) is pleased to present its report for the financial year ended 31 March 2026.

The Committee is a committee of the Accounting Authority of the South African Heritage Resources Agency (“SAHRA” or “the Entity”) and assists the Council in discharging its statutory and fiduciary oversight responsibilities in relation to financial and performance reporting, governance, enterprise risk management, internal control, compliance, ethics, financial sustainability, combined assurance, information, and communication technology (“ICT”) governance, Internal Audit, and external audit.

The Committee’s role is one of independent governance oversight. It does not assume the operational responsibilities of Executive Management, perform Management’s control functions, reproduce the detailed assurance procedures of Internal Audit, or undertake the statutory external-audit responsibilities of the Auditor-General South Africa (“AGSA”).

Executive Management remains responsible for establishing, implementing, and maintaining effective systems of governance, risk management, financial management, performance management and internal control and for ensuring the accuracy, completeness, validity, reliability, timeliness, and integrity of the financial, performance and governance information included in SAHRA’s Annual Report.

The ARC exercises oversight by reviewing and critically challenging information presented to it, obtaining appropriate assurance from Management and assurance providers, monitoring corrective actions, and making recommendations to the Accounting Authority.

1. STATUTORY MANDATE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee reports that it has discharged its responsibilities arising from the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended (“PFMA”), and the applicable Treasury Regulations.

Section 51(1)(a)(ii) of the PFMA requires the Accounting Authority of a public entity to maintain a system of Internal Audit under the control and direction of an Audit Committee that complies with the prescribed requirements.

Treasury Regulation 27.1 establishes requirements applicable to Audit Committees of public entities, including requirements relating to composition, independence, terms of reference and reporting responsibilities. In particular, the Committee reports and makes recommendations to the Accounting Authority, considers the effectiveness of internal controls, and evaluates the Annual Financial Statements as part of its oversight responsibilities.

The Committee operated in accordance with its formally approved Audit and Risk Committee Charter and discharged the responsibilities delegated to it by Council.

The Charter is periodically reviewed to ensure that it remains appropriate to SAHRA’s statutory mandate, operating environment, and evolving governance responsibilities and, where applicable, aligned with:

- the PFMA and applicable Treasury Regulations;
- the Public Audit Act, 2004, as amended;
- the National Heritage Resources Act, 1999;
- applicable National Treasury Instructions, Frameworks, and other prescripts;
- the Standards of Generally Recognised Accounting Practice (“GRAP”);

- the King IV Report on Corporate Governance for South Africa, 2016, as applicable to the 2025/26 reporting period;
- the Global Internal Audit Standards;
- relevant enterprise-risk-management and internal-control principles; and
- SAHRA's approved governance frameworks, delegations, policies, and procedures.

King IV and King V governance transition

For the 2025/26 reporting period, the Committee continued to have regard to the principles and recommended practices of King IV, where relevant to SAHRA as a Schedule 3A public entity.

During the latter part of the reporting period, the Committee also took cognisance of King V as a forward-looking governance development applicable to financial years commencing on or after 1 January 2026 and commenced considering its implications for SAHRA's 2026/27 governance cycle.

Key areas of continuing governance focus include:

- ethical culture;
- governing-body and committee effectiveness;
- integrated assurance;
- strategy, risk, and performance integration;
- technology and information governance;
- stakeholder accountability;
- sustainability;
- quality of governance disclosure; and
- appropriate oversight of emerging technology, including artificial intelligence (AI) and data governance.

During the year under review, the Committee considered, reviewed and, where appropriate, made recommendations to Council concerning:

- financial management and financial sustainability;
- annual and quarterly financial reporting;
- annual and quarterly performance reporting;
- the integrity and quality of the Annual Financial Statements;
- the Annual Performance Report and Annual Report;
- significant accounting policies, judgements, estimates and disclosures;
- enterprise risk management, including risk appetite and risk tolerance;
- fraud prevention, ethics, whistle-blowing and investigations;
- internal control and Management's corrective-action plans;
- Internal Audit independence, planning, resources, performance, and reporting;
- AGSA's engagement letter, audit strategy, audit progress, findings, and audit outcome;
- ICT governance, cybersecurity, information integrity and digital resilience;
- disaster recovery and business continuity;
- legal, regulatory, compliance and litigation matters;

- combined assurance and coordination between assurance providers;
- irregular expenditure, fruitless and wasteful expenditure, losses, and consequence management;
- implementation of Council and ARC resolutions; and
- execution of SAHRA's statutory mandate and approved strategy by Executive Management.

2. COMMITTEE COMPOSITION, SKILLS, INDEPENDENCE AND ATTENDANCE

Based on the appointment and governance records presented during the reporting period, the Committee was appropriately constituted.

Collectively, members possessed relevant knowledge, skills, and experience in:

- public-sector governance;
- accounting and financial management;
- internal and external audit;
- enterprise risk management;
- legal and regulatory compliance;
- ICT governance;
- organisational strategy; and
- oversight applicable to SAHRA's public-sector and heritage-resource environment.

Changes to the composition of Council and its committees, effective 1 August 2025, together with the resignation of one member in March 2025 which necessitated the appointment of two new members to the Audit and Risk Committee during the year.

Members were required to declare actual, potential, and perceived conflicts of interest and to comply with the Committee Charter and SAHRA's applicable conflict-of-interest requirements. Where a conflict required recusal or other mitigation, the matter was dealt with in accordance with the applicable governance arrangements.

Committee membership and attendance

Committee Member	Capacity	Meetings Eligible to Attend	Meetings Attended	Attendance
Mr Khotso James Sello	Independent Chairperson	7	7	100%
Mr Denga Ramuedzisi	Independent Member	5	4	80%
Mr Peter Kgereshu Mokwena	Member/ Council	3	3	100%
Ms Rehana Khan Parker	Member/ Council	4	3	75%
Ms Reyhana Gani	Member/ Council	7	7	100%
Mr Tshepiso Poho	Member/ Council	4	3	75%
Aggregate attendance		30	27	90%

3. COMMITTEE MEETINGS AND GOVERNANCE REPORTING

The Committee met seven times during the financial year, comprising scheduled and special meetings necessary to discharge its responsibilities.

The Committee considered, among other matters:

- Annual Financial Statements;
- the Annual Performance Report;
- financial and non-financial performance;
- Internal Audit reports;
- enterprise risk management;
- external-audit arrangements and progress;
- irregular expenditure and consequence management;
- ICT governance and cybersecurity;
- compliance and legal matters; and
- other time-sensitive governance matters.

Meetings were attended, by invitation and where relevant, by the Chief Executive Officer, Chief Financial Officer, Company Secretary, relevant Executive Managers, Internal Audit, Risk Management, Legal and Compliance, ICT, and representatives of AGSA.

Internal Audit and the external auditor had direct and unrestricted access to the ARC Chairperson.

Where appropriate, the Committee met with independent assurance providers without Executive Management being present to enable candid communication on governance, audit, risk, internal control, and accountability matters.

Following each meeting, significant matters and recommendations were reported or escalated to Council, including:

- matters requiring Council consideration or approval;
- significant audit and internal-control matters;
- unresolved or elevated risk matters;
- overdue corrective actions;
- emerging risks; and
- matters requiring additional oversight.

4. EFFECTIVENESS OF INTERNAL CONTROL

SAHRA's internal-control framework is designed to provide reasonable, rather than absolute, assurance that:

- assets are appropriately safeguarded;
- transactions are valid, accurately recorded and appropriately authorised;
- liabilities and commitments are completely recorded;
- financial and non-financial information is reliable;
- operations are conducted efficiently and effectively;
- applicable laws, regulations and policies are complied with; and
- identified risks are managed within approved appetite and tolerance levels.

The Committee considered the reports and representations of Executive Management, Internal Audit, Risk Management and AGSA regarding the adequacy and effectiveness of the internal-control environment.

Based on the assurance presented to it, the Committee is satisfied that the overall internal-control environment was generally adequate and effective during the year under review, while recognising that specific control improvements and partially implemented corrective actions remained subject to continuing monitoring.

The Committee emphasises that a clean audit outcome does not imply that:

- every transaction has been audited;
- no non-material control deficiencies exist;
- all operational risks have been eliminated;
- every legislative requirement has been tested by AGSA; or
- no opportunities remain for further strengthening of governance, control, and performance.

The Committee continued monitoring:

- non-material external-audit observations;
- partially implemented Internal Audit recommendations;
- debtor recovery and impairment;
- procurement and supplier-verification controls;
- contract management;
- ICT and cybersecurity;
- financial sustainability;
- succession and specialist-skills risks;
- project-management controls;
- consequence management; and
- other risks identified through the combined-assurance process.

Corrective actions are not regarded as effectively closed solely because Management has reported implementation.

The Committee's approach to closure requires, where appropriate, independent validation that the relevant action or control has been:

- implemented;
- appropriately designed;
- operational for a reasonable period;
- consistently applied;
- responsive to the underlying root cause; and
- effective in reducing residual risk to an acceptable level.

5. ENTERPRISE RISK MANAGEMENT

The Committee assisted Council in overseeing the adequacy and effectiveness of SAHRA's enterprise-risk-management arrangements.

During the financial year, the Committee:

- reviewed the Risk Management Framework;

- considered approved risk appetite and tolerance;
- reviewed quarterly strategic-risk reports;
- considered principal and emerging risks;
- challenged Management's risk-treatment actions;
- considered the relationship between strategic risks, budgets, and organisational performance;
- monitored risks above approved appetite or tolerance;
- considered fraud, ethics, compliance, and reputational risks;
- reviewed business-continuity and disaster-recovery risks; and
- monitored implementation of risk-treatment actions.

Areas requiring continued oversight included:

- constrained baseline funding and financial sustainability;
- ICT infrastructure renewal;
- cybersecurity and information integrity;
- business continuity and disaster recovery;
- attraction and retention of specialist skills;
- project and infrastructure delivery;
- utilisation of conditional and project funding;
- heritage-property maintenance and security;
- litigation and regulatory exposure; and
- dependency on critical personnel and service providers.

The Committee encouraged continued strengthening of:

- measurable key risk indicators;
- treatment-plan target dates;
- evidence supporting control-effectiveness assessments;
- combined-assurance mapping;
- emerging-risk monitoring; and
- escalation of risks exceeding approved appetite and tolerance.

6. FRAUD RISK MANAGEMENT, ETHICS AND WHISTLE-BLOWING

The Committee reviewed SAHRA's fraud-prevention, ethics and whistle-blowing arrangements and considered reports concerning allegations, investigations, and corrective actions.

Fraud-risk areas considered by the Committee included:

- supply-chain management and contract administration;
- supplier misrepresentation;
- bid manipulation and collusion;
- conflicts of interest and related-party relationships;
- Management override;

- manual journal processing;
- payroll and employee benefits;
- asset misappropriation;
- false or duplicated claims;
- manipulation of performance information;
- revenue and rental collections; and
- cyber-enabled fraud.

Procurement-related supplier misrepresentation

The Committee considered a procurement-related supplier-misrepresentation matter that resulted in irregular expenditure.

Management undertook the required investigation and governance processes, and the Committee monitored the resulting corrective and control-strengthening measures.

The matter and its financial-reporting treatment were considered in accordance with the applicable National Treasury framework and relevant governance processes.

The Committee placed appropriate reliance on the investigation and assurance work undertaken by Management and Internal Audit and did not itself undertake a forensic audit or independently verify every item contained in the supporting Portfolio of Evidence.

The ARC continued to monitor the matter to ensure that:

- applicable decisions of Council were implemented;
- irregular-expenditure treatment remained consistent with the relevant regulatory framework;
- contractual and supplier-management actions were implemented where applicable;
- control weaknesses identified through the matter were addressed; and
- any relevant external audit, regulatory or law-enforcement processes were appropriately recognised without prejudging their outcome.

7. INTERNAL AUDIT

Internal Audit operated independently and reported functionally to the Committee.

The function conducted its work in accordance with an approved Internal Audit Charter and risk-based Internal Audit Plan and provided assurance on governance, risk management and internal control.

The Committee:

- considered the Internal Audit Charter and annual plan;
- assessed alignment of Internal Audit coverage with SAHRA's risk profile;
- monitored organisational independence;
- considered financial and human-resource capacity;
- reviewed reports issued;
- considered Management responses;
- monitored repeat and overdue findings;
- considered quality-assurance arrangements; and
- considered Internal Audit's contribution to combined assurance.

Performance against the approved Internal Audit Plan

Internal Audit Measure	Number	Percentage
Approved engagements	10	100%
Completed	7	70%
Work in progress at year-end	2	20%
Deferred/not completed	1	10%
Additions/replacements	0	-

The Committee noted that seven of the ten approved engagements were completed by year-end, two remained in progress and one engagement was deferred because the operational prerequisites necessary for an effective engagement had not yet been sufficiently established.

The Committee required the outstanding and deferred work to be incorporated into a formally monitored recovery process and required the resulting assurance implications to be considered in the subsequent risk-based Internal Audit Plan.

Internal Audit performed or facilitated work including:

- Annual Financial Statements review;
- quarterly performance-information verification;
- SMART review of the Annual Performance Plan;
- leave-management review;
- supply-chain management review;
- asset-management review;
- ICT general-controls review;
- ethics and organisational-culture risk work; and
- follow-up reviews.

Prior Internal Audit findings

Status	Number	Percentage
Resolved and validated	7	28%
Partially resolved	12	48%
Unresolved	0	0%
Management Accepted Risk	6	24%
Total	24	100%

The Committee noted that only 28% of the reported findings had been fully resolved and validated, while a significant proportion remained partially resolved or subject to formal risk acceptance.

Partially resolved findings, particularly those that exceeded agreed remediation dates or remained high risk, continued to be monitored and escalated through the appropriate Management and governance structures.

Management Accepted Risk

Findings classified as Management Accepted Risk were subject to formal assessment against SAHRA's approved risk appetite, tolerance levels and delegated authority framework.

Risk acceptance does not extinguish the underlying risk or the Internal Audit observation.

Such matters remain subject to periodic review, and any exposure exceeding approved appetite, tolerance or delegated authority must be escalated to the appropriate governance authority.

Where findings were deferred for future review or affected by the office accommodation project, the Committee required appropriate review triggers and monitoring to prevent indefinite suspension of unresolved matters.

ARC conclusion on Internal Audit effectiveness

Having considered Internal Audit's independence, organisational positioning, work performed, reports issued, progress against the approved plan, quality of reporting and contribution to combined assurance, the Committee was generally satisfied with the effectiveness of the Internal Audit function during the year under review.

The Committee nevertheless continued to monitor the two engagements that remained in progress, the deferred engagement, and the significant population of partially resolved findings.

8. COMBINED ASSURANCE

The Committee considered assurance provided by:

- Executive Management;
- Finance;
- Risk Management;
- Compliance and Legal Services;
- ICT;
- Internal Audit;
- specialist assurance providers; and
- AGSA.

The combined-assurance approach seeks to:

- strengthen assurance over principal risks;
- identify assurance gaps;
- reduce unnecessary duplication;
- improve coordination;
- integrate governance information; and
- facilitate independent validation of corrective actions.

The Committee noted continued improvement in the integration of assurance activities and encouraged further formalisation of the combined-assurance model.

The Committee did not assign a numerical or maturity-level rating to combined assurance in the absence of a formally approved maturity-assessment methodology.

AGSA remained independently responsible for determining whether, and to what extent, the work of Internal Audit could be considered in its external-audit procedures.

9. FINANCIAL MANAGEMENT AND FINANCIAL REPORTING

The Committee reviewed quarterly financial reports and challenged Management on material financial-performance matters.

Areas considered included:

- budget versus actual performance;
- revenue and expenditure;
- cash flow;
- liquidity;
- restricted and unrestricted resources;
- conditional and project funding;
- receivables and expected credit losses;
- commitments and contractual obligations;
- employee costs;
- operating, capital and project expenditure;
- procurement;
- irregular expenditure;
- legal and contingent matters; and
- financial sustainability.

The Committee encouraged Management to ensure that material variance explanations identify, where applicable:

- the rand variance;
- percentage variance;
- underlying cause;
- financial impact;
- service-delivery or performance impact;
- corrective action;
- responsible official;
- target implementation date; and
- revised year-end forecast.

Liquidity assessment

The Committee considered the importance of distinguishing between:

- Cash available for ordinary operational requirements; and
- Amounts subject to grant, statutory, contractual or project restrictions.

This distinction enabled the Committee to consider liquidity on the basis of resources that were practically available to meet ordinary operational obligations rather than relying solely on the gross cash balance.

10. PERFORMANCE INFORMATION

The Committee reviewed quarterly financial and non-financial performance information and considered whether reported achievements were supported by appropriate governance and assurance processes.

Reliance was placed, where appropriate, on:

- Management certification;
- Planning, Monitoring and Evaluation controls;
- the approved Annual Performance Plan;
- Technical Indicator Descriptions;
- Portfolios of Evidence;
- Internal Audit verification; and
- AGSA procedures.

The ARC did not independently re-perform the detailed verification of every item in the Portfolio of Evidence and appropriately placed reliance on the respective Management and assurance processes.

Responsibility for the completeness, accuracy, validity, reliability, timeliness, and integrity of performance information remained with Executive Management.

Where inconsistencies arose between Management reporting and assurance results, the Committee required the matters to be reconciled before final governance reporting.

11. INFORMATION AND COMMUNICATION TECHNOLOGY GOVERNANCE

The Committee considered ICT governance, cybersecurity, infrastructure renewal, access management, information integrity, disaster recovery, business continuity and significant technology initiatives.

Positive developments considered during the period included progress relating to:

- multi-factor authentication;
- vulnerability management;
- infrastructure virtualisation;
- information-security and backup arrangements;
- cybersecurity controls; and
- governance concerning the responsible use of emerging technologies.

Areas requiring ongoing attention included:

- ageing ICT infrastructure;
- constrained technology-renewal funding;
- specialist vacancies;
- electronic records-management delays;
- disaster-recovery maturity;
- endpoint replacement;
- cybersecurity exposure;
- third-party dependencies; and
- business-continuity implications associated with accommodation and infrastructure changes.

The Committee encouraged continued development of information and technology governance, including appropriate consideration of:

- data governance;
- access and privileged-user management;
- cyber resilience;
- tested recovery capability;
- critical technology suppliers;
- records management; and
- responsible governance of artificial intelligence and other emerging technologies.

12. FINANCIAL SUSTAINABILITY AND BUDGET CONSTRAINTS

The Committee noted continuing pressure arising from constrained growth in SAHRA's baseline allocation.

These constraints may affect:

- specialist-skills recruitment and retention;
- employee-cost pressures;
- heritage-property maintenance;
- safeguarding of heritage resources;
- infrastructure and project delivery;
- replacement of ageing ICT infrastructure;
- cybersecurity and disaster-recovery investment; and
- achievement of performance targets.

The Committee did not conclude that SAHRA was financially distressed. Rather, it considered funding constraints an important governance and sustainability risk requiring structured monitoring.

The Committee considered the need for financial-sustainability planning supported by:

- realistic MTEF assumptions;
- scenario and sensitivity analysis;
- prioritisation of statutory obligations;

- credible own-revenue assumptions;
- assessment of restricted and unrestricted funding;
- identification of unfunded risk treatments;
- measurable cost-containment plans;
- project-readiness assessments; and
- appropriate engagement with the Executive Authority and National Treasury.

13. EXTERNAL AUDIT

AGSA remained SAHRA's statutory external auditor under the applicable constitutional and Public Audit Act framework.

For the 2025/26 audit, AGSA utilised the services of C2M Chartered Accountants under its audit-delivery arrangements.

The Committee:

- considered AGSA's engagement letter;
- considered and noted AGSA's audit strategy;
- interrogated the proposed scope, materiality, significant risks, and timetable;
- considered audit-fee and budget implications;
- monitored audit progress;
- reviewed findings and Management responses;
- considered adjusted and unadjusted audit differences;
- considered the independence and objectivity of the external-audit process;
- met with the external auditor without Management, where appropriate; and
- monitored Management's audit-readiness and corrective-action plans.

The Committee did not approve or direct AGSA's audit scope, methodology, materiality, or audit opinion. These matters remained within AGSA's independent statutory and professional mandate.

14. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee reviewed the Annual Financial Statements for the year ended 31 March 2026 and considered, among other matters:

- compliance with the applicable GRAP reporting framework;
- significant accounting policies and changes thereto;
- material accounting estimates and judgements;
- significant assumptions and estimation uncertainty;
- prior-period errors and restatements;
- audit adjustments;
- consistency with underlying records;
- adequacy and clarity of disclosures;
- going concern and liquidity;
- restricted and unrestricted resources;
- receivables and impairment;

- property, plant, and equipment;
- heritage assets;
- investment property;
- employee benefits;
- commitments and contingencies;
- related parties;
- irregular expenditure;
- legal matters and litigation;
- events after the reporting date; and
- formal Management representations.

Going concern

The Committee considered Management's assessment of SAHRA's ability to continue operating as a going concern.

Based on the information and assurances presented, the Committee was satisfied that the going-concern basis of accounting was appropriate.

In reaching this conclusion, the Committee considered, among other relevant evidence:

- cash-flow forecasts;
- funding assumptions;
- significant contractual obligations;
- restricted and unrestricted resources;
- material commitments; and
- relevant sensitivity information.

Events after the reporting date

The Committee considered Management's assessment of material events occurring after the reporting date and their appropriate accounting or disclosure treatment in accordance with the applicable GRAP requirements.

The Committee further considered the processes established by Management to ensure that material subsequent events were identified and assessed through the date on which the Annual Financial Statements were authorised for issue.

15. ANNUAL PERFORMANCE REPORT

The Committee reviewed the Annual Performance Report and considered the reliability and usefulness of reported performance information.

In exercising its oversight role, the Committee placed reliance on:

- Management certification;
- Planning, Monitoring and Evaluation;
- the approved Annual Performance Plan;
- the approved Annual Performance Plan;
- Technical Indicator Descriptions;
- relevant Portfolios of Evidence;

- Internal Audit assurance; and
- AGSA procedures.

The Committee's review did not constitute an independent audit or full re-performance of every supporting record.

Having considered the relevant Management and assurance processes and the corrections arising during the review process, the Committee recommended the Annual Performance Report to Council for consideration and approval.

16. ANNUAL REPORT AND OTHER-INFORMATION CONSISTENCY

The Committee emphasised that the Annual Report, Annual Financial Statements, Annual Performance Report, and governance disclosures must present a single, coherent, and internally consistent institutional record.

The Committee considered the importance of ensuring that:

- financial information agrees with the audited Annual Financial Statements;
- reported performance information agrees with the final Annual Performance Report;
- irregular-expenditure information agrees with the official register and applicable governance decisions;
- governance information agrees with approved records;
- audit-outcome terminology agrees with AGSA's signed Auditor's Report;
- prior-period restatements are consistently disclosed;
- events after the reporting date are consistently treated;
- commitments and contingencies are appropriately reconciled; and
- material narrative disclosures do not contradict audited financial or performance information.

17. COMPLIANCE WITH LAWS, REGULATIONS AND GOVERNANCE PRESCRIPTS

The Committee monitored Management's processes for compliance with applicable legislation and considered significant legal and regulatory matters.

Oversight included consideration, where relevant, of:

- the PFMA;
- applicable Treasury Regulations;
- National Treasury Instructions and Frameworks;
- the National Heritage Resources Act;
- applicable public-sector procurement prescripts;
- relevant labour requirements;
- information-governance requirements;
- applicable SAHRA policies, delegations, and governance frameworks; and
- other legislation material to SAHRA's operations.

The Committee monitored Management's responses to compliance observations raised through Management assurance processes, Internal Audit and AGSA.

18. OVERALL EXTERNAL AUDIT OUTCOME

The Committee considered the final Auditor's Report issued by the Auditor-General South Africa for the financial year ended 31 March 2026.

The Committee noted that SAHRA received an unqualified audit opinion with no material findings, commonly referred to as a clean audit outcome.

The Committee further noted the conclusion reflected in the final Auditor's Report that the Annual Financial Statements presented fairly, in all material respects, the financial position of SAHRA as at 31 March 2026 and its financial performance and cash flows for the year then ended, in accordance with the applicable Standards of GRAP and the requirements of the PFMA.

The Committee congratulates Council, Executive Management and SAHRA employees on maintaining this favourable audit outcome.

The Committee nevertheless cautions against complacency. A clean audit outcome does not mean that no governance, internal-control, operational or sustainability risks remain.

Management should therefore continue to address and monitor:

- non-material external-audit observations;
- partially implemented Internal Audit actions;
- financial-sustainability risks;
- ICT and cybersecurity risks;
- performance-information controls;
- procurement and contract-management risks; and
- other emerging matters.



19. OVERALL COMMITTEE ASSESSMENT

Based on its work during the year and the assurance received from Executive Management, Internal Audit, Risk Management, Legal and Compliance, relevant specialists and AGSA, the Committee concluded as follows:

Oversight Area	ARC Conclusion
Statutory responsibilities	The Committee substantially discharged its responsibilities in accordance with its Charter and applicable mandate.
Internal control	The overall internal-control environment was generally adequate and effective, subject to continuing improvement actions.
Internal Audit	Internal Audit operated independently and was generally effective, subject to the completion of outstanding engagements and continuing monitoring of partially resolved matters.
Risk management	The framework was functional, with opportunities for further maturity in KRIs, assurance mapping, emerging-risk monitoring and control-effectiveness assessment.
Financial reporting	The reporting process was generally reliable and supported preparation of the Annual Financial Statements.
Going concern	Based on the information and assurance presented, the going-concern basis remained appropriate.
Performance reporting	Performance information was subjected to Management and independent assurance processes, with continued focus required on evidence integrity and reporting quality.
ICT governance	Governance arrangements remained operational, with infrastructure, cybersecurity, data, emerging-technology, and continuity matters requiring continuing oversight.
Combined assurance	Integration of assurance activities improved, although further formalisation and assurance mapping remain necessary.
External audit	AGSA's independence and statutory responsibility were preserved.
Annual Financial Statements	The Committee reviewed and recommended the Annual Financial Statements to Council and subsequently considered the final audited financial statements and AGSA's Auditor's Report.
Annual Performance Report	The Committee reviewed and recommended the Annual Performance Report to Council following the relevant Management and assurance processes.
Annual Report	The Committee considered the importance of the Annual Report presenting a fair, balanced, understandable, and internally consistent account of SAHRA's governance, financial position, and performance.

20. MATTERS FOR CONTINUED ARC OVERSIGHT IN 2026/27

The Committee identified the following priority matters for continued attention:

Area	Continued ARC Focus
Financial sustainability	Funding pressure, affordability, unrestricted liquidity, and scenario analysis
Enterprise risk	Risks above appetite, measurable KRIs, emerging risks and treatment effectiveness
Internal Audit	Completion of outstanding work and validation of prior findings
ICT	Infrastructure renewal, cybersecurity, data governance, cyber resilience, and disaster recovery
SCM	Supplier due diligence, regulatory verification, and contract management
Performance information	Data quality, Technical Indicator Descriptions and Portfolio of Evidence integrity
Receivables	Recovery, ageing and expected credit losses
Heritage assets	Safeguarding, completeness and reliable financial reporting
Projects and grants	Delivery capability and utilisation of restricted funding
Combined assurance	Formal assurance mapping and identification of assurance gaps
Legal and compliance	Litigation, compliance, and regulatory matters
Fraud and ethics	Prevention, whistle-blowing, investigations and control remediation
Organisational capacity	Critical vacancies, succession, and specialist skills
King V readiness	Committee effectiveness, ethical culture, integrated assurance, sustainability, stakeholder accountability, technology, data, and emerging-technology governance

21. COMMITTEE RECOMMENDATION TO THE ACCOUNTING AUTHORITY

Having considered the Annual Financial Statements, Annual Performance Report, governance and assurance reports, Internal Audit work, Management representations and AGSA's audit process, the Committee recommended the Annual Financial Statements and Annual Performance Report to the Accounting Authority for consideration and approval.

The Committee further considered the relevant governance disclosures forming part of the Annual Report and emphasised the requirement for consistency between the Annual Financial Statements, Annual Performance Report, governance disclosures and AGSA's final Auditor's Report.

The Committee's recommendations were made in the exercise of its independent oversight responsibilities and do not replace:

- Management's responsibility for the accuracy, completeness, and integrity of the underlying information;
- Council's responsibility as the Accounting Authority; or
- AGSA's statutory responsibility for the external-audit opinion.

22. APPRECIATION

The Committee expresses its appreciation to the Minister and Deputy Minister for their leadership and guidance.

The Committee further acknowledges:

- the SAHRA Council;
- the Chief Executive Officer;
- Executive Management;
- the Chief Financial Officer and Finance team;
- SAHRA employees;
- the Company Secretariat;
- Internal Audit;
- Risk Management, Legal and Compliance Services;
- Planning, Monitoring and Evaluation;
- ICT;
- AGSA and its audit-delivery team; and
- other assurance providers.

Their cooperation and support enabled the Committee to discharge its governance and oversight responsibilities throughout the financial year.

The Committee values the collective commitment of all stakeholders to accountability, transparency, ethical leadership, institutional sustainability, effective stewardship of public resources and good governance.



Mr Khotso James Sello

Chairperson: Audit and Risk Committee

South African Heritage Resources Agency

Date: 12th August, 2026

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Criteria	Response YES/NO	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	SAHRA does not issue licences, concessions, or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	YES	SAHRA has developed and implemented an enterprise and supplier development (ESD) strategy in accordance with new Preferential Procurement Regulations (2022 Regulations) under the Preferential Procurement Policy Framework Act, 2000 (PPPFA). In the review of SAHRA procurement policy we also included points to be awarded for specific goals as stipulated in the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	SAHRA is not in the business associated with the sale of state-owned enterprises
Developing criteria for entering into partnerships with the private sector?	N/A	SAHRA does not have development criteria in place for entering into partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	N/A	SAHRA does not award incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment



PART

HUMAN RESOURCE
MANAGEMENT

1. INTRODUCTION

As an organ of state, SAHRA must continue to exercise good governance as required by the different legislations (such as PFMA, LRA, OSH Act, BBBEE Act, EE Act). Amendments to existing legislation (such as changes to the Conditions of Service) and new legislation, for example the Protection of Personal Information Act, need to be embedded within the organisation through training and awareness initiatives. The Human Resource focused on the development and implementation of training plans during the 2025/26 financial year with the intent, firstly, to increase compliance to legislation, policies and procedures, and secondly, to mitigate audit findings and minimise risks of non-compliance.

Employee wellness programmes

SAHRA's Employee Health and Wellness programme is a comprehensive employee health and wellness promotion programme that focuses on the most crucial needs of the organisation as a way of improving the overall wellbeing of employees.

The following programmes took place:

Activity
Longevity Webinar: Level Your Sleep
Tempo Wellness Webinar: Cultivating Healthy Boundaries and Deepening Self Love
Financial wellness: Provident Fund, Two pot System, Wills and properties & Health Screening
Women's Day: Token of appreciation: Chocolate
Wellness Launch
Wellness Heritage sites visits and Heritage Lunch
Tempo talks Cancer Awareness Month
Webinar on Grief and Loss – A Space to Reflect and Heal
International Men's Day
Tempo talks Stress & Work-Life Balance
Tempo talks Fatigue
Tempo Talk: The Power of Counselling & Psychosocial Support
Wellness Workshop: Self-Care Will Be Fine

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme/ activity/ objective

Programmes/ activity/ objective	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Corporate Service	23 706	10 009	12%	24	417
HRM	32 433	23 431	27%	47	499
Finance	10 443	7 366	8%	19	388
Office of CEO	20 634	12 983	15%	19	683
Total	87 216	53 789	62%	109	493

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	7 299	14%	7	1 043
Senior Management	2 656	5%	3	885
Middle Management	16 671	31%	23	725
Skilled	23 368	43%	57	410
Semi-skilled	2 541	5%	12	212
Unskilled	1 254	2%	7	179
Total	53 789	100%	109	493

Performance Rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	N/A - no performance awards were granted during the year under review.
Senior Management	0	0	
Professional qualified	0	0	
Skilled	0	0	
Semi-skilled	0	0	
Unskilled	0	0	
TOTAL	0	0	

Training Costs

Programmes/ activity/ objective	Total Expenditure for the Entity (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee (R'000)
Corporate Service	10 009	189	1%	24	8
HRM	23 431	105	0%	47	2
Finance	7 366	24	0%	19	1
Office of CEO	12 982	69	0%	19	4
Total	53 789	387	1%	109	4

Employment and Vacancies

Programme/activity/objective	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
CEO	15	16	13	3	3%
CORPORATE SERVICES	23	30	24	6	6%
FINANCE MANAGEMENT	16	16	8	7	7%
HRM	45	46	37	9	8%
TOTAL	99	107	82	25	23%

Programme/activity/objective	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Top Management	5	5	5	0	0
Senior Management	3	3	3	0	0
Professional qualified	18	21	18	3	3%
Skilled	55	65	45	20	19%
Semi-skilled	12	6	5	1	1%
Unskilled	6	7	6	1	1%
TOTAL	99	107	82	25	23%

During the 2025/2026 reporting period, SAHRA's staff turnover rate decreased to 6%. To address vacancies and support operational needs, SAHRA has consistently made new appointments and engaged fixed-term contract staff. Some of these appointments were funded through fees and other revenue streams outside the approved budget, ensuring the organisation remains on track to meet its strategic objectives.

Employment Changes

Salary Band	Employment at beginning of period	Appointments	Promotions	Terminations	Employment at end of the period
Top Management	5	2	0	2	5
Senior Management	3	0	0	0	3
Professional qualified	18	2	4	3	21
Skilled	55	4	-4	6	49
Semi-skilled	12	1	0	3	10
Unskilled	6	2	0	0	8
TOTAL	99	11	0	14	96

Building a diverse talent and a sustainable future supply, which recognises the critical role that human capital has in meeting the immediate talent demands of SAHRA and responding to the strategy demands in addressing long and short-term talent requirements. This encompasses building and retaining our own talent. SAHRA's organisational structure informed the distribution of occupational levels, ensuring alignment with strategic objectives and departmental deliverables.

Reasons for Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	2	14.3
Resignation	7	50.0
Dismissal	1	7.1
Retirement	1	7.1
Ill health	--	0.0
Expiry of contract	3	21.4
Other	--	0.0
TOTAL	14	100.0

The drive to retain high-potential staff is delivered through the roll out of the new organisational structure which supports the organisational strategy. SAHRA is committed to the development of potential staff and succession planning and continues to invest and put stringent measures in place to attract highly skilled talent. There are two (2) Involuntary terminations which comprises death, one (1) dismissal and one (1) retirement. SAHRA continues to strive for developing and ensuring filled positions in department for smooth operation to support the organisational structure.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	1

Equity Target and Employment Equity Status

SAHRA recognises that, from a business and ethical perspective, it is important to entrench employment equity and diversity in the workplace, and to comply with legislative requirements. To further this end, SAHRA has established an Employment Equity and Skills Development Committee and Consultative Forums. These platforms represent SAHRA employees with the view to effectively address strategic employment equity and skills development issues. SAHRA seeks to address, through the committee and forums, the inequalities in racial, gender and skills development which, in the past, have created barriers to full and equal participation of the majority of the population in economic life. There were no major variances compared to the previous year.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	1	0	1	0	0
Senior Management	1	0	1	0	0	0	1	0
Professional qualified	5	0	2	0	0	0	2	0
Skilled	16	0	3	0	0	0	2	0
Semi-skilled	2	0	3	0	0	0	0	0
Unskilled	2	0	2	0	0	0	0	0
TOTAL	27	0	11	1	0	1	5	0

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	1	0	1	0	1
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	7	0	1	0	1	0	4	0
Skilled	19	0	2	0	1	0	4	0
Semi-skilled	6	0	1	0	0	0	0	0
Unskilled	3	0	1	0	0	0	0	0
TOTAL	38	0	5	1	2	1	8	1

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	1	-	-
Professional qualified	-	3	-	-
Skilled	-	5	-	-
Semi-skilled	-	2	-	-
Unskilled	-	-	-	-
TOTAL	-	11	-	-



PART

PFMA COMPLIANCE
REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

(a) Reconciliation of irregular expenditure

Description	2026/2025	2024/2025
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	1240	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing Balance	1240	0

During the year under review, irregular expenditure amounting to R1,239,508 was identified and recognised. The irregularity arose from the award of the Western Cape security services tender (Bid Reference: SAHRA/PFU/WC/04/2024) to Black Torres Security (Pty) Ltd, following the submission of materially incorrect information regarding the company's PSiRA registration date. The service provider claimed registration since 25 August 2017, whereas confirmation from the Private Security Industry Regulatory Authority (PSiRA) confirmed the actual registration date as 25 August 2023. This misrepresentation resulted in the bidder receiving inflated functionality and preference points, leading to an incorrect award of the contract. This constituted non-compliance with the Preferential Procurement Policy Framework Act (PPPFA), 2000 and the Preferential Procurement Regulations, 2022.

Reconciling Notes

Description	2026/2025	2024/2025
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	902	0
Irregular expenditure for the current year	338	0
Total	1240	0

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2026/2025	2024/2025
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

c) Details of irregular expenditure condoned

Description	2026/2025	2024/2025
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

d) Details of irregular expenditure removed - (not condoned)

Description	2026/2025	2024/2025
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

e) Details of irregular expenditure recoverable

Description	2026/2025	2024/2025
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

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

Description	2026/2025	2024/2025
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

Additional disclosure relating to Inter-Institutional Arrangements**g) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)**

Description	2026/2025	2024/2025
	R'000	R'000
	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

h) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Include discussion here were deemed relevant. (N/A)

1.2 Fruitless and wasteful expenditure

(a) Reconciliation of fruitless and wasteful expenditure

Description	2026/2025	2024/2025
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Less: Fruitless and wasteful expenditure written off	0	0
Closing balance	0	0

Include discussion here were deemed relevant. (N/A)

Reconciling notes

Description	2026/2025	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	0	0

(b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2026/2025	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

(c) Details of fruitless and wasteful expenditure recoverable

Description	2026/2025	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

(d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2026/2025	2024/2025
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

(e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
No disciplinary or criminal steps were taken as a result of fruitless and wasteful expenditure

Include discussion here were deemed relevant. (N/A)

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)) expenditure**a) Details of material losses through criminal conduct**

Material losses through criminal conduct	2026/2025	2024/2025
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

b) Details of other material losses

Nature of other material losses	2026/2025	2024/2025
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

Include discussion here were deemed relevant and criminal or disciplinary steps taken by the institution. (N/A)

c) Other material losses recoverable

Nature of losses	2026/2025	2024/2025
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

d) Other material losses not recoverable and written off

Nature of losses	2026/2025	2024/2025
	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

Include discussion here were deemed relevant. (N/A)

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	514	26033
Invoices paid within 30 days or agreed period	510	26000
Invoices paid after 30 days or agreed period	4	33
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0
Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.		

Supplier Name	Amount R'000	Reason for late payment
Applico Training Services (Pty)Ltd -Payroll training	1	Time sheets were not provided on time
Auditor General - External Audit Service	7	Invoice was quarantined by the Sophos antivirus
366 Degrees (Pty) Ltd -Replacement of gate motor	24	Late submission
Managed Integrity evaluation - Background checks	0.2	Late submission



3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Mobile data and internet connectivity services	Vodacom Pty Ltd	Transversal contract	RT-15- 2021/21-2026	222
Dive emergency cover – MUCH unit	Divers Alert Network South Africa	Sole Source Procurement	PO16737	17
Provision of catering services	Bruce's catering (Pty) Ltd	Single Source Procurement	PO16742	10
Technical disclosure of the Annual Financial Statements (AFS)	EMS Solutions (Pty) Ltd	Single Source Procurement	PO16759	48
Renewal of membership Library and Information Association of South Africa	Liasa (Pty) Ltd	Sole Source Procurement	PO16766	2
Publication in the Government Gazette – SAHRA's final schedule of fees for services	Government Printing Works	Sole Source Procurement	PO16790	4
Annual Software and Maintenance of Library Database System	Mindex (Pty) Ltd	Sole Source Procurement	PO16796	51
Employee Wellness Services	ICAS (Pty) Ltd	Single Source Procurement	PO16808	30
Total				384

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Value of contract R'000
Reinterment of 63 Human Remains	D Ndulula	Variation	PO17229	630
Recruitment of the CFO	Warrior Talent	Variation	PO17231	317
Design and execution of maintenance work to heritage buildings and surroundings on the Welcome cottage property and Roggeland farm property	Lukhozi Consulting	Variation	PO17289	851
Removal of household furniture and items	WheelieQueen Trading (Pty) Ltd	Expansion	PO16765	49
Printing Services	Altron TMT	Expansion	PO17085	767
Total				2614



PART

FINANCIAL INFORMATION

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN HERITAGE RESOURCES AGENCY

Report on the audit of the financial statement

Opinion

1. I have audited the financial statements of the South African Heritage Resources Agency set out on pages 118 to 183, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Heritage Resources Agency as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board of South Africa, and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Impairment – receivables from exchange transactions

7. As disclosed in note 4 to the financial statements, the public entity has provided for the impairment of trade and other receivables from exchange transactions amounting to R3 022 857 (2024-25: R3 166 169).

Restatement of corresponding figures

8. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2025 were restated as a result of errors in the financial statements of the public entity at, and for the year ended, 31 March 2026.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 111, forms part of my auditor's report.

Report on the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
14. I selected the following material performance indicators related to programme 4: business development and transformation presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of grade 1 Heritage resources declared with management tools
 - Number of previously declared heritage resources having management tools
 - Planned monitoring of declared National Heritage Resources/Objects
 - Progress made towards the handling or resolving of complaints and contraventions
 - Number of NHS sites marked with approved badge
 - Number of monuments and memorial sites rehabilitated and erected
 - Number of formal partnership agreements with strategic institutions
15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

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

17. I performed the procedures to report material findings only, and not to express an assurance opinion or conclusion.

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

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements.

Report on compliance with legislation

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

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

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

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

Other information in the annual report

25. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of the auditor's report. When I do receive and read this information, and I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

Auditor-General

Cape Town



ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

Communication with those charged with governance

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirement

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2(a)(ii) Regulation 30.1.1; 33.1.1
CIDB Regulations, 2004	Regulation 17; 25(7A); 25(9)(a); 25(10)
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016-17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021-22	Paragraph 4.1; 4.2 (b); 4.4 (a); 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a)
Preferential Procurement Policy Framework Act 5 of 2000	Section 2.1(a); 2.1(b) 2.1(f)
Preferential Procurement Regulations (PPR), 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	Public Entity Schedule 3A
Nature of business and principal activities	SAHRA is a schedule 3A public entity as defined in the Public Finance Management Act, No. 1 of 1999 (PFMA). It identifies, conserves, protects, and promotes our national heritage resources for the greater good of our society and humanity (National Heritage Act, No. 25 of 1999 (NHRA)).
Accounting Authority	Ms. ES Tlhoale (Council Chairperson Appointed 24 August 2025) Mr. KP Mokoena (Appointed on 01 August 2025) Mr. A Omar (Appointed on 01 August 2025) Mr. MV Mdhuli (Appointed on 01 August 2025) Mr. M Tsedu (Appointed on 01 August 2025) Prof. EA Hendricks (Appointed on 01 August 2025) Adv. NN January (Appointed on 01 August 2025) Prof. S Bouillon (Appointed on 01 August 2025) Prof. MA Makgopa (Appointed on 01 August 2025) Ms. R Gani (Appointed on 01 August 2025) Mr. T Magogodi (Appointed on 15 October 2025) Dr. L Mpahlwa (Council Chairperson- Term ended 31 July 2025) Mr. VK Maumela (Term ended 31 July 2025) Adv. MV Mdludlu (Term ended 31 July 2025) Mr. TP Mellet (Term ended 31 July 2025) Dr. V Mnculwane (Term ended 31 July 2025) Mr. B Moduka (Term ended 31 July 2025) Mr. I Mphomela (Term ended 31 July 2025) Ms. RK Parker (Term ended 31 July 2025) Mr. T Poho (Term ended 31 July 2025) Mr K Ramantsi (Term ended 31 July 2025) Mr. MJ Serekoane (Term ended 31 July 2025) Dr. J Sharfman (Term ended 31 July 2025)
Business address	111 Harrington Street Cape Town 8001
Postal address	P.O. Box 4637 Cape Town 8000
Bankers	ABSA Bank Limited Nedbank Limited South African Reserve Bank
Auditors	Auditor-General South Africa

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LIST OF ABBREVIATIONS

PFMA	Public Finance Management Act
NHRA	National Heritage Resources Act
SAHRA	South African Heritage Resources Agency
DSAC	Department of Sport Arts and Culture
GRAP	Generally Recognised Accounting Practice
IFRS	International Financial Reporting Standards
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
DPW	Department of Public Works
SAHRIS	South African Heritage Resources Information System
WCA	Workmen`s Compensation Act
DFC	Discounted Cash Flow
ECL	Expected Credit Losses

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The council 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 annual financial statements and related financial information included in this report. It is the responsibility of the council to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the period 31 March 2026 and the results of the entity's operations and cash flows for that period.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial controls established by the entity and places considerable importance on maintaining a strong control environment. To these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by the 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 deficit.

The Council has reviewed the entity's cash flow forecast for the year ending 31 March, 2027 and, in the light of this review and the current financial position, have every reason to believe that South African Heritage Resources Agency (SAHRA) will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The Council is primarily responsible for the financial affairs of the entity.

The financial statements set out on pages 118 to 183, which have been prepared on the going concern basis, were approved by the Council on 29 May 2026 and were signed on its behalf by:



Ms E.S Tlhoale
Council Chairperson

ACCOUNTING AUTHORITY'S REPORT

The members of the council submit their report for the period ended 31 March 2026.

1. REVIEW OF ACTIVITIES

1.1 Main business and operations

South African Heritage Resources Agency (SAHRA) is established in terms of Section 11 of the National Heritage Resources Act No. 25 of 1999 (NHRA). The Act outlines an integrated interactive system for the management of the national heritage resources of South Africa.

There is a three-tier system for heritage resources management, in which national level functions are the responsibility of SAHRA, provincial level functions are the responsibility of Provincial Heritage Resources Authorities and local level functions are the responsibility of local authorities.

As the implementing Agency of the Department of Sport, Arts and Culture, SAHRA plays a critical role in the identification, conservation, protection and promotion of our heritage resources for the present and future generations. Heritage resources are formally protected through a notice in the Government Gazette.

Our business and operations include amongst other things to promote and encourage public understanding and enjoyment of the national estate and public interest and involvement in the identification, assessment, recording and management of heritage resources; promote education and training in fields related to the management of the national estate.

Oversight on the business is provided through a Council which is appointed by the Minister. The Council is constituted by representatives from Provincial Heritage Resources Authorities in the nine provinces and 6 other members appointed by the Minister.

1.2 Going concern

As at 31 March 2026, the entity had an accumulated surplus of R126 478 408 and a positive total net assets value of R183 083 875. Management has considered its cash and cash equivalent position against both the short-term and long-term obligations and concluded that the liquidity position is sufficient to settle obligations to stakeholders as they become due.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that 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.

1.3 Subsequent events

Subsequent to the approval of the annual financial statements on 31 May 2026, Council approved the write-off of irregular expenditure amounting to R1 239 508 on 7 July 2026. The conditions giving rise to the write-off did not exist on 31 March 2026. As a result, the irregular expenditure disclosure note in the annual financial statements has not been adjusted.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

Figures in Rand	Note(s)	2026	2025 Restated*
Assets			
Current Assets			
Operating lease asset	3	1 879 419	2 122 677
Receivables from exchange transactions	4	13 127 566	6 008 503
Prepayments	5	1 187 997	479 391
Cash and cash equivalents	6	87 997 523	98 279 023
		104 192 505	106 889 594
Non-Current Assets			
Operating lease asset	3	29 260 466	26 894 531
Property, plant and equipment	7	34 934 877	28 197 252
Intangible assets	8	194 849	246 579
Heritage assets	9	64 223 568	56 593 985
Investment property	10	12 706 000	9 200 000
		141 319 760	121 132 347
Total Assets		245 512 265	228 021 941
Liabilities			
Current Liabilities			
Operating lease liability	3	21 094	27 161
Payables from exchange transactions	11	5 159 662	5 799 670
Unspent conditional grants and receipts	12	53 267 272	59 610 528
Short-term - Employee benefits	13	3 745 302	3 391 593
		62 193 330	68 828 952
Non-Current Liabilities			
Operating lease liability	3	-	21 094
Other financial liabilities	14	235 060	216 046
		235 060	237 140
Total Liabilities		62 428 390	69 066 092
Net Assets		183 083 875	158 955 849
Reserves			
Revaluation reserve	15	56 605 467	48 140 811
Accumulated surplus		126 478 408	110 815 038
Total Net Assets		183 083 875	158 955 849

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2026	2025 Restated*
Revenue			
Revenue from exchange transactions			
Insurance refund	18	-	82 357
Interest received	19	6 187 356	7 201 731
Other income	16	136 077	230 472
Permit fees	36	1 969 113	1 846 235
Reimbursement - Legal fees	17	7 219 673	1 151 158
Reimbursive repatriation expenditure	17	-	8 747 862
Rental income		4 789 994	4 672 408
Reversal of debt impairment	4	193 012	-
Total revenue from exchange transactions		20 495 225	23 932 223
Revenue from non-exchange transactions			
Transfer revenue			
Trust funds - Interest received		247 334	254 344
Other grants	20	6 648 246	5 514 906
Government grants and subsidies	21	72 032 000	66 339 000
Total revenue from non-exchange transactions		78 927 580	72 108 250
Total revenue	20	99 422 805	96 040 473
Expenditure			
Loss on disposal of assets		(298 456)	(47 168)
Repairs and maintenance	7&9	(1 530 494)	(1 364 541)
Salaries and benefits	22	(53 789 224)	(50 825 156)
Depreciation and amortisation	23	(699 891)	(699 002)
Finance costs		-	(25)
Bad debts expense	4	-	(222 578)
General expenses	24	(30 897 678)	(34 607 372)
Total expenditure		(87 215 743)	(87 765 842)
Revaluation adjustment - Investment Property		3 506 000	-
Surplus for the year		15 713 062	8 274 631

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	48 358 117	100 430 998	148 789 115
Adjustments			
Prior year adjustments	-	2 109 418	2 109 418
Balance at 01 April 2024 as restated*	48 358 117	102 540 416	150 898 533
Changes in net assets			
Depreciation on asset directly recognised in net assets	(217 307)	-	(217 307)
Surplus for the period	-	7 728 233	7 728 233
Correction of errors	-	546 389	546 389
Net income recognised directly in net assets	(217 307)	8 274 622	8 057 315
Total recognised income and expenses for the year	(217 307)	8 274 622	8 057 315
Total changes	(217 307)	8 274 622	8 057 315
Balance at 01 April 2025 as restated*	48 140 811	110 815 038	158 955 849
Changes in net assets			
Change in accounting policy - adoption of GRAP 104 (revised 2019)	-	(49 700)	(49 700)
Surplus for the year	-	15 713 062	15 713 062
Total recognised income and expenses for the year	(217 307)	15 713 062	15 495 755
Revaluation gain on heritage assets	4 730 039	-	4 730 039
Revaluation gain on PPE - Land and buildings	3 951 924	-	3 951 924
Total changes	8 464 656	15 713 062	24 177 718
Balance at 31 March 2026	56 605 467	126 478 408	183 083 875
Note(s)	15		

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2026	2025 Restated*
Cash flows from operating activities			
Receipts			
Grants		72 336 990	71 901 651
Interest income		6 453 704	7 477 916
Other cash receipts		5 045 480	12 131 562
		83 836 174	91 511 129
Payments			
Employee costs		(53 435 515)	(50 770 752)
Suppliers		(33 833 361)	(36 103 062)
Finance costs		-	(25)
		(87 268 876)	(86 873 839)
Net cash flows from operating activities	26	(3 432 702)	4 637 290
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(3 936 291)	(2 183 594)
Heritage property improvements	9	(2 912 507)	(3 177 010)
Net cash flows from investing activities		(6 848 798)	(5 360 604)
Cash and cash equivalents at the beginning of the year		98 279 023	99 002 337
Cash and cash equivalents at the end of the year	6	87 997 523	98 279 023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Permit Fees	2 022 000	-	2 022 000	1 969 113	(52 887)	34.1.1
Rental Income - Facilities and Equipment	2 000 000	-	2 000 000	2 667 318	667 318	34.1.2
Adjustment of fair value - Lease straight-lining	850 000	-	850 000	2 122 676	1 272 676	34.1.3
Reversal of debt impairment	-	-	-	193 012	193 012	34.1.4
Other Income	-	7 063 000	7 063 000	136 077	(6 926 923)	34.1.5 & 34.2.1
Reimbursement - Legal Fees	-	-	-	7 219 673	7 219 673	34.1.6
Interest received - investment	910 000	-	910 000	6 187 356	5 277 356	34.1.7
Total revenue from exchange transactions	5 782 000	7 063 000	12 845 000	20 495 225	7 650 225	
Revenue from non-exchange transactions						
Realisation of deferred transfers	1 000 000	80 565 000	81 565 000	6 648 246	(74 916 754)	34.1.8 & 34.2.2
Transfer revenue						
Government grants & subsidies	72 032 000	-	72 032 000	72 032 000		34.2.1
Trust Funds - Interest received	-	-	-	247 334	247 334	34.1.9
Total revenue from non-exchange transactions	73 032 000	80 565 000	153 597 000	78 927 580	(74 669 420)	
Total revenue	78 814 000	87 628 000	166 442 000	99 422 805	(67 019 195)	
Expenditure						
Salaries and benefits	(49 570 000)	(4 263 000)	(53 833 000)	(53 789 224)	43 776	34.1.10 & 34.2.3
Depreciation and amortisation	(1 682 000)	-	(1 682 000)	(699 891)	982 109	34.1.11
Impairment of assets / bad debt expense	(64 000)	-	(64 000)	-	64 000	34.1.12
Loss on disposal of assets	(68 000)	-	(68 000)	(298 456)	(230 456)	34.1.13
Acquisition - Heritage assets	-	(35 998 000)	(35 998 000)	(2 912 507)	33 085 493	34.1.14 & 34.2.4
Acquisition of PPE	(290 000)	(30 270 000)	(30 560 000)	(2 397 834)	28 162 166	34.1.15 & 34.2.5
Repairs and maintenance	(746 000)	-	(746 000)	(1 530 494)	(784 494)	34.1.16
General Expenses	(26 394 000)	(17 097 000)	(43 491 000)	(30 897 678)	12 593 322	34.1.17 & 34.2.6
Total Expenditure	(78 814 000)	(87 628 000)	(166 442 000)	(92 526 084)	73 915 916	
Operating Surplus	-	-	-	6 896 721	6 896 721	
Heritage assets additions	-	-	-	2 912 507	2 912 507	34.1.18
PPE assets additions	-	-	-	2 397 834	2 397 834	34.1.19
Fair value adjustment - Investment	-	-	-	3 506 000	3 506 000	
Property	-	-	-	-	-	
Surplus for the year	-	-	-	15 713 062	15 713 062	

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

All monetary information and figures presented in these financial statements are stated in South African Rand rounding to the nearest Rand.

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgements are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

1.1.1 Judgements

Rental of property

The entity considers the new Dal Josafat tenant a strategic partner in terms of revenue generation. The entity had taken a decision to unbundle one of its key strategic assets, in order to lease out the vast portion of agricultural land that had been laying idle. This is one of the heritage properties that contains old Heritage buildings that require major refurbishment and restoration.

The unbundling of the property resulted in the property being demarcated separately for rental income. The

heritage nature of the property is influenced by the ancient buildings, and thus management has used significant judgements in the classification of the demarcated portion of land as an Investment Property. The fair value of the Investment Property has been determined using the future discounted cash flows (DCF).

Cash and cash equivalents

General approach. The entity applies the general approach to cash and cash equivalents. At each reporting date the loss allowance is measured at an amount equal to 12-month expected credit losses, unless the credit risk has increased significantly since initial recognition, in which case it is measured at lifetime expected credit losses. The entity considers a cash and cash equivalent balance to have low credit risk where the financial institution's credit-risk rating is equivalent to the globally understood definition of "investment grade" (Baa3 or higher per Moody's).

Receivables from exchange transactions

Receivables from exchange transactions consist mainly of amounts receivable for rental of heritage properties, amount owing by the Department of Sports, Arts and Culture and other sundry debtors.

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity applies an expected credit loss methodology to assess debtor impairment. This is calculated by determining the historical loss rate for each debtor and adjusting the rate for risks associated with macroeconomic factors such as inflation, unemployment, and growth rates.

Provision for Expected credit losses

SAHRA applies the simplified approach when measuring expected credit losses. The Expected Credit Loss is determined by applying the calculated Expected Credit Loss rate to the debtor's outstanding balance as at the end of the financial reporting period for the following categories of debtors. The loss allowance for these instruments is always measured at an amount equal to lifetime expected credit losses.

- (i) Lease receivables
- (ii) DSAC receivables
- (iii) Sundry receivables : Deposits
- (iv) Sundry receivables : Overpayment

Expected Credit loss rate is determined as follows:

(i) Lease receivables: The Expected Credit Loss rate is determined by first calculating the historical payment rate. The historical loss rate is then derived by deducting the payment rate from 100%. Thereafter, the historical loss rate is adjusted for forward-looking economic conditions, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%).

(ii) DSAC receivables -A provision matrix is used, based mainly on, historical loss rates and forward-looking economic factors, Impairment indicators include significant financial difficulty of the debtor, probability of bankruptcy, or default in payments. These indicators do not meaningfully apply to the DSAC receivable. Management therefore has assessed the balance individually and concluded that it has good credit quality and is fully recoverable. Therefore, the DSAC receivables' Expected Credit Loss rate for trade debtors will be calculated solely based on the forward-looking adjustments, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%). Historical loss rates will not be considered for this category as the balance is owed by the state and the risk of non-recovery is regarded as insignificant.

(iii) Sundry receivables (deposits) - The ECL for this category will be determined exclusively using the forward-looking adjustments, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%). Historical loss rates will not be applied, as SAHRA will only become entitled to receive cash upon completion of the rental or lease agreements.

(iv) Sundry receivables (Overpayments) - The ECL rate is calculated by first establishing the historical payment rate and then deducting it from 100% to determine the historical loss rate. This historical loss rate is subsequently adjusted to incorporate forward-looking economic, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%).

Historical Loss Rate is determined as follows:

Lease receivables: The total cash receipts collected from

each debtor are divided by the total invoiced (billed) amounts over the past five years to determine the historical payment rate. Any billing and receipts relating to the COVID-19 period are excluded from this calculation, as economic conditions during that time were abnormal and collections were significantly uncertain.

Sundry receivables (overpayments) - The payment rate is calculated by dividing the total refunds received from overpaid suppliers and employees by the total outstanding overpayment balance from the date the overpayment occurred then the historical loss rate is then established by subtracting the payment rate from 100%.

The historical loss rate is adjusted to reflect relevant forward-looking information, including macroeconomic factors such as inflation, economic downturns (recessions), changes in unemployment rates, and growth rates, provided these adjustments are supported by credible data or published indicators from recognized institutions.

The Expected Credit Loss rate is therefore calculated as the sum of the historical loss rate and the forward-looking adjustment factor.

At each reporting date the entity recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance, measured as the difference between the existing loss allowance and the amount determined under the expected-credit-loss model.

1.1.2 Estimation of uncertainty

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

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets

are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as inflation and interest.

Investment Property

Investment Property is recognised when it is probable that the future economic benefits or service potential that is associated with the Investment Property will flow to the entity.

Whilst the lease period is for a 20 year period, it is dependent on the positive outcome of the initiation period of 18 months which includes both the Heritage Impact assessment as well as the Environmental assessment considerations. It is unclear at this stage what will be the outcome of the initial period of 18 months, which could affect the duration of the lease, however it is anticipated that there will be a positive outcome in the initial period of 18 months and that the lease will continue for the envisaged 20 year period. Should the initial period of the first 18 months not yield positive outcome it could result to an impairment of the Investment Property.

Significant uncertainty also remains on the contingent rental of 10% of reported profit of the tenants operations.

Management anticipates including the 10% profit share consideration only once there is enough data to do so (The rental of property was introduced in the prior year and therefore there is no collection data available at year end). The tenant has not yet fully established its operations fully on the property.

Additional details on these significant judgements are provided in note 10.

The remainder of the Heritage property which includes the Heritage Buildings remains as part of the Heritage Assets as disclosed in Note 9.

Useful lives of property, plant and equipment and other assets

The entity's management determines the estimated useful lives and related depreciation/amortisation charges for property, plant and equipment and other assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the entity.

Depreciation

At the end of each financial year management reviews

property, plant and equipment to assess whether the estimated useful lives and estimated residual values applied to each asset are appropriate. The useful lives of assets are estimated by reviewing the degree to which assets are fully depreciated but still remain on the asset register and are in use. The entity for the most part uses its asset until there are no further future economic benefits or service potential expected from an asset. Additional details on these assumptions are provided in note 7.

These assets are assessed as having no residual value when calculating the depreciable amount because assets are of little value at the time they are sold or derecognised.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Factors considered include the useful lives compared against the lease term and present value of the lease payments. The effect of straight-lining on operating leases has been presented as operating lease asset or operating lease liabilities and categorised into current and non current.

1.2 Property, plant and equipment

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

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for Land and Buildings at 111 Harrington Street which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land and buildings are revalued every three to five years.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	-	Indefinite
Buildings	Straight-line	75 years
Plant and machinery	Straight-line	10-25 years
Furniture and fixtures	Straight-line	5-30 years
Vehicles	Straight-line	5-20 years
IT equipment	Straight-line	3-20 years
Leasehold improvements	Straight-line	5-12 years
Vessels-Deck equipment, rib, winches, cranes and anchors	Straight-line	12 years
Vessels-Propulsion system, engine, gearbox and propellers	Straight-line	20 years
Vessels-Research and patrol hull	Straight-line	20 years
Library books	Straight-line	10-20 years
Leased assets	Straight-line	3 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimates.

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 is 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.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

1.3 Heritage assets

The principal issues in accounting for heritage assets are the recognition of the assets. The National Heritage Resource Act 25, of 1999 describes Heritage Assets as follows: "Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations." The National Heritage Resource Act 25, of 1999 state the following regarding the national estate:

1. For the purposes of this Act, those heritage resources of South Africa which are of cultural significance or other special value for the present community and for future generations must be considered part of the national estate and fall within the sphere of operations of heritage resources authorities.
2. Without limiting the generality of subsection (1) the national estate may include but not limited to:
 - (a) places, buildings, structures and equipment, books, records, documents of cultural significance.

SAHRA has adopted the following criteria in accessioning heritage assets:

- (i) an item is important in the course, or pattern, of cultural or natural history;
- (ii) an item has strong or special association with the life or works of a person, or group of persons, of importance in cultural or natural history;
- (iii) an item is important in demonstrating aesthetic characteristics and/or a high degree of creative or technical achievement;
- (iv) an item has strong or special association with a particular community or cultural group for social, cultural or spiritual reasons;
- (v) an item has potential to yield information that will contribute to an understanding of cultural or natural history;
- (vi) an item possesses uncommon, rare or endangered aspects of cultural or natural history;
- (vii) an item is important in demonstrating the principal characteristics of a class of cultural or natural places; or cultural or natural environments.

Classification of Heritage Assets

Assets valued have been categorised under the following headings:

- a) Arts and Artifacts including objects and artwork
- b) Library Books Heritage
- c) Building and Monuments

If library books meet the definition of heritage assets, they are accounted for in accordance with GRAP 103 on Heritage assets. Examples of such items include:

- i) The books are scarce copies from various sources and limited copies are available.
- ii) No publishers are willing to reproduce these books
- iii) The books will only be available for research purposes.
- iv) The general public will not be allowed to take them out; they can only be viewed in the library.
- v) The books will be held for an indefinite period, unless destroyed by circumstances beyond human control.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific

requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value can be measured reliably.

If the entity holds assets that might be regarded as heritage assets but which, on initial recognition, do not meet the recognition criteria of a heritage asset because it cannot be reliably measured, information on such a heritage asset is disclosed in note 9 of Heritage assets.

Initial measurement

For the purpose of initial measurement for the adoption of GRAP 103, the fair value of the subject assets has been applied to determine deemed costs in accordance with Directive 7 Application of Deemed Costs. Directive 7 is used to determine the cost of assets that were acquired prior to the measurement date outlined in paragraph .04, and only if information about the historical cost of those assets is not available. Measurement is the date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information, in its first financial statements prepared using Standards of GRAP.

Dual purpose assets (used for service delivery and preserved and defined as a heritage asset) can only be classified as a heritage asset when a significant portion of the asset meets the definition of a heritage asset.

Valuation of heritage assets and library books

The method of valuation employed was the fair value approach. Fair value measurement is defined 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.

The fair value was ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.43). The sale would be “arm’s length” with no undue pressure on purchaser or seller. In determining the value of the library books, influences such as market climate, sensitivity to exchange rate variances, sales history and condition of the asset play an important role, however if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; then plausible value can be applied by an experienced valuation professional.

The fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. GRAP 103 provides the following methods of valuation with regard to the valuation of heritage assets:

a) In the case of specialised heritage buildings and other man-made heritage structures, such as monuments, SAHRA has used the market costs and replacement cost approach to determine fair values.

i) An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market (GRAP 103.43).

ii) Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset, a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm’s length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions.

Subsequent measurement

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to

ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Heritage assets owned by the entity are revalued every three to five years.

Impairment

The entity assesses at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Useful lives of Heritage Assets have been assessed as follows:

Item	Average useful life
Buildings	Indefinite
Art and artefacts	Indefinite
Library books	Indefinite

Derecognition

The entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when heritage asset is derecognised.

1.4 Investment property

Investment property is property that comprises of land and building held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition. The residual value is assumed to be zero.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The investment property shall be revalued every 3 years.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The gain or loss arising from the derecognition of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the investment property. Such difference is recognised in surplus or deficit when the investment property is derecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.5 Financial Instruments (GRAP104 Revised 2019)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial assets are recognised using trade date accounting.

The entity recognises financial assets using trade date accounting.

Classification and subsequent measurement - financial assets

Receivables from exchange transactions (lease/ rental debtors, the DSAC receivable, sundry receivables and

deposits) and cash and cash equivalents are measured at amortised cost, because both of the following conditions are met:

(a) the financial assets are held with the objective of collecting contractual cash flows; and

(b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The entity holds no financial assets measured at fair value through surplus or deficit and no investments in residual interests.

Classification and subsequent measurement - financial liabilities

The entity classifies all financial liabilities (payables from exchange transactions and other financial liabilities) as subsequently measured at amortised cost. The entity has no financial liabilities at fair value through surplus or deficit, no financial guarantee contracts, no loan commitments and no contingent consideration.

Initial measurement

At initial recognition the entity measures receivables and payables from exchange transactions at their transaction price, as the initial credit period granted or received (30 days or less) is consistent with terms used in the public sector. All other financial assets and liabilities subsequently measured at amortised cost are initially measured at fair value plus or minus transaction costs directly attributable to the acquisition or issue of the instrument.

Impairment of financial assets - recognition of expected credit losses

Cash and cash equivalents

General approach. The entity applies the general approach to cash and cash equivalents. At each reporting date the loss allowance is measured at an amount equal to 12-month expected credit losses, unless the credit risk has increased significantly since initial recognition, in which case it is measured at lifetime expected credit losses. The entity considers a cash and cash equivalent balance to have low credit risk where the financial institution's credit-risk rating is equivalent to the globally understood definition of "investment grade" (Baa3 or higher per Moody's).

Trade receivables

Trade receivables consist mainly of amounts receivable for rental of heritage properties, amount owing by the Department of Sports, Arts and Culture and other sundry debtors.

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity applies an expected credit loss methodology to assess debtor impairment. This is calculated by determining the historical loss rate for each debtor and adjusting the rate for risks associated with macroeconomic factors such as inflation, unemployment, and growth rates.

Provision for Expected credit losses

SAHRA applies the simplified approach when measuring expected credit losses. The Expected Credit Loss is determined by applying the calculated Expected Credit Loss rate to the debtor's outstanding balance as at the end of the financial reporting period for the following categories of debtors. The loss allowance for these instruments is always measured at an amount equal to lifetime expected credit losses.

- (i) Lease receivables
- (ii) Trade receivables : DSAC
- (iii) Sundry receivables : Deposits
- (iv) Sundry receivables : Overpayment

Expected Credit loss rate is determined as follows:

(i) Lease receivables: The Expected Credit Loss rate is determined by first calculating the historical payment rate. The historical loss rate is then derived by deducting the payment rate from 100%. Thereafter, the historical loss rate is adjusted for forward-looking economic conditions, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%).

(ii) Trade receivables : DSAC - A provision matrix is used, based mainly on, historical loss rates and forward-looking economic factors, Impairment indicators include significant financial difficulty of the debtor, probability of bankruptcy, or default in payments. These indicators do not meaningfully apply to the DSAC receivable. Management therefore has assessed the balance individually and concluded that it has good credit quality and is fully recoverable. Therefore, the DSAC receivables' Expected Credit Loss rate for trade debtors will be calculated solely

based on the forward-looking adjustments, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%). Historical loss rates will not be considered for this category as the balance is owed by the state and the risk of non-recovery is regarded as insignificant.

(iii) Sundry receivables (deposits) - The ECL for this category will be determined exclusively using the forward-looking adjustments, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%). Historical loss rates will not be applied, as SAHRA will only become entitled to receive cash upon completion of the rental or lease agreements.

(iv) Sundry receivables (Overpayments) – The ECL rate is calculated by first establishing the historical payment rate and then deducting it from 100% to determine the historical loss rate. This historical loss rate is subsequently adjusted to incorporate forward-looking economic, including factors such as the inflation rate(3%), unemployment rate(0.1%), and GDP growth rate(1.2%).

Historical Loss Rate is determined as follows:

Lease receivables - The total cash receipts collected from each debtor are divided by the total invoiced (billed) amounts over the past five years to determine the historical payment rate. Any billing and receipts relating to the COVID-19 period are excluded from this calculation, as economic conditions during that time were abnormal and collections were significantly uncertain.

Sundry receivables (overpayments) -The payment rate is calculated by dividing the total refunds received from overpaid suppliers and employees by the total outstanding overpayment balance from the date the overpayment occurred then the historical loss rate is then established by subtracting the payment rate from 100%.

The historical loss rate is adjusted to reflect relevant forward-looking information, including macroeconomic factors such as inflation, economic downturns (recessions), changes in unemployment rates, and growth rates, provided these adjustments are supported by credible data or published indicators from recognized institutions

The Expected Credit Loss rate is therefore calculated as the sum of the historical loss rate and the forward-looking adjustment factor.

At each reporting date the entity recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance, measured as the difference between the existing loss allowance and the amount determined under the expected-credit-loss model.

Significant increase in credit risk, default and credit-impaired assets

The entity assesses whether the credit risk on a financial instrument has increased significantly since initial recognition by comparing the risk of default at the reporting date with that at initial recognition, using all reasonable and supportable information available without undue cost or effort, including forward-looking information. Regardless of that assessment, the entity applies the rebuttable presumption that credit risk has increased significantly when contractual payments are more than 30 days past due.

The entity considers a financial asset to be in default when the debtor is unlikely to pay its obligations in full, or when the asset is more than 90 days past due. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred, including significant financial difficulty of the debtor, a breach of contract such as default or being more than 90 days past due, or it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Measurement of expected credit losses

The entity measures expected credit losses in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions. The methods, assumptions and inputs used are disclosed in the financial instruments risk-management note.

Modified financial assets

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any differences between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e., when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid,

including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Write-off

The gross carrying amount of a financial asset is written off when the entity has no reasonable expectation of recovering it in whole or in part. Indicators that there is no reasonable expectation of recovery include the failure of recovery and enforcement action, the debtor's insolvency or untraceability, and legal advice that further recovery is not cost-effective. On write-off, the gross carrying amount is reduced by the approved write-off amount, the loss allowance is reduced by the portion previously recognised against that asset, and any remaining difference is recognised in surplus or deficit. Amounts written off may still be subject to enforcement activity. Amounts previously written off and subsequently recovered are recognised in surplus or deficit.

Modified financial assets

Where the contractual cash flows of a financial asset are renegotiated or modified and the asset is not derecognised, the entity reassesses whether there has been a significant increase in credit risk by comparing the risk of default at the reporting date (on the modified terms) with the risk of default at initial recognition (on the original terms). The entity had no modified financial assets in the current or comparative reporting period.

Derecognition

Financial assets. The entity derecognises a financial asset only when the contractual rights to the cash flows expire, are settled or waived; or it transfers substantially all the risks and rewards of ownership; or it transfers control of the asset. On derecognition in its entirety, the difference between the carrying amount and the consideration received is recognised in surplus or deficit.

Financial liabilities. The entity removes a financial liability from the statement of financial position when it is extinguished - i.e. when the obligation is discharged, cancelled, expires or is waived. The difference between the carrying amount extinguished and the consideration paid is recognised in surplus or deficit.

1.6 Financial instruments -

Comparative 2024/25

Financial instruments - previous policy applied in the comparative period. The 2025 comparative figures have not been restated. They were prepared under the previous version of GRAP 104 applied by the entity in the 31 March 2025 annual financial statements. Under that policy all financial assets and financial liabilities were classified and measured at amortised cost, and impairment of receivables was determined using an expected-credit-loss provision matrix based on historical loss rates adjusted for forward-looking information. That accounting policy is reproduced below.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from exchange transactions (rental debtors)	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability, other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures all other financial assets and financial liabilities initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

(i) Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction directly for impairment or uncollectability in the case of a financial asset.

Fair value measurement considerations

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

(i) combined instrument that is required to be measured at fair value;

(ii) an investment in a residual interest that meets the requirements for reclassification

Gains and losses

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

Impairment and uncollectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- (i) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- (ii) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (iii) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - (a) derecognises the asset; and
 - (b) recognises separately any rights and obligations created or retained in the transfer

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any differences between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position

when it is extinguished - i.e., when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers)

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

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.

Minimum 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.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Any contingent rents are recognised separately as revenue in the period in which they are received.

Operating leases - lessee

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 or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

Any contingent rents are recognised separately as an expense in the period in which they are incurred.

1.8 Components of cash and cash equivalents

An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the

amounts in its cash flow statement with the equivalent items reported in the statement of financial position.

We have assessed and established the cash and cash equivalents to the bank balances on both operating activities as well as projects activities. No other cash component has been identified.

Included in the cash and cash equivalents are restricted funds and are held in short term deposits and may only be used in accordance with agreements with various transferors for non-exchange revenue recognition.

Bank balances contains cash and cash equivalents of the Main Bank account, and another operational bank account for permit fees. The permit fees bank account was opened in order to avoid possible unallocated deposits.

The short term deposit relate to the bank balances with restrictions and requirements for ring fencing such as the unspent conditional grants, as well as the trust funds. Also included are the funds for rental of properties to be considered for future maintenance of properties.

1.9 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash generating assets, are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate

discount rate to those future cash flows.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A non-cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the assets' remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides.

The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.12 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

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;
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.13 Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and; or
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to

the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue.

When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Finance costs

Finance costs are interest and other expenses incurred by an entity in connection with the discounting of financial liabilities.

Finance costs are recognised as an expense in the period in which they are incurred.

1.17 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.

Any expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance and financial position in the event 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 or financial position.

1.18 Irregular expenditure

Irregular expenditure as defined in section 1 of the Public Finance Management Act means expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act.

1.19 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The entity has satellite offices in Gauteng province as well as Eastern Cape however management has determined the operations as one of a single segment because decision making and all operating activities affecting revenue and expenditure are determined, directed and implemented centrally as such no geographical or business segments are recognised.

1.20 Budget information

The approved budget is prepared on an accrual basis.

The approved budget covers the 12 months ending 31 March 2026.

The annual financial statements and the budget are on the same basis of accounting therefore a reconciliation with the budgeted amounts for the reporting period have not been included in the Statement of comparison of budget and actual amounts.

The approved budget included in the Statement of Comparison of Budget and Actual Amounts is the budget as included in the Annual Performance Plan which was approved by the Accounting Authority.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and

a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Going concern assumption

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

1.23 Prior Period Error

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods, arising from a failure to use (or misuse of) reliable information that was available when the financial statements for those periods were authorised for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effect of mistakes in applying the accounting policy, oversight or misinterpretation of facts. Prior period errors identified are corrected retrospectively as an adjustment to the carrying amount of assets or liabilities and offset to the opening balance of accumulated surplus. The prior period error notes in the annual financial statements will disclose the effect of the correction, as well as the cumulative effect on the change in net assets.

1.24 Events after reporting date

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

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

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

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

1.25 Change in accounting estimates

Changes in accounting estimates are recognised prospectively in accordance with the requirements of the applicable Standards of GRAP. A change in an accounting estimate arises from new information or new developments and is not the correction of an error.

The effect of a change in an accounting estimate is recognised in surplus or deficit in :

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both

Where a change in an estimate gives rise to changes in assets, liabilities, or net assets, the carrying amount of the related asset, liability, or net assets is adjusted in the period of change

The nature and effect of material changes in accounting estimates are disclosed in the notes to the financial statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

The entity has adopted GRAP 104 standard during the current financial year.

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures
- Disclosure of Accounting Policies: Changes from “significant accounting policies” to “material accounting policies” because the Standards of GRAP do not define the term “significant”.
- Remove encouraged disclosures with limited information value

The effective date of the revisions is for years beginning on or after 1 April 2025.

The impact of the standard is set out in note 39 Changes in Accounting Policy.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity’s accounting periods beginning on or after 01 April 2027 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 (as revised) Mergers	Not yet effective	Unlikely there will be a material impact
GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet effective	Impact is currently being assessed
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Not yet effective	Impact is currently being assessed
GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet effective	Impact is currently being assessed
GRAP 1 (amended): Presentation of Financial Statements	01 April 2027	Impact is currently being assessed
GRAP 103 (amended): Heritage Assets	01 April 2027	Impact is currently being assessed

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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2026	2025 Restated*
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3. Operating lease asset / liability

Operating lease asset

Non-current assets

29 260 466 26 894 531

Current assets

1 879 419 2 122 677

31 139 885 29 017 208

Operating leases as lessor (income)

Minimum lease payments due

Within 1 year

1 505 839 1 262 581

In 2nd to 5th year inclusive

7 384 090 6 817 024

Later than 5 years

98 804 348 100 877 254

107 694 277 108 956 859

Operating lease income represents rentals received by the entity from a heritage building (Valkenburg) leased to UCT as well as land classified under investment property lease to Blue Pot (Pty) Ltd.

Leases have terms between 1 and 65 years, with the option to extend for a further period. The rentals escalate at a rate of 8 to 10% per year on average.

Operating lease liability

Current operating lease

21 094 27 161

Non-current operating lease liability

- 21 094

21 094 48 255

Operating leases as lessee (expense)

Minimum lease payments due

Within 1 year

693 899 1 876 383

In 2nd to 5th year inclusive

- 693 899

693 899 2 570 282

Operating lease liability

Leases have terms between 1 and 5 years, with no option to extend for a further period. The rentals escalate at 8% per year on average. The current and non current portion of the operating lease liability represents the effect of the lease straight lining from the rental of the 79 Roeland street offices.

The minimum operating lease payments comprise of the:

Printers - rental payable by the entity for the renting of printers for a period of 36 months. There is no escalation on the lease

Head Office - rental payable by the entity for the renting of its Head Office space in 79 Roeland Street. The lease was negotiated for a period of 36 months with the option to renew. The rentals escalate at a rate of 8% per annum.

The lease rentals on operating leases recognised in the general expenses note 24 amounts to R2 841 803 (2025: R3 612 415)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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4. Receivables from exchange transactions

	2026	2025 Restated*
Lease receivables	675 107	278 104
Deposits	160 136	163 071
Sundry receivables	11 563	268 388
DSAC Receivable	12 280 760	5 298 940
	13 127 566	6 008 503

Reconciliation of receivables from exchange transactions

Lease receivables	3 037 694	3 062 115
DSAC receivables	12 518 613	5 298 940
Sundry receivables	431 045	650 546
Deposits	163 071	163 071
Less impairment allowances	(3 022 857)	(3 166 169)
	13 127 566	6 008 503

No receivables from exchange transactions were pledged as security.

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates.

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Detailed reconciliation of receivables from exchange transactions

Gross balances

	2026	2025 Restated*
Lease receivables	3 037 695	3 062 115
Sundry receivables	431 043	650 546
DSAC Receivable	12 518 613	5 298 940
Deposits	163 071	163 071
	16 150 422	9 174 672

Less: Allowance for impairment

Lease receivables	(2 362 587)	(2 784 010)
Sundry receivables	(419 481)	(382 159)
DSAC Receivable	(237 854)	-
Deposits	(2 935)	-
	(3 022 857)	(3 166 169)

Net balance

Lease receivables	675 107	278 105
Sundry receivables	11 563	268 387
DSAC Receivable	12 280 760	5 298 940
Deposits	160 136	163 071
	13 127 566	6 008 503

Lease receivables

Current (0 - 30 days)

31- 60 days	-	40 083
61 - 90 days	43 424	30 667
More than 90 days	79 204	29 667
	2 915 067	2 961 698
	3 037 695	3 062 115

Sundry receivables

More than 90 days	431 044	650 546
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DSAC receivable

Current (0 - 30 days)	7 219 673	-
61 - 90 days	-	1 903 952
More than 90 days	5 298 940	3 394 988
	12 518 613	5 298 940

Deposits

More than 90 days	163 071	163 071
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Receivables from exchange transactions

Current (0 - 30 days)	7 219 673	40 083
31- 60 days	43 424	30 667
61 - 90 days	79 204	29 667
More than 90 days	8 808 121	9 074 255
	16 150 422	9 174 672

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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2026

2025

Restated*

Receivables from exchange transactions past due but not impaired

Trade and other receivables that are more than 30 days outstanding are considered past due. All receivables are individually assessed for impairment.

The entity has assessed these balances for recoverability and believes that they are still of good credit quality.

The ageing of amounts past due but not impaired is as follows:

More than 30 days	9 710	447 634
	9 710	447 634

Receivables from exchange transactions impaired

As of 31 March 2026, receivables from exchange transactions of R16 140 712 (2025: R3 050 699) were subjected to impairment consideration.

The amount of the impairment allowance was R3 022 857 as of 31 March 2026 (2025: R3 166 169).

The ageing of these receivables is as follows:

30 days	7 219 673	29 667
60 days	43 424	29 667
90 days	79 204	29 667
More than 90 days	8 798 411	2 961 698
	16 140 712	3 050 699

Reconciliation of allowance for impairment of receivables from exchange transactions

Opening balance	3 166 169	2 943 591
Provision for impairment	-	222 578
Implementation of GRAP 104 (Revised)	49 700	-
Opening balance restated:	3 215 869	-
Reversal of debt impairment	(193 012)	-
	3 022 857	3 166 169

5. Prepayments

Prepaid expenses	1 139 825	406 242
Internal advances	48 172	73 149
	1 187 997	479 391

2026	2025
	Restated*

Cash and cash equivalents consist of:

Cash on hand	4	4
Bank balances	7 841 977	17 327 760
Short-term deposits	80 155 542	80 951 259
	87 997 523	98 279 023

Included in bank balances and short-term deposits are amounts held that may only be used in accordance with agreements with various transferors for non-exchange revenue.

These restrictions include funds ringfenced for unspent conditional grants refer to Note 12, trust funds donated refer to Note 14 with special conditions and retained accumulated surpluses as approved by National Treasury. The accumulated surpluses to be retained are included in the contingencies in Note 27.

	2026			2025		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Land	10 600 000	-	10 600 000	9 000 000	-	9 000 000
Buildings	18 395 665	(869 235)	17 526 430	13 645 903	(651 923)	12 993 980
Leasehold property	891 478	(889 941)	1 537	891 478	(889 282)	2 196
Plant and equipment	3 455 166	(848 905)	2 606 261	2 044 644	(669 850)	1 374 794
Furniture and fittings	1 966 999	(1 258 790)	708 209	2 003 309	(1 163 963)	839 346
Vehicles	776 097	(472 146)	303 951	776 097	(430 541)	345 556
IT equipment	4 045 348	(1 086 457)	2 958 891	4 411 305	(1 028 656)	3 382 649
Library books	582 666	(353 068)	229 598	582 666	(323 935)	258 731
Total	40 713 419	(5 778 542)	34 934 877	33 355 402	(5 158 150)	28 197 252

	Opening Balance	Additions	Disposals	Revaluations	Depreciation revalued asset	Depreciation	Totals
Land	9 000 000	-	-	1 600 000	-	-	10 600 000
Buildings	12 993 980	2 397 834	-	2 351 924	(217 308)	-	17 526 430
Leasehold property	2 196	-	-	-	-	(659)	1 537
Plant and equipment	1 374 794	1 433 530	(11 460)	-	-	(190 603)	2 606 261
Furniture and fittings	839 346	-	(11 562)	-	-	(119 575)	708 209
Vehicles	345 556	-	-	-	-	(41 605)	303 951
IT equipment	3 382 649	104 927	(262 151)	-	-	(266 534)	2 958 891
Library books	258 731	-	-	-	-	(29 133)	229 598
Total	28 197 252	3 936 291	(285 173)	3 951 924	(217 308)	(648 109)	34 934 877

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reconciliation of property, plant and equipment - 2025

	Opening Balance	Additions	Disposals	Depreciation revalued asset	Depreciation	Totals
Land	9 000 000	-	-	-	-	9 000 000
Buildings	11 128 693	2 082 595	-	(217 308)	-	12 993 980
Leasehold property	3 105	-	-	-	(909)	2 196
Plant and equipment	1 428 366	31 396	(1 051)	-	(83 917)	1 374 794
Furniture and fittings	984 225	2 495	(28 002)	-	(119 372)	839 346
Vehicles	387 161	-	-	-	(41 605)	345 556
IT equipment	3 687 881	67 108	-	-	(372 340)	3 382 649
Library books	287 864	-	-	-	(29 133)	258 731
Total	26 907 295	2 183 594	(29 053)	(217 308)	(647 276)	28 197 252

Pledged as security

A register of land and buildings is available for inspection at the business address. The entity is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of the Department of Sports, Arts and Culture. In addition, there are further restrictions on the alienation of certain properties held by the entity due to the ordinances and other specific restrictions from the donors.

There were no items of Property, Plant and Equipment pledged for security for liabilities.

There are commitments to the value of R15 105 726 for the acquisition, maintenance and restoration of the Property, Plant and Equipment - Buildings. Refer to Note 35.

Figures in Rand

Reconciliation of Work-in-Progress 2026

	Included within Buildings PPE	Total
Opening balance	2 128 595	2 128 595
Additions/capital expenditure	2 397 834	2 397 834
	4 526 429	4 526 429

Reconciliation of Work-in-Progress 2025

	Included within Buildings PPE	Total
Opening balance	46 000	46 000
Additions/capital expenditure	2 082 595	2 082 595
	2 128 595	2 128 595

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The additions/capital expenditure recorded under work in progress relate to the Upgrade and Acquisition Project for the SAHRA Head Office. All required service providers have been appointed; however, delays were experienced due to the finalisation of the heritage impact assessment, which is anticipated to be completed during the first quarter of the 2026/27 financial year. There have been no instances where the project was halted

Figures in Rand

2026	2025 Restated*
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Repairs and Maintenance to property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

IT Equipment	35 656	-
Building	48 264	149 134
Vehicle	450	890
Plant and Equipment	378 040	198 115
Leasehold property	-	147 087
Total	462 410	495 226

8. Intangible assets

	2026			2025		
	Cost/Valuation	Accumulated and amortisation impairment	Carrying Value	Cost/Valuation	Accumulated and amortisation impairment	Carrying Value
Software	396 491	(324 240)	72 251	396 491	(289 206)	107 285
Website (Internally generated)	650 550	(527 952)	122 598	650 550	(511 256)	139 294
Total	1 047 041	(852 192)	194 849	1 047 041	(800 462)	246 579

Reconciliation of intangible assets - 31 March 2026

	Opening Balance	Amortisation	Total
Computer software	107 285	(35 034)	72 251
Website (Internally generated) SAHRIS	139 294	(16 696)	122 598
Total	246 579	(51 730)	194 849

Reconciliation of intangible assets - 31 March 2025

	Opening Balance	Amortisation	Total
Computer software	142 627	(35 342)	107 285
Website (Internally generated) SAHRIS	155 681	(16 387)	139 294
Total	298 308	(51 729)	246 579

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The factors considered in determining the useful life were based on the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the asset where by the Heritage Sector is considered stable and being a National Entity, no fluctuation exist as the entity is mandated with the National Estate. However, due to the possibility of technological changes and other similar factors it was indeed considered prudent to amortise the SAHRIS intangible asset over 10 years.

There were no items of Intangible assets pledged for security for liabilities.

9. Heritage assets

	2026			2025		
	Cost/Valuation	Accumulated impairment losses	Carrying Value	Cost/Valuation	Accumulated impairment losses	Carrying Value
Art and artifacts	243 695	-	243 695	220 018	-	220 018
Library books	1 754 473	-	1 754 473	1 704 104	-	1 704 104
Land and buildings	62 225 400	-	62 225 400	54 669 863	-	54 669 863
Total	64 223 568	-	64 223 568	56 593 985	-	56 593 985

Reconciliation of heritage assets - 31 March 2026

	Opening Balance	Additions	Disposals	Revaluation increase/ (decrease)	Totals
Art and artifacts	220 018	-	-	23 677	243 695
Library books	1 704 104	-	(12 963)	63 332	1 754 473
Land and buildings	54 669 863	2 912 507	-	4 643 030	62 225 400
Total	56 593 985	2 912 507	(12 963)	4 730 039	64 223 568

Reconciliation of heritage assets - 31 March 2025

	Opening Balance	Additions	Disposals	Totals
Art and artifacts	220 018	-	-	220 018
Library books	1 722 218	-	(18 114)	1 704 104
Land and buildings	51 492 853	3 177 010	-	54 669 863
Total	53 435 089	3 177 010	(18 114)	56 593 985

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

	2026	2025 Restated*
Reconciliation of Work-in-Progress 2026	Included within Buildings Heritage Property	Total
Opening balance	6 371 708	6 371 708
additions during the year	2 912 507	2 912 507
	9 284 215	9 284 215
Reconciliation of Work-in-Progress 2025	Included within Buildings Heritage Property	Total
Additions/capital expenditure	3 194 698	3 194 698
additions during the year	3 177 010	3 177 010
	6 371 708	6 371 708

The additions/capital expenditure included under work in progress relates to the projects on the restoration of SAHRA properties, Welcome cottage, Simon's Town and the fencing projects at the Dal Josafat Farms, Paarl. The service providers for the projects have been appointed and the stage of completion is within the timeframe for the completion by the set dates. There have not been any instances where the projects have been halted.

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. Library books were revalued as at 31 March 2026 by an independent valuer. The current market related auction was determined via online research results, both locally and internationally. In verifying some of the more specialised items, valuation was also often based on current research papers.

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. The art and artefacts were revalued as at 31 March 2026 by an independent valuer. The current market related auction were determined via online research results, both locally and internationally. In verifying some of the more specialised items, valuation was also often based on current research papers.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

Land and Buildings

	2026	2025 Restated*
Woustersen Wessel Vault, Green Point	1 100 000	880 000
Van Riebeek's Hedge, Bishopscourt	2 500 000	2 200 000
Hugo Family Vault, Simon's Town	1 080 000	300 000
Klein Bosch Cemetery, Dal Josafat	80 000	70 000
Groenberg School, Wellington	1 300 000	1 200 000
Erf 56, Tulbagh	900 000	671 850
Erf 225, Tulbagh	950 000	711 900
The Lookout, Uitenhage	240 000	220 000
Old Congregation Church, Cradock	1 700 000	2 319 647
Old Residency, King Williamstown's Town	1 440 000	1 330 000
Garden of Remembrance, Aliwal North	1 650 000	1 350 000
Burgher Monuments, Boomplaats	59 000	75 000
Union Masonic Temple, Kimberley	394 000	1 518 015
Moorddrift Monument, Potgietersrus	34 000	26 000
Old English Fort, Marabastad	125 000	104 000
Verduin Ruins, Soutpansberg District	20 800	20 500
Powder Magazine, Potchefstroom	67 000	62 000
Old Fort and Cemetery, Potchefstroom	260 000	200 000
Site of Dr. David Livingstone's House, Marico District	8 200	7 500
Blarney Cottage, Richmond	380 000	373 000
Birth Place of General Louis Botha, Greytown	117 000	95 000
Spioenkop Battlefield, Ladysmith	1 200 000	1 100 000
Elandslaagte Memorial, Ladysmith	59 000	34 000
Piet Retief's Grave, Ulundi	218 000	187 000
Mapoch's Caves, Roosenekal	949 400	1 023 800
Krugerhof, Waterval-Boven	350 000	350 000
Fisherman Cottage, Struisbaai	6 200 000	3 567 930
Welcome Cottage, Simon's Town	7 300 000	7 358 568
Mooimeisiesfontein, Grahamstown	1 500 000	2 119 874
Dal Josafat Farms, Paarl	12 294 000	9 774 280
Valkenburg, Observatory City of Cape Town	6 800 000	5 900 000
Het Posthys, Muizenburg	5 700 000	4 900 000
Onderdal School, Wellington	2 700 000	2 200 000
Old Gaol, Grahamstown	2 550 000	2 420 000
	62 225 400	54 669 864

Repairs and maintenance - Heritage assets

Other Heritage and Memorials	1 068 083	1 065 602
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

There are commitments to the value of R5 802 248 for the acquisition, maintenance and restoration of the Heritage Land and Buildings. Refer to Note 35.

A register of land and buildings is available for inspection at the business address. The entity is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of the Department of Sports, Arts and Culture. In addition, there are further restrictions on the alienation of certain properties held by the entity due to the ordinances and other specific restrictions from the donors. Another portion of Heritage land and buildings is leased to third parties. Refer to note 3 for further information.

The Valkenburg property is subject to an operating lease with UCT as the leasee and this has been disclosed under operating lease asset note 3.

There were no items of Heritage assets pledged for security for liabilities.

10. Investment property

	2026			2025		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Land	12 706 000	-	12 706 000	9 200 000	-	9 200 000

Reconciliation of investment property - 2026

	Opening Balance	Revaluation increase/(decrease)	Closing Balance
Land	9 200 000	3 506 000	12 706 000
Rental revenue earned on the Investment Property		2 411 895	2 411 895

The value of investment properties is per the valuation done on the 31 March 2026. The land included in investment property are listed above. The land was revalued as at 31 March 2026 by an independent valuer. The method of valuation employed was discounted cashflow method.

A register of land and buildings is available for inspection at the business address. The entity is not permitted to dispose of, or otherwise alienate, its land and buildings without the approval of the Minister of the Department of Sports, Arts and Culture. In addition, there are further restrictions on the alienation of certain properties held by the entity due to the ordinances and other specific restrictions from the donors. Another portion of Heritage land and buildings is leased to third parties. Refer to note 3 for further information.

The investment property is subject to an operating lease with Blue Pot (Pty)Ltd as the lessee, this has been disclosed under operating lease asset note 3.

No commitments were incurred for investment property.

There were no items of Investment Property pledged for security for liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

11. Payables from exchange transactions

	2026	2025 Restated*
Trade payables	1 064 916	11
Sundry payables	392 523	697 395
Deposits received	183 395	154 395
Accruals	3 518 828	4 947 869
	5 159 662	5 799 670

The amounts disclosed in the trade payables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

12. Unspent conditional grants and receipts

Unspent conditional grants and receipts	53 267 271	59 610 528
Unspent grants		

Movement during the year

Balance at the beginning of the year	59 610 528	59 562 783
Condition met and transferred to revenue	(6 648 246)	(5 514 906)
Additions during the year	-	5 236 886
Interest earned during the year	304 990	325 765
	53 267 272	59 610 528

Reconciliation of unspent conditional grants and receipts

12.1 Makapan

Balance at the beginning of the period	2 869 888	2 658 653
Conditions met and transferred to Revenue	(1 280)	(1 125)
Interest earned during the year	198 784	212 360
	3 067 392	2 869 888

Reconciliation of unspent conditional grants and receipts

12.2 Makgabeng

Balance at the beginning of the period	1 554 135	1 443 290
Conditions met and transferred to Revenue	(1 280)	(1 125)
Interest earned during the year	104 774	111 970
	1 657 629	1 554 135

Reconciliation of unspent conditional grants and receipts

12.3 Dutch projects

Balance at the beginning of the period	251 548	420 167
Conditions met and transferred to Revenue	-	(170 053)
Interest earned during the year	1 432	1 435
	252 980	251 549

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

Reconciliation of unspent conditional grants and receipts

12.4 Acquisition/ upgrading of SAHRA Head Office

Balance at the beginning of the period

Conditions met and transferred to Revenue

2026	2025 Restated*
30 270 064	33 447 643
(2 942 938)	(3 177 579)
27 327 126	30 270 064

Reconciliation of unspent conditional grants and receipts

12.5 Presidential Employment Stimulus Package

Balance at the beginning of the period

2 526 103	2 526 103
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Reconciliation of unspent conditional grants and receipts

12.6 Dubai Expo

Balance at the beginning of the period

340 019	340 019
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Reconciliation of unspent conditional grants and receipts

12.7 CATHSSETA

Balance at the beginning of the period

Addition during the period

Condition met and transferred to revenue

53 030	112 000
-	(58 970)
(5 615)	-
47 415	53 030

Reconciliation of unspent conditional grants and receipts

12.8 Fencing and Security

Balance at the beginning of the period

Addition during the period

Condition met and transferred to revenue

8 968 616	8 542 407
-	1 000 000
(2 459 025)	(573 791)
6 509 591	8 968 616

Reconciliation of unspent conditional grants and receipts

12.9 Eastern Seaboard Smart City Development

Balance at the beginning of the period

Conditions met and transferred to revenue

2 194 053	3 424 172
-	(1 230 119)
2 194 053	2 194 053

Reconciliation of unspent conditional grants and receipts

12.10 Department of Military Veterans Botswana Graves

Balance at the beginning of the period

130 181	130 181
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2026

2025

Restated*

Reconciliation of unspent conditional grants and receipts

12.11 Survey of graves of fallen heroes

Balance at the beginning of the period	6 618 490	2 793 604
Addition during the period	-	4 124 886
Condition met and transferred to revenue	(1 228 408)	(300 000)
	5 390 082	6 618 490

Reconciliation of unspent conditional grants and receipts

12.12 Chief Bungeni Memorial

Balance at the beginning of the period	36 550	36 550
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Reconciliation of unspent conditional grants and receipts

12.13 Duncan village

Balance at the beginning of the period	3 797 846	3 800 000
Condition met and transferred to revenue	(9 699)	(2 154)
	3 788 147	3 797 846

12.1 Makapan

Makapan Valley Development

(Agreement signed in 28 August 2003, no required completion date noted).

The grant agreement indicates that money paid to SAHRA must be used for the specific purpose.

The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed.

Unspent funds at end of the project are to be paid back to the NLDTF.

12.2 Makgabeng

Write the history of Makgabeng and survey, research and document heritage resources in Makgabeng

(Agreement signed in 11 June 2003, no required completion date noted).

Under the agreement, the money paid to SAHRA must be used for the specific purpose.

The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed.

Unspent funds at end of the project are to be paid back to the NLDTF.

12.3 Dutch Projects

The project is between SAHRA and Cultural Heritage Agency to gather information about historical Dutch shipwrecks within South Africa territorial waters that have been subject to human intervention, principally non-archaeological salvage and treasure hunting in nature. (Project plan signed on 23 November 2015)

Under the agreement, the money paid to SAHRA must be used for the specific purpose. Kingdom of the Netherlands has the right to demand repayment if the money is not used for its intended purpose.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12.4 Acquisition / upgrading of SAHRA head office

The project is between SAHRA and Department of Sport, Arts and Culture for the Acquisition /upgrading of SAHRA head office as approved by the Director General on 31 July 2020. Under the agreement the money paid to SAHRA must be used for specific purpose.

12.5 Presidential Employment Stimulus Programme

The project is between SAHRA and Department of Sport, Arts and Culture for the Presidential Employment Stimulus Program (PESP) as approved by the Director General on 23 October 2020. Under the agreement the money paid to SAHRA must be used for specific purpose. During the financial year 2022/2023 an amount of R2 526 103 was approved for roll over and will be applied in accordance with term of a memorandum to be entered into between the Department and SAHRA. At 31 March 2025 no agreement had been concluded.

12.6 Dubai Expo

The project is between SAHRA and Department of Sport, Arts and Culture for the Dubai World Expo 2020. Under the agreement the money paid to SAHRA must be used for specific purpose.

12.7 CATHSSETA

This relates to a discretionary grant to SAHRA from CATHSSETA.

12.8 Fencing and Security

This relates to a DSAC funded infrastructure project for the fencing and security of SAHRA properties.

12.9 Eastern Seaboard Smart city Project

This relates to a DSAC funded audit of Cultural Heritage asset for the Smart city project in the Eastern Seaboard region.

12.10 Department of Military Veterans - Botswana Graves Project

This relates to a Department of Military Veterans funded project for the rehabilitation of the Botswana 4 graves project.

12.11 Survey of foreign graves of fallen heroes

This grant is funded by DSAC for the Survey and mapping of heritage resources and graves in the SADC region.

12.12 Chief Bungeni Memorial

This is a DSAC funded project for the construction of a memorial of Chief Bungeni.

12.13 Duncan Village

This grant is funded by the DSAC for the memorial Restoration and Declaration of the Grave sites of the Victims of the Duncan Village 1985 Massacre - Commemorating the Resistance & Liberation Heroines and Heroes of Duncan Village.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

13. Short-term Employee benefits

Accrued leave pay

Accrual for 13th cheque

2026	2025 Restated*
2 729 534	2 553 514
1 015 768	838 079
3 745 302	3 391 593

14. Other financial liabilities

Designated at fair value

Trust liabilities

235 060	216 046
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Trust liabilities reflect monies held in trust accounts to be used for a specific purpose or project such as the maintenance of a specified asset as such its restricted cash.

15. Revaluation reserve

Opening balance

Adjustment on assets directly recognised in net assets

Revaluation of heritage assets

Revaluation of **PPE** - Land and Buildings

48 140 811	48 358 117
(217 307)	(217 306)
4 730 039	-
3 951 924	-
56 605 467	48 140 811

16. Other income

Other income

136 077	230 472
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17. Reimbursement

Reimbursement legal fees

Reimbursement repatriation expenditure

7 219 673	1 151 158
-	8 747 862
7 219 673	9 899 020

18. Insurance refund

Insurance refund

-	82 357
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19. Interest received

Interest revenue

Interest received - SAHRA bank accounts

6 187 356	7 201 731
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

20. Revenue

	2026	2025 Restated*
Permit fees	1 969 113	1 846 235
Rental of facilities and equipment	4 789 994	4 672 408
Reimbursive repatriation expenditure	-	8 747 862
Income from reversal of provision	193 012	-
Other Income	136 077	230 472
Reimbursement legal fees	7 219 673	1 151 158
Insurance refund	-	82 357
Interest received	6 187 356	7 201 731
Government grants and subsidies	72 032 000	66 339 000
Trust funds - Interest received	247 334	254 344
Other grants	6 648 246	5 514 906
	99 422 805	96 040 473

The amount included in revenue arising from exchanges of goods or services are as follows:

Permit fees	1 969 113	1 846 235
Rental income	4 789 994	4 672 408
Reimbursement repatriation expenditure	-	8 747 862
Reversal of debt impairment	193 012	-
Other income	136 077	230 472
Reimbursement legal fees	7 219 673	1 151 158
Insurance refund	-	82 357
Interest received	6 187 356	7 201 731
	20 495 225	23 932 223

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants and subsidies (Department of Sport, Arts and Culture)	72 032 000	66 339 000
Trust funds - Interest received	247 334	254 344
Other grant revenue	6 648 246	5 514 906
	78 927 580	72 108 250

21. Government grants and subsidies

Government grants and subsidies (Department of Sport, Arts and Culture)	72 032 000	66 339 000
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This related to transfer allocation for operational activities and is not conditional.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

22. Salaries and benefits

	2026	2025 Restated*
Acting allowances	643 444	637 166
Basic	40 781 542	40 502 938
13th cheque	3 387 597	1 547 476
Housing benefits and allowances	966 235	893 179
Leave pay charge	662 147	339 249
Long-service awards	50 000	70 000
Medical aid - company contributions	1 795 063	1 604 774
Provident fund	3 991 454	3 937 819
Relocation and removal costs	440 109	129 541
SDL	455 582	433 347
Travel, motor car, accommodation, subsistence and other allowances	342 881	452 606
UIF	200 798	198 380
WCA	72 372	78 681
	53 789 224	50 825 156

Executive committee remuneration -March 2026	Annual Remuneration	Long Service award	Once off bonus	13th Cheque	Allowances	Total
L. Malgas Chief Executive Officer Employment date: 01.03.2020 Term 2026: 12 months	2 027 278	-	77 230	-	24 000	2 128 508
K. Nkhasi-Lesaoana Executive Officer: Heritage Information Policy and Skills Development Employment date: 01.12.2017 Term 2026: 12 months	1 294 862	-	53 124	97 868	12 000	1 457 854
S. Mome Company Secretary Employment date: 01.08.2020 Term 2026: 12 months	1 315 354	-	49 449	-	12 000	1 376 803
L. Tukwayo Chief Finance Officer Employment date: 01.04.2022 Term 2026: 1 month	229 322	-	-	-	13 480	242 802
N. Mphambani Acting Executive Officer: Corporate Services Employment date: 09.10.2020 Term 2026: 12 months	1 260 305	-	48 012	-	12 000	1 320 317
D. Keta Interim Chief Financial Officer Employment date: 01.04.2025 Termination date: 03.08.2025 Term: 5 months	497 989	-	-	-	-	497 989
B. Madolo Acting Chief Financial Officer Employment date: 01.09.2025 Termination date: 09.03.2026 Term: 6 months 9 days	196 071	-	-	-	-	196 071
G. Simelane Chief Financial Officer Employment date: 09.03.2026 Term: 22 days	88 013	-	-	-	1 000	89 013
Total	6 909 194	-	227 815	97 868	74 480	7 309 357

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Executive committee remuneration -March 2025	Annual Remuneration	Long Service award	Once off bonus	13th Cheque	Allowances	Total
L. Malgas Chief Executive Officer Employment date: 01.03.2020 Term 2025: 12 months	1 937 906	-	55 961	-	24 000	2 017 867
K. Nkhasi-Lesaoana Executive Officer: Heritage Information Policy and Skills Development - Employment date: 01.12.2017 Term 2025: 12 months	1 235 018	-	38 494	93 890	12 000	1 379 402
S. Mome Company Secretary Employment date: 01.08.2020 Term 2025: 12 months	1 221 682	5 000	35 831	-	12 000	1 274 513
L. Tukwayo Chief Finance Officer Employment date:01.08.2020 Term 2025: 12 months	1 457 457	-	46 350	-	161 760	1 665 567
N. Mphambani Acting Executive Officer: Corporate Services Employment date: 09.10.2020 Term 2025: 12 months	1 204 745	-	34 789	-	12 000	1 251 534
Total	7 056 808	5 000	211 425	93 890	221 760	7 588 883

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

Council - Fees

	2026	2025 Restated*
Mr. TP Mellet.	49 601	138 793
Dr. L Mpahlwa. (Council Chairperson - Term ended 31 July 2025)	92 134	138 507
Mr. MJ Serekoane.	54 988	178 984
Mr. Moduka, B.	45 019	151 841
Prof. MA Makgopa	83 436	-
Mr. VK Maumela*	-	-
Adv. MV Mdludlu.	29 799	104 940
Dr. V Mnculwane.	22 230	56 034
Ms. RK Parker.	42 696	26 676
Mr. T Poho.	21 789	82 710
Dr. J Sharfman.	38 250	113 950
Ms. R Gani.	62 455	-
Prof. S Bouillon.	73 858	-
Adv. NN January.	44 910	-
Prof. EA Hendricks.	67 135	-
Mr. MV Mdhuli.	53 708	-
Mr. KP Mokoena.	61 666	-
Mr. A Omar.	62 966	-
Ms. Tlhoale, ES.(Council Chairperson - Appointed 24 August)	79 538	-
Mr. M Tsedu.	67 135	-
Mr. T Magogodi.	18 056	-
	1 071 369	992 435

* No remuneration for the year under review because the member works for the public sector

Audit and Risk Committee - Fees

Ms. R Gani.	31 279	59 514
Mr. K Sello(Chairperson).	117 702	155 049
Mrs. R Parker.	12 015	4 005
Mr. I Dhlomo.**	-	24 030
Mr. T Poho.	12 015	24 030
Mr. P Ramuedzisi.	24 358	-
Mr. KP Mokoena.	12 507	-
	209 876	266 628

**Resigned in 2025.

23. Depreciation and Amortisation

Property, plant and equipment	648 162	647 273
Intangible assets	51 729	51 729
	699 891	699 002

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

24. General expenses

	2026	2025 Restated*
Administrative expenses	60 000	62 500
Advertising	565 986	173 580
Auditors' remuneration	2 197 926	1 917 752
Bank charges	68 849	77 687
Catering and refreshments	262 005	418 980
Cleaning	110 390	203 068
Computer expenses	1 041 198	1 626 692
Conference costs	20 576	27 200
Consulting and professional fees	5 343 413	6 877 530
Consumables	3 501	4 079
Council Fees	1 269 105	1 290 531
Insurance	609 442	402 763
Internal audit	488 164	132 532
Lease rentals on operating lease	2 841 803	3 612 415
Motor vehicle expenses	82 277	101 477
Postage and courier	41 467	61 567
Printing and stationery	185 471	102 692
Publications	(14 508)	192 062
Security	1 524 380	1 914 584
Staff bursaries	262 164	181 050
Staff membership fees	104 616	34 875
Staff welfare	157 654	50 152
Telephone and fax	995 771	1 178 280
Travel expenditure	10 055 428	11 642 412
Uniforms	13 756	-
Water and electricity	2 090 841	1 989 719
Workshops	516 003	331 193
	30 897 678	34 607 372

25. Auditors' remuneration

Audit fees	2 197 926	1 917 752
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

26. Cash (used in) generated from operations

	2026	2025 Restated*
Surplus/ (Deficit)	12 207 062	8 274 631
Adjustments for:		
Depreciation and amortisation	699 891	699 002
Loss on disposal of assets and liabilities	298 456	47 168
Provision for doubtful debts	-	222 578
Movements in operating lease asset and accruals	(2 122 677)	(2 592 003)
Reversal on debt impairment	(193 012)	-
Changes in working capital:		
Receivables from exchange transactions	(6 975 700)	(2 237 505)
Prepayments	(708 606)	(311 140)
Payables from exchange transactions	(640 422)	388 527
Short term employee benefits	353 709	54 404
Unspent conditional grants and receipts	(6 343 256)	47 745
Operating lease liability	(27 161)	21 841
Other financial liability	19 014	22 042
	(3 432 702)	4 637 290

27. Contingencies

Contingent Assets

During the financial year, a building located in Daljosafat farm was destroyed by fire. The entity has lodged an insurance claim in respect of the damages incurred. At year-end, discussions with the insurance broker and insurer were still ongoing, and confirmation of the claim amount had not yet been received. Although management expects that compensation will be received, the amount of the contingent asset cannot be measured reliably on 31 March 2026.

Contingent Liabilities

Retention of surplus

A request will be made to National Treasury as per Section 53(3) of the PFMA, 1999 to retain the surplus for the current financial year ending 31 March 2026 with an amount of R38 952 853 (2025: R35 184 582) Should approval not be granted, SAHRA will be required to surrender the funds to the National Revenue Fund through DSAC.

Description	Amount
Cash and cash equivalents at year-end	87 997 523
Plus: Current receivables expected to be collected	13 127 566
Less: Current liabilities	(8 904 964)
Less: Ringfenced funds (conditional grants, donor funding)	(53 267 272)
Surplus	38 952 853

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Litigious matters

Minister of the Department of Sports, Arts and Culture v Midnight Storm Investments

(a) Midnight Storm Investments 170 (Pty) Ltd v Minister of Arts and Culture and Others (Case No. 46055/15). The plaintiff claims that the declaration of a property as a Provincial Heritage Site by Heritage Western Cape amounts to constructive expropriation. SAHRA is cited as the fourth defendant. The High Court ruled in favour of the defendants. Leave to appeal to the Supreme Court of Appeal was granted, but the appeal has been postponed pending a possible settlement. The assessment of the plaintiffs prospects of success is assessed as minimal.

The matter has not been finalised on 31 March 2026.

(b) Litigation is in the process against South African Heritage Resources Agency relating to a dispute with former employees of the entity.

South African Heritage Resource Agency vs Former Employee A

(i) The former Employee A (former Chief Financial Officer) is challenging the termination of this employment contract and claiming unfair dismissal. Employee A referred the matter to CCMA for unfair suspension and unfair dismissal. SAHRA was successful at the CCMA, CCMA found the dismissal substantively and procedurally fair. Employee A subsequently took the matter on review to the Labour Court, it was argued on 18 February 2026 and as at year end SAHRA is still awaiting judgements.

In the worst-case scenario, which is doubted, section 194 of the Labour Relations Act limits compensation to 12 months of gross salary in these cases. Therefore, the settlement amount he is claiming is estimated to be R751 280 should the Labour Court find in favour of the former employee.

South African Heritage Resource Agency vs Former Employee B

(ii) The former Employee B (former Manager Burial Grounds and Graves) is challenging the entity on unfair labour practice alleging and citing constructive dismissal. The employee tendered her resignation with immediate effect after SAHRA had received a recommendation to dismiss her subsequent to a disciplinary hearing which had found her guilty of misconduct. The former employee approached the CCMA for constructive dismissal.

The matter of alleged constructive dismissal, arbitration of the matter is still ongoing at Pretoria CCMA. It was part heard during the year wherein in September 2023, Employee B arrived late and at that time SAHRA had received a default judgment against her which was later set aside following her motivation.

The CCMA dismissed Employee B's case however she subsequently lodged a litigation based on the same matter at the Magistrate's court, as at year end the parties have exchanged pleadings, the matter is on-going.

In the worst-case scenario, which is doubted, section 194 of the Labour Relations Act limits compensation to 12 months of gross salary in these cases. Therefore, the settlement amount she is claiming is estimated to be R366 503 should the Labour Court find in favour of the former employee.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

South African Heritage Resource Agency vs Former Employee C

(iii) The former Employee C (former Supply Chain Manager) is challenging the termination of employment contract and claiming unfair dismissal. The former employee has referred the matter to the CCMA, as of 31 March 2026 the CCMA hearing date had not been pronounced.

Employee C is claiming reinstatement. In the worst-case scenario, which is doubted, section 194 of the Labour Relations Act limits compensation to 12 months of gross salary in these cases. Employee C's salary was R57 000 per month.

(c) Litigation is in the process after South African Heritage Resources Agency received a notice of set down for inspection in loco of properties that were subject to claims.

On the 24th of February 2023, SAHRA received a notice of set down for inspection in loco of properties that were subject to claims. The properties listed in the claim were Rhenosterfontein 1051 (Spioenkop Battlefield) Brakfontein 1046 (Elandslaagte Memorial). At this point SAHRA is waiting to be joined to the proceedings when the matter is set down.

SAHRA was initially erroneously left out from the proceedings even though it is one of the owners of properties listed in the matter. SAHRA is yet to be joined in the proceeds, however, should worst case scenario happen, the claim would be granted and the two properties would be transferred in favour of the claimants.

The inspection in loco was set down for 3 April 2023. SAHRA awaits service of pleadings joining it in the proceedings.

SAHRA has not been served with further Court papers, as an affected party, herein.

As of 31 March 2026, the matter is still on-going.

d) Dr M Mandela Matters

Heritage Objects: Litigation SAHRA, together with DSAC and the Robben Island Museum, is pursuing an application in the Constitutional Court for the return of heritage objects associated with the late President Nelson Mandela. The High Court and Supreme Court of Appeal dismissed the application. An application for leave to appeal is currently before the Constitutional Court. Should SAHRA be unsuccessful, it may be liable for the respondents' legal costs, estimated at approximately R1,3 million. SAHRA assesses its prospects of success as reasonable.

Defamation Claim: Dr Makaziwe Mandela instituted a defamation claim for damages against SAHRA and the Chief Executive Officer of SAHRA in the Western Cape High Court on 3 May 2023. Pleadings have closed, discovery has been completed, and the matter is approaching trial readiness. SAHRA is defending the claim and assesses its prospects of success as reasonable. The outcome of this matter is linked to the heritage objects litigation.

The litigant is claiming damages of approximately R1 million.

e) South African Heritage Resource Agency vs Sharon Rose Pty(Ltd)

During the April 2023, SAHRA received a tax invoice from one of its long-standing Service Providers via email. Unbeknown to SAHRA, the Service Provider's email account had been hacked by fraudsters who issued a fraudulent invoice with altered banking details. SAHRA, relying on the legitimacy of the email address that had been used consistently for all previous correspondence and transactions with the Service Provider, performed verification through the same email channel and subsequently effected payment in the amount of R338,647.88.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Thereafter, a representative of the Service Provider visited SAHRA in person and indicated that they had not received the payment. It was then established that the Service Provider's email system had indeed been compromised. Despite SAHRA providing full proof of payment made to the bank account details furnished in the invoice, the Service Provider continued to demand payment of the outstanding amount.

The Service Provider subsequently instituted legal action against SAHRA for the recovery of the invoiced amount. SAHRA defended the matter on the basis that it had made payment in good faith to the details provided by the Service Provider through their established communication channel.

SAHRA subsequently engaged BOO to perform a digital forensic investigation. The outcome of the digital forensic investigation as detailed in the final report confirmed that the Service provider's ICT environment was severely compromised. The matter was heard in court, and judgment was delivered in favour of the Service Provider. Management is of the view that the judgment contains material errors in law and fact. Consequently, SAHRA has noted an appeal against the unfavourable judgment.

As of 31 March 2026, the matter is still on-going.

28. Related parties

Relationships

Controlling department

Department of Sport, Arts and Culture

Members of Key Management

The members of Council and the Executive committee are related parties. Note 22

Department under common control

Agency of the department of Trade and Industry - Project funder for the National Lottery Fund for Makapan and Makgabeng projects

Department under common control

Department of Military Veterans - Project funder for the Botswana 4 project

Department under common control

SETA - CATHSSETA, Project funder for the Discretionary and Mandatory Grants

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2026	2025 Restated*
Related party balances		
Unspent conditional grants and receipts		
Makapans (National Lottery fund)	3 067 392	2 869 888
Makgabeng (National Lottery fund)	1 657 629	1 554 135
Presidential Employment Stimulus Package	2 526 103	2 526 103
SAHRA office accommodation	27 327 126	30 270 064
Dubai Expo	340 019	340 019
Fencing and Security	6 509 591	8 968 616
Eastern Seaboard Smart City Development	2 194 053	2 194 053
Survey of graves	5 390 082	6 618 490
Chief Bungeni	36 550	36 550
Duncan	3 788 147	3 797 846
SETA		
CATHSSETA	47 415	53 030
Department of Military Veterans		
Botswana 4 project	130 181	130 181
Amounts owed to the entity by Department of Sport, Arts and Culture		
DSAC Receivable	12 518 613	5 298 940
Related party transactions		
Department of Sport, Arts and Culture		
DSAC Operation Grant received	72 032 000	66 339 000
DSAC Survey of graves	-	4 124 886
Fencing and Security	-	1 000 000
DSAC Re-imbursement of legal fees	7 219 673	1 151 158
DSAC Re-imbursement Repatriation expenditure	-	8 747 862
SETA		
CATHSSETA - Discretionary Grant	-	112 000

Key management information

Remuneration of management

29. Fruitless and wasteful expenditure

Details of current and previous year Fruitless and wasteful expenditure

There was no fruitless and wasteful expenditure identified in the current financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30. Irregular expenditure

Details of irregular expenditure

	2026	2025
Irregular Expenditure	1 239 508	-

During the year under review, irregular expenditure amounting to R1,239,508 was identified and recognised. The irregularity arose from the award of the Western Cape security services tender (Bid Reference: SAHRA/PFU/WC/04/2024) to Black Torres Security (Pty) Ltd, following the submission of materially incorrect information regarding the company's PSiRA registration date. The service provider claimed registration since 25 August 2017, whereas confirmation from the Private Security Industry Regulatory Authority (PSiRA) confirmed the actual registration date as **25 August 2023**.

This misrepresentation resulted in the bidder receiving inflated functionality and preference points, leading to an incorrect award of the contract. This constituted non-compliance with the **Preferential Procurement Policy Framework Act (PPPFA), 2000** and the Preferential Procurement Regulations, 2022.

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

In 2015 the entity incurred irregular expenditure in the amount of R49 million for the rehabilitation of Delville Wood memorial in France was condoned by the previous council. The former Minister of Sport, Arts and Culture subsequently requested the Accounting Authority to commission an investigation of the irregular expenditure relating to this contract and the Chief Executive Officer has since been dismissed.

On the 12 July 2019, the President of the Republic South Africa issued a proclamation in terms of which the Special Investigation Unit was issued with authority to investigate the procurement of services by or on behalf of SAHRA and payments made in respect of the thereof in a manner that was not fair, transparent, equitable, competitive and costs effective and contrary to applicable legislation, manuals, guidelines, practice notes, circulars or instructions issued by the National Treasury or manuals, policies, prescripts, instructions, or practices of SAHRA.

Details of current and previous year irregular expenditure condoned

No irregular expenditure was condoned in the current financial year however the entity has applied to the National Treasury for the condonement of irregular expenditure of R3 420 145 incurred in the 2020/21 financial year. Reasonable steps have been taken to confirm that such irregular expenditure did not result in any losses or damages to the entity and that the entity did obtain value from such a transactions having noted the disciplinary processes of the responsible official.

31. Prior period errors

Property, Plant and Equipment

During the current financial year, it was identified that the asset register included fully depreciated assets that were still in use. A review of the useful lives of these assets was subsequently conducted, which revealed that most of the assets had already become fully depreciated in the previous years. However, this had not been corrected in prior financial statements, resulting in an error. As a result, adjustments were made, leading to an increase in property, plant, and equipment (PPE), a decrease in depreciation and amortisation for the prior year (2025), and an increase in accumulated surplus for assets that had not been revalued in periods before 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2026	2025 Restated*
Property, plant and Equipment		
Decrease in depreciation - 2025		(272 395)
Increase in accumulated surplus		(2 109 418)
		(2 381 813)

During the current financial year, it was identified that an item relating to the 2025/26 financial year had been incorrectly processed as an accrual in 2024/25, despite the goods/services only being received after year-end

Repairs and maintenance

Decrease in payable from exchange transactions - Accruals	196 267
Decrease in repairs and maintenance	(196 267)
	-

During the current financial year, it was identified that an accrual had been incorrectly raised based on supplier statements, and upon final receipt of the invoice, the amount differed from the accrued value.

General expenditure - Travel

Decrease in payable from exchange transactions - Accruals	58 352
Decrease in general expenditure	(58 352)
	-

In the previous financial year, an accrual was raised relating to security services; however, the invoice was subsequently disputed after the end-user department confirmed that no services had been rendered

General expenditure - Security

Decrease in payable from exchange transactions - Accruals	19 384
Decrease in general expenditure	(19 384)
	-

The correction of the error(s) results in restatements as follows

Statement of Financial Performance

Repairs and Maintenance	1 364 541
General expenditure	34 607 372
Depreciation and amortisation	699 002
	36 670 915

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

Statement of Financial Position

	2026	2025 Restated*
Property, plant and equipment	-	28 197 252
Payables from exchange transactions	-	(5 799 659)
	-	22 397 593

Presented below are those items contained in the statement of financial position, statement of financial performance and cashflow statement that have been affected by prior year adjustments.

Statement of Financial Performance for the year ended 31 March 2025	Balance as previously reported	Prior period error	Restated balance
Depreciation and amortisation	971 397	(272 395)	699 002
General expenditure	34 685 108	(77 736)	34 607 372
Repairs and maintenance	1 560 808	(196 267)	1 364 541
		546 398	

Statement of Financial Position as at 31 March 2025	Balance as previously reported	Prior period error	Restated balance
Property, plant and equipment	25 815 439	2 381 813	28 197 252
Payable from exchange transactions	(6 073 662)	274 003	(5 799 670)
		2 655 816	

Net Assets	Balance as previously reported	Prior period error	Restated balance
Accumulated surplus	(100 430 998)	(2 109 418)	(102 540 416)
		2 109 418	

32. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks including liquidity risk, credit risk and market risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, ensuring the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

The entity's risk to liquidity is the risk that funds are not available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity manages cash flows, budgets and monthly management accounts.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

At 31 March 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5 159 659	-	-	-
Other financial liabilities	-	19 014	216 046	-

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	5 799 670	-	-	-
Other financial liabilities	-	216 046	-	-

Figures in Rand

2026

2025
Restated*

Credit Risk

Financial assets (At amortised cost)

Receivables from exchange transactions - lease/ rental debtors	675 117	278 105
Receivables from exchange transactions - DSAC receivable	12 280 760	5 298 940
Receivables from exchange transactions - sundry receivables	11 556	268 387
Receivables from exchange transactions - deposits	160 136	163 071
Cash and cash equivalents	87 997 523	98 279 023
Total assets	101 125 092	104 287 526

Financial liabilities (At amortised cost)

Payables from exchange transactions	5 159 658	5 799 659
Other financial liabilities (trust monies)	235 060	216 046
Total liabilities	5 394 718	6 015 705

Credit risk is the risk that a counterparty will not meet its contractual obligations, resulting in financial loss to the entity. The entity is exposed to credit risk on its receivables from exchange transactions and on its cash and cash equivalents. There has been no significant change in the entity's exposure to credit risk, or in its objectives, policies and processes for managing and measuring the risk, since the prior reporting period.

Credit-risk management practices. The entity manages credit risk on receivables through ongoing monitoring of debtor balances, assessment of each debtor's payment history and financial position, and enforcement action where balances fall into arrears. Cash is placed only with registered banks of high credit standing. Expected credit losses on receivables are measured using a provision matrix; expected credit losses on cash and cash equivalents are measured under the general approach and are assessed as insignificant because all balances are held with investment-grade institutions.

Significant increase in credit risk. The entity assesses at each reporting date whether the credit risk on a financial asset has increased significantly since initial recognition. Historical loss rates are adjusted for forward-looking macro-economic information. For the current year the entity applied the following forward-looking adjustments to the historical loss rate of each debtor category.

The balance of cash and cash equivalents includes actual cash on hand balance of R4 brought forward from 2022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Macro-economic factor	2026	2025	Source
Inflation	3%	2,7%	SARB
Growth in gross domestic product	(1,2%)	0,1%	STATSSA
Change in the unemployment rate	0,1%	0,2%	STATSSA
Net forward-looking adjustment - receivables	1,9%	3%	
Net forward-looking adjustment - deposits	1,8%	3%	

The forward-looking adjustment is added to the historical loss rate of each debtor category. The historical loss rate is derived as 100% less the historical payment rate, calculated over a five-year window (2021 to 2026) with billing and receipts relating to the COVID-19 period excluded, as economic conditions in that period were not representative.

Figures in Rand

Financial instrument

	2026	2025 Restated*
Trade receivables(Lease receivables) before impairment	3 037 694	3 062 115
DSAC receivables before impairment	12 518 613	5 298 940
Sundry debtors before impairment	431 034	650 546
Deposits before impairment	163 071	163 071
Cash and cash equivalents	87 997 523	98 279 023

The forward-looking adjustment is added to the historical loss rate of each debtor category. The historical loss rate is derived as 100% less the historical payment rate, calculated over a five-year window (2021 to 2026) with billing and receipts relating to the COVID-19 period excluded, as economic conditions in that period were not representative.

Reconciliation of the loss allowance - by class (lifetime ECL, simplified approach)	Lease/rental	DSAC	Sundry	Deposits	Total
Opening balance after GRAP 104 Implementation - 1 April 2025	2 784 010	-	382 159	-	3 166 169
Change in accounting policy - GRAP 104	(358 274)	158 968	244 114	4 892	49 700
Net impairment reversal	(63 149)	78 885	(206 791)	(1 957)	(193 012)
Loss allowance at 31 March 2026	(421 423)	237 853	37 323	2 935	(143 312)
	2 362 587	237 853	419 482	2 935	3 022 857

No amounts were written off against the loss allowance during the year. The movement in the allowance was recognised in surplus or deficit; the net reversal of R193 012 is presented within reversal of impairment.

Credit-risk exposure - provision matrix

The loss allowance on receivables was determined using a provision matrix. The gross carrying amount and loss allowance by class were as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Class - 2026	Gross carrying amount	Loss allowance	Net carrying amount
Lease / rental receivables	3 037 695	(2 362 587)	675 108
DSAC receivable	12 518 613	(237 854)	12 280 759
Sundry receivables	431 044	(419 481)	11 563
Deposits	163 071	(2 935)	160 136
	16 150 423	(3 022 857)	13 127 566

Lease / rental receivables are segmented into performing and non-performing tenants. The loss allowance on lease receivables is concentrated in a small number of non-performing tenants; a single tenant accounts for R2 110 800 of the lease- receivable allowance, the recovery of which is being pursued through legal enforcement following default judgments obtained in the entity's favour. The DSAC receivable is owed by the entity's controlling department; the historical loss rate is assessed as nil and only the forward-looking adjustment is applied. Deposits attract only the forward-looking adjustment because the entity becomes entitled to the cash only on completion of the related lease agreements.

Cash and cash equivalents - credit quality

Cash and cash equivalents are held with the following institutions. The expected credit loss on these balances is assessed as insignificant as all are investment-grade.

Cash and cash equivalents - credit quality	Credit rating	2026	2025
ABSA Bank Limited	Baa2	21 386 441	36 178 710
Nedbank Limited	Baa2	450 872	421 372
South African Reserve Bank	Baa2	66 160 205	61 678 941
Total		87 997 523	98 279 023

Amounts written off and still subject to enforcement activity

No financial assets were written off during the current or prior reporting period. Amounts on which legal enforcement is in progress remain recognised, net of the related loss allowance, and are disclosed within the credit-risk information above.

Financial instruments in scope of GRAP 104 but to which the impairment requirements are not applied

Not applicable. All of the entity's financial assets within the scope of GRAP 104 (revised 2019) are subject to the expected-credit-loss impairment requirements.

Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet its obligations as they fall due. The entity manages liquidity risk by monitoring cash flows, budgets and monthly management accounts and by maintaining sufficient cash and short-term deposits. There has been no significant change in the entity's exposure to liquidity risk, or in its management of that risk, since the prior period. The maturity profile of financial liabilities, based on undiscounted contractual cash flows, is set out below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

31 March 2026	Less than 1 to 2 years	1 to 2 years	2 to 5 years	Total
Payables from exchange transactions	5 159 662	-	-	5 159 662
Other financial liabilities (Trust Monies)	-	-	235 060	235 060
	5 159 662	-	235 060	5 394 722

Market risk - interest rate risk

The entity's interest-rate risk arises on its cash and short-term deposits, which earn interest at variable rates and therefore expose the entity to cash-flow interest-rate risk. The entity has no interest-bearing borrowings. There has been no significant change in the entity's exposure to interest-rate risk, or in its management of that risk, since the prior period.

Interest-rate sensitivity analysis. The analysis below shows the effect on the surplus for the year of a reasonably possible change in interest rates, with all other variables held constant, applied to the variable-rate financial instruments held at the reporting date

Figures in Rand

Effect on surplus

Increase of 100 basis points

Decrease of 100 basis points

2026	2025 Restated*
879 975	982 790
(879 975)	(982 790)
-	-

Fair value

The carrying amounts of cash and cash equivalents, receivables from exchange transactions, payables from exchange transactions and other financial liabilities approximate their fair values because of the short-term nature of these instruments. The entity holds no financial instruments measured at fair value, and accordingly no fair-value hierarchy disclosure (Levels 1 to 3) is presented.

33. Financial instruments disclosure

Categories of financial instruments

2026

Financial assets

Trade receivables(Lease receivables) before impairment

Sundry debtors before impairment

DSAC receivables before impairment

Deposits before impairment

Cash and cash equivalents

Total assets

At amortised cost	Total
3 037 694	3 037 694
431 034	431 034
12 518 613	12 518 613
163 071	163 071
87 997 523	87 997 523
104 147 935	104 147 935

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

	2026	2025 Restated*
Financial liabilities	At amortised cost	Total
Other financial liabilities	235 060	235 060
Trade and other payables from exchange transactions	5 159 662	5 159 662
Total liabilities	5 394 722	5 394 722

2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions (excluding rental debtors)	431 549	431 549
Receivables from non-exchange transactions (Rental debtors)	278 104	278 104
DSAC Receivable	5 298 940	5 298 940
Cash and cash equivalents	98 279 023	98 279 023
	104 287 616	104 287 616

Financial liabilities

	At amortised cost	Total
Other financial liabilities	216 046	216 046
Trade and other payables from exchange transactions	6 073 662	6 073 662
	6 289 708	6 289 708

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

34. Budget differences

34.1 Differences between budget and actual amounts basis of preparation and presentation

34.1.1 The variance on permit fees is as a reflection of permit applications against the estimated target. The fees are dependent on the number of applications actually received during the period

34.1.2 The variance on rent income reflects additional units which became available for occupation as well as escalation on existing lease agreements.

34.1.3 The variance represent the effect of the lease asset straight-lining of the Dal Josafat farm lease as well as the UCT Valkenburg lease.

34.1.4 The variance noted is a result of reversal of impairment at 31 March 2026.

34.1.5 Other income variance is attributable to a R7 063 000 budget adjustment arising from interest earned in the prior year (2025) and approved as part of the rollover of accumulated surpluses which has been allocated and applied to cover employee cost expenditure item/ salary increases, on the actual receipt this is not accounted for as it accrued from the prior period 2026.

34.1.6 The variance noted is a result of recognition of SAHRA's billing the DSAC for the reimbursement of legal fees on the Dr Makaziwe Mandela & 4 Others Matter.

34.1.7 The variance is a result of interest earned on the bank accounts. Interest received from investments has increased because of an increase in additional government project grants specifically the infrastructure funding grants. The increase in interest is also a result of spending trends on projects whereby the current stage of the projects only allows for minimal spending resulting in more interest being earned on the funds. The interest falls under the DSAC grant stipulations and may not be appropriated without prior authorization.

34.1.8 The variance on the realisation of deferred transfers from the prior periods relating to projects that were anticipated to be completed in the 2025 but could not be completed. The variance between actual and final budget amount reflect the extent to which the projects have progressed from the budgeted R81,6 million R6,6 million was recognised and related to recognition of revenue on conditional grants. The variance of R75,2 million reflects projects not completed during the year which comprise the following significant one which are at the planning stages of the project, R30,3 million for the acquisition and upgrade of the head office project, R9 million of the fencing projects, R6,6 million for the survey of graves projects, R3,8 million for the Duncan village project, R14,6 million for the Delville Wood project, R2,2 million for the Eastern Seaboard smart city project, R5,9 million for the RRO project, R2,7 million for the SIU project, R2,5 million for the PESP project, R2 million of the Welcome cottage project and R600 000 for the SAPS fire arms project.

34.1.9 This variance is a result of interest earned on trust bank accounts which was not budgeted for. Management has planned to utilise the bank balance in the 2026/2027 financial period.

34.1.10 The variance is a result of the once off salary bonus paid to employees as part of the wage negotiation in 2025, the amount was approved by a council resolution to utilise SAHRA's accrued interest from the 2025 financial period.

34.1.11 The depreciation budget was projected based on the anticipated additions to the PPE item linked to the acquisition and upgrade of the head office project. The variance is as a result of the non-completion of building restoration projects which were planned during the budgeting process and whose completion would have increased the depreciation amount.

34.1.12 The variance is a result of additional provision on non-performing debtors during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

34.1.13 The variance is a result of the actual loss on disposal of assets which was less than the projected one.

34.1.14 The variance is a result of heritage restoration projects which could not be completed during the year, these projects form part of the infrastructure projects on the restoration and rehabilitation of SAHRA properties.

34.1.15 The variance noted was as a result of delays in the implementation of the planned Upgrades and Acquisition of the Head Office project.

34.1.16 The variance is a result of the repairs and maintenance projects which were not initially budgeted for but were undertaken during the year from the utilisation of accumulated surplus funds.

34.1.17 The actual spending of general expenses is above the budgeted amount. The excess expenditure is attributable to the acquisition and upgrade of the head office accommodation whereby the moving and storage cost were expenses as general expenditure and are funded by the project budget. The revenue has been included under the realisation of deferred income as carried forward from the 2025 budget.

34.1.18 The variance represents an adjustment based on the actual expenditure incurred on the heritage asset additions for the Welcome cottage restoration.

34.1.19 The variance represents an adjustment based on the actual expenditure incurred on the acquisition and upgrade of the head office accommodation at the SAHRA head office, 111 Harrington office, Cape Town.

34.2 Changes from the approved budget to the final budget

Explanation on variances between approved budget amounts and final budget amount.

34.2.1 The variance is a result of the budget adjustment relating to the interest forming part of accumulated surplus of 2025 earmarked for salary increments and goods and services.

34.2.2 The variance on the realisation of deferred transfers from the prior periods relating to projects that were anticipated to be completed in the 2025 but could not be completed. The variance between actual and final budget amount reflect the extent to which the projects have progressed from the budgeted R81,6 million R6,6 million was recognised and related to recognition of revenue on conditional grants. The variance of R75,2 million reflects projects not completed during the year which comprise the following significant one which are at the planning stages of the project, R30,3 million for the acquisition and upgrade of the head office project, R9 million of the fencing projects, R6,6 million for the survey of graves projects, R3,8 million for the Duncan village project, R14,6 million for the Dellville Wood project, R2,2 million for the Eastern Seaboard smart city project, R5,9 million for the RRO project, R2,7 million for the SIU project, R2,5 million for the PESP project, R2 million of the Welcome cottage project and R600 000 for the SAPS fire arms project.

34.2.3 The employee cost budget variance is a result of effecting provision of salary adjustments arising from a council approval to utilise the interest earned in the prior period of 2025.

34.2.4 The variance is a result of budget adjustment for the additions to heritage assets which include the R9 million fencing projects, R1,9 million welcome cottage project, R2 million heritage property restoration projects, the R3,8 million Duncan village project. and the R14,6 million Dellville wood project.

34.2.5 The variance relates to the budget adjustment for the head office acquisition and upgrades of R30,2 million.

34.2.6 The general expenditure budget variance is a result of deferred revenue recognised to cover the conclusion of the following project, R1 million for the National Inventory project, R600 000 for the SAPS project, R6,6 million survey of graves project, R2,2 million for the Eastern seaboard project and R5,5 million for the (RRO) Repatriation and Restitution Office projects.

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Figures in Rand	2026	202 Restated*
35. Commitments for expenditures		
Capital commitments		
Already contracted for but not provided for		
• Property, plant and equipment (Buildings)	16 682 108	18 815 897
• Heritage property (Buildings)	5 802 248	6 048 255
	22 484 356	24 864 152
Total capital commitments		
Already contracted for but not provided for	22 484 356	24 864 152
Total commitments		
Authorised capital expenditure	22 484 356	24 864 152
36. Permit Fees		
Permit Fees	1 969 113	1 846 235

37. Going concern

We draw attention to the fact that at 31 March 2026, the entity had an accumulated surplus of R 126 478 408 and that the entity's total assets exceed its liabilities by R 183 083 875.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that 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.

38. Events after reporting date

The annual financial statements were approved by Council on 31 May 2026. Management assessed events that occurred between the reporting date of 31 March 2026 and the date of the audit report of 31 July 2026.

Non-adjusting event

After the approval of the annual financial statements, Council authorised the write-off of irregular expenditure amounting to R1 239 508 on 7 July 2026. The conditions and circumstances that resulted in the write-off did not exist as at 31 March 2026. Consequently, no adjustment has been made to the irregular expenditure disclosure note for the 2025/26 financial year.

39. Changes in accounting policies and estimates

Change in accounting policies

Nature of the change

The annual financial statements have been prepared on a basis consistent with the prior year except for the adoption of GRAP 104 Financial Instruments (revised 2019), which the entity applied for the first time in the current reporting period. The Standard became effective for the entity on 1 April 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The revised Standard introduces, among other things: a classification model for financial assets based on the entity's management model and the contractual cash flow characteristics (the solely-payments-of-principal-and-interest condition); an expected-credit-loss (ECL) model for the impairment of financial assets measured at amortised cost; and revised presentation and disclosure requirements. For the entity, the practical effect is confined to the impairment of receivables from exchange transactions and cash and cash equivalents; the classification and measurement of all financial assets and liabilities (amortised cost) is unchanged.

Transitional provisions applied

The entity applied GRAP 104 (revised 2019) retrospectively in accordance with GRAP 3, except that, as permitted by the transitional provisions, the entity did not restate prior periods. Any difference between the previous carrying amounts and the carrying amounts under GRAP 104 (revised 2019) at the date of initial adoption (1 April 2025) is recognised in opening accumulated surplus of the current reporting period. GRAP 104 (revised 2019) was not applied to items already derecognised at the date of initial adoption.

Classification

At the date of initial adoption the entity assessed its management model for managing financial assets on the basis of the facts and circumstances existing at that date. All financial assets continue to be held to collect contractual cash flows and meet the solely-payments-of-principal-and-interest condition; all financial assets and financial liabilities therefore remain measured at amortised cost. No financial assets or liabilities were designated, or de-designated, as measured at fair value through surplus or deficit.

Impairment

The entity applied the impairment requirements retrospectively. Because comparatives were not restated, the loss allowance at 1 April 2025 was determined under the expected-credit-loss model and any difference from the previous loss allowance recognised in opening accumulated surplus. In determining whether credit risk had increased significantly since initial recognition.

Class of financial instrument

Receivables from exchange transactions

The implementation of GRAP 104 resulted in changes to the allowance for impairment measurement categories, which impacted the opening balances of the debtor categories as follows:

Debtor Category	Allowance under previous policy (31 March 2025)	Remeasurement on adoption	Opening loss allowance GRAP 104 (2019)
Lease Receivables	(2 784 011)	358 274	(2 425 737)
Trade Receivables : DSAC	-	(158 968)	(158 968)
Sundry receivables : Deposits	-	(4 892)	(4 892)
Sundry receivables : Overpayments	(382 158)	(244 114)	(626 272)
	(3 166 169)	(49 700)	(3 215 869)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

As a result of applying GRAP 104 (revised 2019), the entity recognised a net adjustment of R 49 700 in opening accumulated surplus at 1 April 2025, comprising R49 700 from applying the expected-credit-loss impairment model in place of the previous approach. The amount agrees to the “Change in accounting policy” line in the Statement of Changes in Net Assets.

Change in accounting estimates

A review of the useful lives of furniture and equipment, vehicles, and plant and equipment was conducted during the year. Based on the current condition of the assets, management determined that the useful lives should be reassessed as follows

AFS disclosure Item	2025 Useful life	2026 Useful life (Revised)
Plant and Equipment	10 Years	10 - 25 Years
Furniture and Fittings	5- 15 Years	5- 30 Years
Vehicles	5 - 10 Years	5- 20 Years
IT Equipment	3- 17 Years	3- 20 Years
Library Books	10 Years	10 - 20 Years

The reassessment of useful lives resulted in a reduction in total depreciation for the 2025/26 financial year amounting to R479 050. The changes in depreciation for each PPE disclosure note category are presented below.

Depreciation	2026
Plant and Equipment	(22 647)
Furniture and Fittings	(11 762)
Vehicles	(36 005)
IT Equipment	(379 503)
Library Books	(29 133)
	(479 050)

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