

# LUTHULI MUSEUM

## 2022/2023 ANNUAL REPORT



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**an agency of the**  
Department of Sport, Arts and Culture



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# LUTHULI MUSEUM ANNUAL REPORT 2022 / 2023

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# PART A: GENERAL INFORMATION





Learners from local schools in Groutville attending the live music instruments workshop facilitated by Concert SA and ISupport Local at the Museum.



Traditional instruments musical artist Zawadi Yamungu rendering song at the uMongo Msindo Concert at the Museum.



The Luthuli Museum hosted a music concert titled: uMongo Msindo in Concert. Seen in image is uDloko and uMakhweyane player Mr Zulu.



Luthuli Museum Chairperson, KwaDukuza Mayor and iLembe District Municipality Speaker flanked by Museum and Municipal officials during the 2022 Luthuli Walk and Ryn event.



Mrs. Veli Luthuli and Dr Gcina Mhlophe at the Luthuli Museum for a dialogue session with a delegation visit from the US.

## PART A : GENERAL INFORMATION

### A.1 LUTHULI MUSEUM'S GENERAL INFORMATION

Entity's Registered Name	Luthuli Museum
Physical Address	3233 Nokukhanya Luthuli Street Groutville, KWADUKUZA 4450 KwaZulu Natal Province Republic of South Africa
Postal Address	PO Box 1869 KWADUKUZA 4450
Contact Telephone Numbers	+27 32 559 6822 / 23
Email Address	<a href="mailto:luthulimuseum@luthulimuseum.org.za">luthulimuseum@luthulimuseum.org.za</a>
Website Address	<a href="http://www.luthulimuseum.org.za">www.luthulimuseum.org.za</a>
Internal Auditors	MORAR Inc. Chartered Accountants SA.
External Auditors	AGSA
Bankers Information	First National Bank

### A.2 LIST OF ABBREVIATIONS

<b>AA</b>	Accounting Authority	<b>IA</b>	Internal Auditors
<b>ARC</b>	Audit and Risk Committee	<b>MTEF</b>	Medium Term Expenditure Framework
<b>AO</b>	Accounting Officer	<b>SP</b>	Strategic Plan
<b>APP</b>	Annual Performance Plan	<b>HRREMCO</b>	Human Resource Remuneration Committee
<b>AR</b>	Annual Report	<b>FINCOM</b>	Finance Committee
<b>APR</b>	Annual Performance Report		
<b>AFS</b>	Annual Financial Statements		
<b>AGSA</b>	Auditor General of South Africa		
<b>DSAC</b>	Department of Sports, Arts and Culture		
<b>EA</b>	Executive Authority		

## A.3 FOREWORD BY THE MUSEUM COUNCIL CHAIRPERSON



Mr Important Mkhize  
**CHAIRPERSON:**  
**LUTHULI MUSEUM COUNCIL**

As this Council nears the end of its three-year term, one can only look back with a deep sense of content and achievement since our appointment on 9 December 2020. We have weathered the storm of COVID-19, which placed great challenges on many entities like ours in fulfilling their mandate and service to the public. The advent of virtual meetings has become a permanent feature in terms of our oversight work. Like many new things, there will always be advantages and disadvantages, but somehow this has become the new normal. Despite the 'new normal', this Council has continued to fulfil obligatory fiduciary responsibilities exceptionally well.

During the current financial year, the Council had to appoint a new Chairperson of the Audit and Risk Committee, after the resignation of the previous one due to personal commitments. The Council has continued to hold management accountable for its operational responsibilities and compliance with applicable legislations and regulations. The 2022/23 unqualified audit outcome, an achievement this Council has maintained during its three-year tenure, is only possible where there is a good and consequential working relationship between Council and its management.

Indeed, a good audit outcome is not sufficient without the fulfilment of the broader imperatives of upholding the legacy of Chief Albert Luthuli through targeted programme initiatives; responsiveness to the country's national priorities (as guided by the Shareholder) and ensuring the organisation's financial sustainability. The dispatch of a Council delegation to Solusi University (formerly Solusi Mission) in Bulawayo, Zimbabwe, in October 2022, for exploratory discussions on the signing of a Memorandum of Understanding became another milestone in expanding the global footprint of Albert Luthuli's legacy. Plans are afoot to take this new cross-border relationship to a higher level. Impressively, the Museum's public programming and activities during this financial year, has continued to align with specific government goals and campaigns aimed at affirming vulnerable groups; marginalised histories and heritage; literacy development; social cohesion and commemoration of national days.

Efforts at ensuring the Museum's financial self-sustainability has proven to be more challenging than anticipated. The Council expects Museum management to go back to the drawing board and design new ideas and ways to raise more revenue for the organization. The country's prevailing challenging economic conditions demand management to quicken efforts at fundraising to supplement the grant funding from government, lest unwanted and unforeseen circumstances bear on the organization to make unexpected decisions to keep the Museum doors open for posterity.

This financial year saw the retirement of Dr Albertina Luthuli from active participation in Council affairs. Dr Luthuli, appointed by the Arts and Culture Ministry (now including a Sport portfolio), remained active within different Council terms since the establishment of the Luthuli Museum in 2004. She served the institution well during her tenure and has seen the Luthuli Museum grow in strength and achieve its vision of honouring one of South Africa's remarkable statesman; a liberation fighter; Africa's first Nobel Peace Laureate, and her father, Chief Albert Mvumbi Luthuli.

On behalf of the Luthuli Museum Council Chairperson and members, old and new, I would like to wish Dr Luthuli well in her retirement from Museum Council work. Her contribution to the growth and development of the Luthuli Museum, like that of my fellow Council members, is immeasurable. In closing, I would like to thank my fellow Council members who, with commitment and clear purpose, travelled this journey with me since December 2020 to take the Luthuli Museum to its present level. I wish them all the best in their professional and personal endeavours.

Let the spirit of Luthuli speak to all!

With thanks,

A handwritten signature in black ink, appearing to read 'Mxolisi R Mchunu', written over a blue background.

**MXOLISI R MCHUNU, Ph.D.**

**DEPUTY CHAIRPERSON, LUTHULI MUSEUM COUNCIL**



## A.4 MUSEUM DIRECTOR OVERVIEW



Mr. Brian Xaba  
DIRECTOR: LUTHULI MUSEUM

This reporting year of 2022-2023 the Luthuli Museum again received an unqualified audit. However, that should not be enough as expectations from the Shareholder and the Museum Council are for a clean audit. To achieve the latter management is expected to fully address the root causes of audit findings, especially repeated ones.

With the end of restrictions on public gatherings, the Museum during this reporting term went on the offensive in terms of events; outreach; workshops; marketing campaigns and activations; etc. to make the public aware that 'we are open for business'. The overall objective in this regard being to increase visitor numbers to the Museum and continue to profile the legacy of Chief Albert Luthuli, Africa's first Nobel Peace Laureate.

The Museum received positive public response to public programmes and events such as workshops; expositions; children holiday activities; book launches; live music concerts; school outreach; etc. which targeted learners and the community within the district of iLembe.

Such initiatives would not have been possible without partnerships and collaborations with organisations like, the UKZN Centre for the Creative Arts and

School of Law; the KZN Film Commission; the UNISA Chief Albert Luthuli Research Chair; schools within the district; community structures and the local KwaDukuza Municipality; Enterprise iLembe, which is our district development agency; and various other government departments, National and Provincial.

This reporting year the Museum collection increased in value with the acquisition of four paintings by the renowned artist, the late Ronald Harrison. Acquiring these paintings complemented the Museum's already existing collection of the artists eight other paintings. An added item to our library was the purchase (at the Joshua Nkomo Museum) of the autobiography of one of Zimbabwe's liberation fighter, '*Joshua Nkomo: The Story of My Life*'. This was acquired during the Luthuli Museum Council delegation visit to Solusi University, in Bulawayo, Zimbabwe. On the research front, the Museum confirmed the support of an oral history project in KwaMaphumulo, which aimed at gathering knowledge on the life of 'unsung heroes of the liberation struggle' in the area. This will be an ongoing project into next financial year and will add to the national body of knowledge about contribution of the masses in the realization of a democratic and free South Africa.

The Museum's operational efficiency and effectiveness was strengthened with the filling of vacant positions of Human Resource Practitioner; SCM Officer and Personal Assistant to the Director. The appointment of a person dedicated to human resource management responsibilities is a first for the Museum since its establishment. With respect to training and development staff attended an online SAMA refresher course on '*Introduction to Museums*', and others attended a '*Registry Management*' course by the KZN Provincial Archives Department. Such training is part of the Museum's staff upskilling training programme with the intention to expand in the new Financial Year. Policies Review Workshops took place with respect to human resources, financial policies, and Risk Management. The critical policies were submitted to and approved by Council and the balance will be addressed in the new financial year.

The Museum's Strategic Midterm review facilitated by the Shareholder reaffirmed that the Luthuli Museum remains on course with regards to its strategic imperatives as approved in 2020/21 financial year. The programme of activities organised by the Museum remained aligned with its impact statement of '*An enabled, skilled and capacitated society informed by the legacy of Chief Albert Luthuli*' and on course in the journey to achieving its strategic outcomes.

The 2022 Annual Albert Luthuli Memorial Lecture was delivered by the former Statistician General of the Republic of South Africa, Dr Pali Lehohla. He ably delivered a sobering lecture on the future of South Africa under the theme, '*Modelling the path for a better life for all: A roadmap towards peace and stability for a new generation in South Africa*'. This was first physical lecture event since the 2019 and it presented an opportunity to revive the spirit of togetherness such events encourage amongst attendees.

During this reporting period the Museum was graced with notable visitors interested in the life and legacy of Chief Albert Luthuli. Such visits included the High Commission of India in South Africa, a delegation of US legislators from the State Maryland, and well know SA lawyer Advocate TN Ngcukaitobi, the KwaDukuza Municipality Mayor Lindiwe Nhaca (who was the first to register for the 2022 Luthuli Walk and Fun Run); and the President of the Republic of South Africa, who visited the Museum in his capacity as leader of the African National Congress (ANC).



Unfortunately, these notable visitors could not experience the 1927 Luthuli Historic House which remained closed to the public due to renovations. The planned renovation works were shared with the delegation of the AMAFA, the provincial heritage management agency, during the visit by its Council members and heritage officers led by the organisation CEO.

The AMAFA delegation had the opportunity to be briefed by the Museum Director on the conditional assessment exercise on the heritage building by architects and the project scope of works. The Museum plans to have the renovations on this historic building completed before the end of the next financial year, 31 March 2024.

The planned official opening of the Nokukhanya Luthuli Resource Centre, which became unachievable during this reporting period, will surely be achieved in the new financial year. This building becomes an important component in the Museum's goal to have a balanced presentation, and representation of the legacy of Chief Albert and Mrs Nokukhanya Luthuli.

On behalf of the Museum and its management team, I look forward to a new financial year and another milestone in the journey to build a heritage institution befitting the stature of a leader like Chief Albert Mvumbi Luthuli.

A handwritten signature in black ink, appearing to read 'B. Xaba'.

**BRIAN XABA.**

**DIRECTOR: LUTHULI MUSEUM**

#### A.4 (i) INCOME - STATE GRANT

2019/2020	2020/2021	2021/2022	2022/2023
R15 562 000	R14 915 000	R 17 058 660	17 700 290

#### A.4 (ii) ANNUAL VISITOR NUMBERS

2019/2020	2020/2021	2021/2022	2022/2023
36 585	15 305	27 584	35 495

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

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

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

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

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

The annual financial statements (Part F) have been prepared in accordance with the GRAP standards applicable to the entity. The accounting authority is responsible for the preparation of the annual financial statements and the judgement made in this information.

The accounting officer is responsible for establishing and establishing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource 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, performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2023.

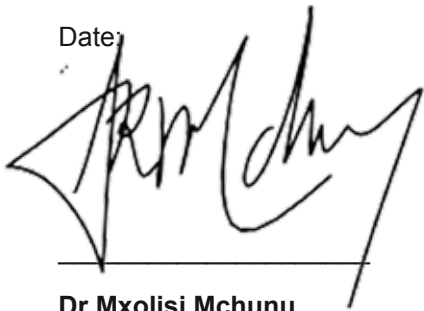
Yours faithfully,



**Mr Brian Xaba**

Director: Luthuli Museum

Date:



**Dr Mxolisi Mchunu**

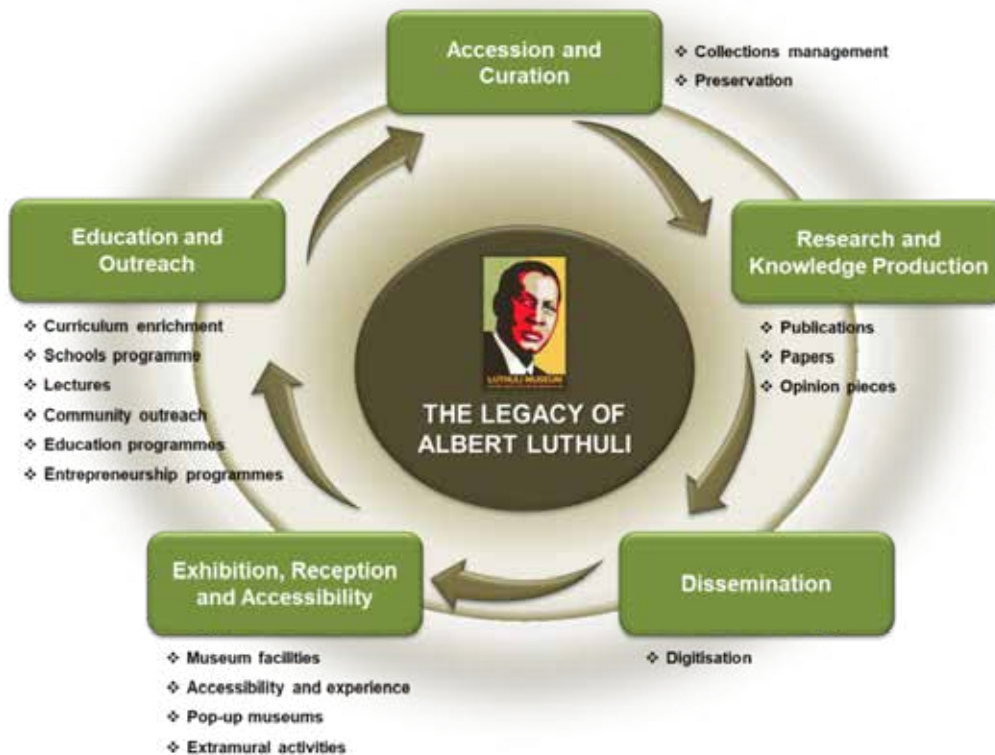
Deputy Chairperson: Luthuli Museum Council

Date:

## A.6 STRATEGIC OVERVIEW

### A.6. (i) VALUE PROPOSITION, CORE PRODUCTS AND SERVICES

The Strategic Focus of the Luthuli Museum as a custodian of the legacy of Chief Albert Luthuli is premised on the following value proposition, core products and services:



**A.6.(ii) VISION:** A Transformed Society inspired by the values and ideals of Chief Albert Luthuli

**A.3.(iii) MISSION:** Preserve; Educate; Promote; Grow and Sustain the Legacy of Chief Albert Luthuli

To bring about its Mission into practice, the Luthuli Museum commits itself to the following offerings:

- Museum conservation; research and collection for the beneficence of present and future generations.
- Production; documentation and enabled access to the knowledge about the legacy of Chief Albert Luthuli and the concept of a museum and its value.
- Create an awareness and appreciation about the legacy of Chief Albert Luthuli.

## A.3. (iv) VALUES

In recognition of the ethos and philosophy of Chief Albert Luthuli, the Museum commits to deliver its value proposition; core products and services informed by the following values:

- Selflessness
- Transparency
- Integrity
- Inclusivity
- Respect
- Responsiveness
- Batho Pele
- Accountability
- Excellence in Leadership

## A.7 LEGISLATIVE AND OTHER MANDATES

The following legislation and other mandates are applicable to the Luthuli Museum.

- 7.1 Specifically, the sections of the Constitution of the Republic of South Africa have a direct bearing on the Luthuli Museum's mandate are; Section 16(1): Freedom of expression (freedom of artistic creativity; freedom to receive or impart information or ideas, academic freedom and freedom of scientific research); Section 30: Language and Culture; Section 32(1): Access to information; Section 9(3): Equality; Section 10: Human dignity and Section 31 of the Constitution affirms that the right of persons belonging to a cultural, religious or linguistic community is applicable to museums.
- 7.2 Sector specific Legislative Framework and Regulations include; Cultural Institutions Act (Act No. 119 of 1999) as amended; *South African Heritage Resources Act, 1999 (Act 25 of 1999)*, as amended; *Government Immovable Asset Management Act, 2007 (Act 19 of 2007)*, as amended; *Intellectual Property Rights Act (2008)*; *Tourism (Act 3 of 2014)*, as amended; the *Patents Act 57 of 1978*; the *Copyright Act 98 of 1978* and the *Trademarks Act 194 of 1993*.
- 7.3 Broad Governance and regulations inter alia include; the *Public Finance Management Act (Act No. 1 of 1999)* as amended; *National Treasury Regulations and Guidelines* (as published); *Preferential Procurement Policy Framework Act (Act No. 5 of 2000)*; the *Public Administration Management Act (Act 11 of 2014)*; *National Development Plan Vision 2030*; *Revised White Paper on Arts, Culture and Heritage*; *African Union Agenda 2063*; the *Intergovernmental Relations Framework Act (2005)*; the *Occupational Health and Safety Act, 1993*; *Labour Relations Act, 1995*; *National Archives Act, 1996*; the *Basic Conditions of Employment Act, 1997*; the *Promotion of Access to Information Act, 2000*; *Employment Equity Act, 1998*; the *Prevention and Combating of Corrupt Activities Act, 2004*; the *Preferential Procurement Policy Framework Act, 2000*; *Promotion of Administrative Justice Act, 2000*; *White Paper on Transforming Public Service Delivery (Batho-Pele White Paper), 1997* and the *National Youth Policy (2015-2020)*.



# PART B: PERFORMANCE INFORMATION



Nomakhwezi Becker from Gcinamasiko Heritage Trust and local poets from Groutville, Sphelele Ngwane and Amahle Mkhwanazi during the dialogue session with a delegation visit from the US.



Mr John Ellis, Deputy Chairperson of the KZN Film Board and Mr Muzi Ngema, programme director at the Youth Month event at Luthuli Museum.



2022 Luthuli Walk and Run participants during the 'warm down' aerobics after the walk and run challenge.



The Chief Albert Luthuli Soccer & Netball Tournament. Seen in the image is the ladies competing for the winners trophy at Ntshawini Sports Grounds.



One of the participating teams warm for their match during the Chief Albert Luthuli Soccer and Netball Tournament.

## **PART B : PERFORMANCE INFORMATION**

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### **A. 1 Situational Analysis**

#### **B.1. (i) Service Delivery Environment**

The Department of Sport, Arts and Culture's process of the amalgamation of entities is still underway and the Luthuli Museum like many other entities waits in anticipation of the outcome. The implementation of the final recommendations is expected to reshape the governance and management of entities as we know. Added to that, is the country's economic situation which if there is no growth, may have an added impact on the sector. These factors impress on organizations like the Luthuli Museum to invest great efforts in revenue generation and adopting a prudent but balance approach in the management of funds available to the organization.

#### **B.1. (ii) Organizational Environment**

To ensure continued growth and development of the Museum, it becomes important to reemphasize in the new financial year continued staff training; maintaining good staff morale; enhancing efforts in work ethic and professionalism; embracing opportunities and innovation presented by information communication technology. Compliance with applicable legislation with respect to financial management; supply chain management and implementing best practices in human resources management should continue to be prioritized. With key vacant position being having now being filled, the Museum should ensure that there is increased demonstratable change in service delivery in line with the mandate of the organization.

#### **B.1. (iii) Key Policy Development**

There are no key policy developments for reporting.

## B.2 PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

### B.2.1 DESCRIPTION OF EACH PROGRAMME/ACTIVITY/OBJECTIVE

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A.	<b>PROGRAMME 1:</b>	<b>ADMINISTRATION</b>
I.	<b>Subprogramme (A):</b>	<b>Governance</b>
	<b>Description:</b>	Responsible for governance, management and accountability for overall Museum operations and resources in compliance with the PFMA; Cultural Institutions Act and other compliance legislation. The office is supported by a Personal Assistant to the Accounting Officer.
	<b>Purpose:</b>	Ensure that the organization is compliant with applicable legislative prescripts and Accounting Authority (Council) oversight responsibility with respect to the organization's mandate and strategic objectives.
II.	<b>Subprogramme (B):</b>	<b>Support Services</b>
	<b>Description:</b>	This subprogramme includes all organizational support services that have cross-cutting implications in terms of organizational efficiency and effective implementation of its mandate. This subprogramme includes Financial Management ( <b>FM</b> ); Supply Chain Management ( <b>SCM</b> ); Human Resources Management ( <b>HRM</b> ); Information Communication Technology ( <b>ICT</b> ); Legal Services ( <b>LS</b> ); Safety and Security Services ( <b>SS</b> ).
	<b>Purpose:</b>	Provide the necessary administrative support services for the organization in terms of procurement of goods and services; financial processes and reporting; human resources management; compliance with ICT governance framework; performance of service level agreements; security reporting and design input for displays and marketing collateral.
III.	<b>Subprogramme (C):</b>	<b>Facilities management and development</b>
IV.	<b>Description:</b>	Concerned with all site maintenance activities and development of new infrastructure in line with the changing mandate of the organization. This subprogramme includes the annual Repair and Maintenance Programme ( <b>RAMP</b> ) and the long-term User Asset Management Plan ( <b>UAMP</b> ).
	<b>Purpose:</b>	Ensure that the Museum buildings and site are well maintained, and that the facility is aligned to the organization's long-term vision and mission to increase operational capacity.

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B.	<b>PROGRAMME 2:</b>	<b>BUSINESS DEVELOPMENT</b>
I.	<b>Subprogramme:</b>	<b>Collections Management</b>
	<b>Description:</b>	The sub-programme is concerned with the maintenance of museum collections or heritage assets in line with international standards of best practice and compliance with GRAP 103.
	<b>Purpose:</b>	To ensure that the collection is accessioned and catalogued; digitized for ease of access; implemented conservation standards; verified accordingly for auditing purposes as per GRAP 103 prescripts.
II.	<b>Subprogramme:</b>	<b>Research and Exhibitions</b>
	<b>Description:</b>	The subprogramme focus is on research areas mapping and development of new knowledge on the life and times of Chief Albert Luthuli to inform; educate and enhance visitor experience through exhibitions
	<b>Purpose:</b>	Conduct research to support organization mandate with respect to the development and production of exhibitions; publications; research papers; collections development; academic study and public inquiry.
III.	<b>Subprogramme:</b>	<b>Education</b>
	<b>Description:</b>	Concerned with the support and promotion of the legacy of Chief Albert Luthuli through public intellectual dialogue; publications and scholarship support.
	<b>Purpose:</b>	Organize seminars; lectures; conferences; colloquia; develop publications and also implement the education / scholarship programme for academic excellence.

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<b>C.</b>	<b>PROGRAMME 3:</b>	<b>PUBLIC ENGAGEMENT</b>
<b>I.</b>	<b>Subprogramme:</b>	<b>Marketing</b>
	<b>Description:</b>	The programme primary responsibility is to promote and profile the Museum by applying media and marketing principles and techniques.
	<b>Purpose:</b>	Develop; implement & manage Museum marketing programmes and campaigns with the aim to promote and profile the organization and by so doing create wider public awareness and increase visitor numbers.
<b>II.</b>	<b>Subprogramme:</b>	<b>Social Media</b>
	<b>Description:</b>	Increased and sustained museum social media presence; impact and monitoring.
	<b>Purpose:</b>	Ensure that that organization's public programmes, events; campaigns and all other activities are featured on all social media platforms supported by approved monitoring and reporting systems.
<b>III.</b>	<b>Subprogramme:</b>	<b>Education and Tours</b>
	<b>Description:</b>	Organized Museum learner education programmes; visitor tours and public programmes.
	<b>Purpose:</b>	Develop and manage innovative and interesting education programmes for learners; public and enhance visitor experience through informative and exciting tours.
<b>IV.</b>	<b>Subprogramme:</b>	<b>Public Relations</b>
	<b>Description:</b>	Public relations and stakeholder relations management
	<b>Purpose:</b>	Develop and implement a public relations programme and campaigns intended to communicate and build positive relationships with stakeholders; media and the public.
<b>V.</b>	<b>Subprogramme:</b>	<b>Shared Value Programmes</b>
	<b>Description:</b>	Management of Museum public relations & public programmes
	<b>Purpose:</b>	Develop and implement community outreach programmes that assist in the promotion of the museum; building a diverse audience and maintaining public relations and programmes in conjunction with the Marketing Manager & Education officer
<b>VI.</b>	<b>Subprogramme:</b>	<b>Design Development</b>
	<b>Description:</b>	Design & production support for marketing collateral; exhibition development & publications.
	<b>Purpose:</b>	Provide conceptual; creative & innovative technical support in the design & production of publications; exhibitions; promotional material to profile; inform and educate about the work of the Luthuli Museum.

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## B.2.2 Strategic objectives/performance indicators/planned targets and actual achievements

### 2.2.1 PERFORMANCE AGAINST STRATEGIC OBJECTIVES

SUB PROGRAMME 1 (A)						
GOVERNANCE						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
		2021/2022	2022/2023	2022/2023	2022/2023	
Effective and Efficient Organization	Mandatory number of Council quarterly meetings conducted	<p>4 x Council quarterly Meetings conducted.</p> <ol style="list-style-type: none"> <li>Special council meeting held on 31 May 2021</li> <li>30 August 2021</li> <li>28 October 2021</li> <li>31 January 2022</li> </ol>	4 x Council quarterly Meetings conducted	<p>4 x Council quarterly Meetings conducted.</p> <ol style="list-style-type: none"> <li>29 April 2022.</li> <li>Special Council Meeting conducted on 27 May 2022.</li> <li>26 August 2022</li> <li>28 January 2023</li> </ol>	Achieved No Deviation	—
	Number of policies reviewed and approved	<p>2 x Policies reviewed and approved by Council</p> <ol style="list-style-type: none"> <li>SCM Policy</li> <li>Succession Planning Policy</li> </ol>	5 x Policies reviewed and approved by Council	<p>4 x Policies reviewed and approved by Council</p> <ol style="list-style-type: none"> <li>Contract Management</li> <li>Asset Management</li> <li>Code of Conduct Policy</li> <li>Grievance Policy</li> </ol>	Partially Achieved Deviation	The Museum had a target of 5 policies to be approved. Curatorial Policies were reviewed but not approved by Council. This has led to the under achievement of this target.
	Quarterly Internal Audits Implemented	<p>5 x Internal Audits conducted.</p> <ol style="list-style-type: none"> <li>2020/2021 APR and AFS review</li> <li>Performance Information Audit - Quarter 1</li> </ol>	6 x Internal Audits conducted	<p>6 x Internal Audits conducted.</p> <ol style="list-style-type: none"> <li>AFS Review</li> <li>APR Review</li> <li>Performance Information Q1</li> <li>Performance Information Q3</li> <li>Assets Management</li> <li>SCM Review</li> </ol>	Achieved No Deviation	—

	<p>3. Performance Information (APP review)                  4. Performance Information Audit – Quarter 3                  5. SCM Audit</p>	<p><b>15 x Key Reporting Deadlines Implemented</b></p> <ol style="list-style-type: none"> <li>1. Submit final Quarterly Report to Department for 2020/21 financial year</li> <li>2. Submit list of all banking accounts to Treasury via DSAC</li> <li>3. Audit Committee meeting to approve AFS for 2020/21 submission to AG for audit.</li> <li>4. Submit unaudited financial statements for 2020/21 and management reports to Treasury and Auditor-General/External auditor.</li> <li>5. Submitted signed AFS to the AGSA</li> <li>6. Submitted the APR to the AGSA</li> <li>7. Submit Mock-up 2020/21 Annual Report to DAC</li> <li>8. First Quarterly Report to Department for</li> </ol>	<p><b>21 x Key Reporting Deadlines Implemented</b></p>	<p><b>11 x Key Reporting Deadlines Implemented</b></p> <ol style="list-style-type: none"> <li>1. Submit list of all banking accounts to Treasury via DSAC</li> <li>2. Audit Committee meeting to approve AFS for 2020/21 submission to AG for audit.</li> <li>3. Submit signed unaudited financial statements for 2021/22 and management reports to Treasury and Auditor-General/External auditor.</li> <li>4. Submit unaudited AFS to Treasury and DSAC</li> <li>5. First Quarterly Report on the procurement plan 2022/23</li> <li>6. Submit mock-up Annual Report to DSAC 2021/2022</li> <li>7. 2nd Quarterly Report on the procurement plan for 2022/23</li> <li>8. Application to retain surpluses.</li> <li>9. 4. APP Draft for 2023/24</li> <li>10. 2023/2024 Annual Performance Plan</li> <li>11. Quarter 3 report to DSAC</li> </ol>	<p><b>Partially Achieved</b></p>	<p>The Museum did not implement all the key reporting deadlines as required. This is due to an oversight error by the museum.</p>
	<p><b>Number of key reporting deadlines implemented.</b></p>					



SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
FINANCIAL MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
Effective and Efficient Organization	Number of Financial Performance Reviews and reports	2021/2022	2022/2023	2022/2023	2022 /2023	
		5 x Financial Performance Reviews and Report achieved.	4 x Quarterly Financial Performance Reviews and Report	4 x Quarterly Financial Performance Reviews and Report	Achieved No Deviation	—
		1. 4 x Quarterly Financial Performance Reports 2. 1 x Annual Financial Statement Review	1x Annual Financial Performance Reviews and Reports	1x Annual Financial Performance Reviews and Reports	Achieved No Deviation	—
Number of PPE and Heritage Assets reports produced with 100% compliance (GRAP 17 & GRAP 103)	4 x PPE and Heritage Assets reports produced.	1. 2 x Reports on Heritage Assets 2. 2 x Reports on PPE	1 x Review and approval of Annual Budget	1 x Review and approval of 2023/2024 Annual Budget	Achieved No Deviation	—
		1 x PPE and Heritage Assets reports produced with 100% compliance (GRAP) 1 x PPE and Heritage Assets reports produced with 100% compliance (GRAP 103)	1 x PPE and Heritage Assets reports produced with 100% compliance (GRAP)	1 x PPE and Heritage Assets reports produced with 100% compliance (GRAP 103)	Achieved No Deviation	—
Number of Quarterly Performance Information Reports Submitted to DSAC with 80% achievement of targets.	4 x Quarterly Performance Information Reports Submitted to DSAC	4 x Quarterly Performance Information Reports Submitted to DSAC with 80% achievement of targets.	4 x Quarterly Performance Information Reports Submitted to DSAC with 80% achievement of targets.	4 x Quarterly Performance Information Reports Submitted to DSAC without the achievement of all targets.	Partially Achieved No deviation	All 4 quarter reports were submitted to DSAC. However, the 80% achievement rate was not attained. This is due to targets being partially achieved or not achieved due in lack of adequate planning.





SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
HUMAN RESOURCES MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
Effective and Efficient Organization	Number of performance assessments conducted for all annual staff.	2021/2022 0 x performance assessments conducted for all staff	2022/2023 1 x performance assessments conducted for all staff	2022/2023 Performance assessments conducted but not for all staff	2022 / 2023 Partially Achieved Deviation	Only 28% of performance assessments were conducted in this financial year. The under achievement is due to lack of adequate planning to conduct the assessments. The remainder of the staff assessments were conducted in the first month of the new financial year.
	Number of training opportunities provided to staff.	2021/2022 5 x training of staff members 1. Photograph Preservation training of staff members achieved 28 - 30 September 2021. 2. Media Training workshop for staff achieved on 23 September 2021 3. Luthuli Museum Health and Wellness session 14 December 2021. All staff at Luthuli Museum were trained on health and wellness during the month of December. 4. Consultative workshop meeting on GRAP 103 amendments attended. 5. Fundraising for Cultural Institutions 13 Aug 21 – 04 Sept 21	2022/2023 3 x training of staff members	2022/2023 3 x training of staff members 1. Workshop on POPIA attended by staff on 24 June 2022 (Online) 2. BBEE Workshop by DTIC 3. Collections Management Training (Basic Cleaning) 09 September 2022.	Achieved No Deviation	Training on Collections Management (Basic Cleaning) was not reflected in the Quarter reports. However, upon the annual consolidation it was discovered that the training did take place on 09 September 2022.

**SUB PROGRAMME 1 (B)**

**SUPPORT SERVICES**

**SUPPLY CHAIN MANAGEMENT**

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2021/2022	PLANNED TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2022 / 2023	COMMENT ON DEVIATIONS
Effective and Efficient Organization	Number of Monthly SCM compliance reports produced.	10 x Monthly SCM compliance reports produced	12 x Monthly SCM compliance reports produced.	12 x Monthly SCM compliance reports produced.	Achieved No Deviation	---

## PROGRAMME 2: BUSINESS DEVELOPMENT

SUB PROGRAMME 2 (A)						
COLLECTIONS MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	
		2021/2022	2022/2023	2022/2023	2022 / 2023	
Increased access to information about the Luthuli Museum	Number of museum artefacts acquired	<p><b>35 x Museum artefacts acquired.</b></p> <ol style="list-style-type: none"> <li>1. Book-Shadow of Liberation (Contestation and Compromise in the Economic and Social Policy of the African National Congress, 1943-19</li> <li>2. Book-No White Lies (Black Politics and white power in South Africa)</li> <li>3. Book- Ethnic Continuities and a State of Exception (Goodwill Zwelithini, Mangosuthu Buthelezi, Jacob Zuma</li> <li>4. Book- Ramaphosa's Turn (Can Cyril save South Africa)</li> <li>5. Book-THE ANC Spy bible (Surviving Across Enemy Lines)</li> <li>6. Book- The Basasa Billion\$(How the ANC sold its soul for braai packs booze and bags of cash</li> <li>7. Book- The Man who founded the ANC (A Biography of Pixley ka Seme- Winner of the 2018 Alan Paton Award)</li> <li>8. Book-Poverty &amp;Inequality (Diagnosis Prognosis Response-State of the Nation)</li> <li>9. Book-Anatomy of the ANC in power (Insight from Port</li> <li>10. Book-Umkhonto 'We Sizwe (ANC'S Armed Struggle)</li> <li>10. Dr Luthuli's speech at Gravesite on 21 July 2021</li> </ol>	<p><b>200 x Museum artefacts acquired</b></p>	<p><b>5 x Museum artefacts acquired.</b></p> <ol style="list-style-type: none"> <li>1. Artwork Title: "The Gift: I've come to take you home"</li> <li>2. Artwork Title: "Patriotism"</li> <li>3. Artwork Title: "Women in Communion - The Power of Love"</li> <li>4. Artwork Title: "The Emptiness of Africa"</li> <li>5. Book-The Story of my Life by Joshua Nkomo</li> </ol>	<p><b>Partially Achieved</b></p>	<p>The Museum made a significant purchase of the Ronald Harrison paintings which utilized a large portion of the budget (R199 000). This affected the purchase of library books in this financial year.</p>

				<p>11. Luthuli and Kennedy Dialogue recording</p> <p>12. Women's Day social media video recording</p> <p>13. Book donation by Mr. Nduli "Balancing Secrecy and Transformation in a Democracy"</p> <p>14. Donation from Mfenyana Family on the union between Nkululeko and Thembele.</p> <p>15. Donation from Mrs. Elinor Sisulu. Book titled "Walter and Albertina Sisulu: In our Lifetime."</p> <p>16. Donation from Mr. B Ngwenya. Book titled "Dear World" written by Grootville High School and Dr. BW Vilakazi Primary Schools.</p> <p>17. Donation from Mr. Kwazi Ndlangisa. Book titled: "Collecting Self."</p> <p>18. Donation from Ms Slindile Maps. Book titled "The Kalamazoo ibus lomjolo-ibus lase Res"</p> <p>19. Donation from Mr. Dumisani Nduli. Book titled "Balancing Secrecy, and Transparency in a Democracy."</p> <p>20. 3 x Booklets- "July is Luthuli Month" by Mr. Zakhele Gumede</p> <p>21. Book – "Colour, Class, and Community -The natal Indian Congress – 1971 - 1994" Ashwin Desai and Goolam Yahed</p> <p>22. Book – "Inside Indian Indenture. A South African Story, 1862-1914. Commemorating 150 Years in South Africa" Ashwin Desai and Goolam Yahed</p> <p>23. Book - Lovers and Mirrors. My First Six months of Marriage.</p> <p>24. Book - The Visitors' Wall.</p> <p>25. Book - fathering Shadows. Letters to My Seed.</p> <p>26. Book - Dipping Drops.</p> <p>27. Book - Some Women Don't Live on High Heels.</p>
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		<p>28. Book - Love Race. The Good Fight.                  29. Book - Nqaba - Grief and Hope. Psalm 21.                  30. Book - Nqaba - Grief and Hope. Second Edition                  31. Book -Izinyembezi Zephara                  32. Book - Inpumelelo Kamadakeni.                  33. Book -Izinyembezi Zephara</p>	<p><b>300 x Museum Artefacts digitized</b></p>	<p><b>No artefacts digitized during this financial year.</b></p>	<p><b>Not Achieved Deviation</b></p>	<p>During the fire extinguisher servicing the Museum was informed that the CO2 cylinders that are in the archives had leaked and therefore very dangerous for anyone to enter. This led to the delay in doing a heritage asset verification process which would have led to the digitization of certain documents and books.</p>
<p><b>Number of Museum artefacts digitized.</b></p>	<p>No Target</p>					
<p><b>Number of Research field trips conducted for collection development.</b></p>	<p><b>6 x field trips conducted for collection development.</b>                  1. Interview conducted with Rev. BK Dladla                  2. Blaauwbosch oral interviews with                  a. Mr. Gampu,                  b. Gogo Xaba                  c. Blaauwbosch Primary School Principal.                  3. Interview conducted with Mr. Daluxolo Luthuli                  4. Interview with Thami Mohlomu</p>	<p><b>4 x Research field trips conducted for collection development.</b></p>	<p><b>5 x Research field trips conducted for collection development.</b>                  1. Blaauwbosch Visit – 05-06 June 2022                  2. Interview/ meeting conducted with Rev. Mzoneli                  3. Interview/ meeting with Dr Albertina Luthuli x2                  4. Grootville Jazz Club Interview 05 March 2023</p>	<p><b>Over Achievement Deviation</b></p>		<p>The over achievement is due to having held two interview sessions with Dr. Luthuli and not one as initially planned.</p>



**SUB PROGRAMME 2 (B)**

**RESEARCH**

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
Increased access to information about the Luthuli Museum	Number of research documents produced for exhibitions.	<p><b>2021/2022</b></p> <p><b>4 x Research documents produced for exhibitions.</b></p> <ol style="list-style-type: none"> <li>Write up for the upgrading/revamping of the R Kennedy and Luthuli outdoor exhibition.</li> <li>Chief Albert Luthuli: Remembering Africa's First Nobel Peace Laureate (revised text)</li> <li>Let My People Go Outdoor Exhibition Text</li> <li>Mama Nokukhanya exhibition text</li> </ol>	<p><b>2022/2023</b></p> <p><b>4 x Research documents produced for exhibitions.</b></p>	<p><b>2022/2023</b></p> <p><b>4 x Research documents produced for exhibitions.</b></p> <ol style="list-style-type: none"> <li>Research documents produced for an outdoor exhibition (Death of Chief Albert Luthuli)</li> <li>Research documents produced for Let my people go Outdoor exhibition revised.</li> <li>Research documents produced for Chief Albert Luthuli's ANC Presidency</li> <li>Research documents produced for Bedroom and Kitchen</li> </ol>	<p><b>2022 / 2023</b></p> <p><b>Achieved</b> <b>No Deviation</b></p>	<p>_____</p>
	Number of documents produced for Museum publications.	<p><b>1 x Documents produced for Museum publications.</b></p> <ol style="list-style-type: none"> <li>"Chief Albert Luthuli: The Legacy Revisited" by Reverend Christopher 'Fano' Mzoneli. Publication revised and edited.</li> </ol>	<p><b>1 x Documents produced for Museum publications.</b></p>	<p><b>The Chief Albert Luthuli Speeches publication not completed.</b></p>	<p><b>Not Achieved</b> <b>Deviation</b></p>	<p>The Museum has collected all the Chief Albert Luthuli Memorial Lecture speeches. However, the concept of the publication changed after a series of meetings held to discuss the production of the publication. A new concept document has been produced for the publication with new timelines to produce the publication.</p>
	Number of conference paper or newspaper opinion produced for public dissemination	<p><b>2 x Conference paper or newspaper opinion produced for public dissemination.</b></p> <ol style="list-style-type: none"> <li>"The Awarding of Nobel Peace Prize to Chief Luthuli: An egg on the Face for the SA Government" was</li> </ol>	<p><b>4 x Conference paper or newspaper opinion produced for public dissemination.</b></p> <ol style="list-style-type: none"> <li>In His Footprints: Following the Last Steps of Chief Albert Luthuli</li> <li>Leaders Urged to Seek Solutions during Crisis Times in SA</li> </ol>	<p><b>4 x Conference paper or newspaper opinion produced for public dissemination.</b></p> <ol style="list-style-type: none"> <li>In His Footprints: Following the Last Steps of Chief Albert Luthuli</li> <li>Leaders Urged to Seek Solutions during Crisis Times in SA</li> </ol>	<p><b>Achieved</b> <b>No Deviation</b></p>	<p>The below articles produced were not reflected in the quarter reports but have been produced.</p> <ol style="list-style-type: none"> <li>A spirit that refuses to submit to tyranny: freedom in our lifetime</li> <li>Revisiting Albert Luthuli and the role of women as pillars of Peace and Security in Africa</li> </ol>



**SUB PROGRAMME 2 (C)**

**EXHIBITIONS**

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
		2021/2022	2022/2023	2022/2023	2022 / 2023	
Increased access to information about the Luthuli Museum	Number of Permanent Museum Exhibitions upgraded.	1 x Permanent Museum Exhibition upgraded. 1. Upgrading of the Chief Albert Luthuli and Kennedy Outdoor exhibition.	1 x Permanent Museum Exhibitions upgraded.	1 x Permanent Museum Exhibitions not upgraded.	Not Achieved Deviation	The maintenance of the Historic House has taken longer than anticipated and this has led to delayed exhibition projects intended for inside the Historic House. The research work for the exhibition has been conducted and continues to be reviewed. An architect has been appointed to project manage the maintenance of the Historic House. Historic House exhibitions will be planned for and await installation once maintenance work is complete.
	Number of Museum Exhibitions staged	2 x Museum Temporary and Travelling exhibitions staged. 1. Travelling exhibition Staged. Chief Albert Luthuli - Remembering Africa's First Nobel Peace Laureate 2. uMongo Msindo exhibition	3 x Museum exhibitions staged	1 x Museum Temporary and Travelling exhibitions staged. 1. Museum Career Exhibition staged	Partially Achieved Deviation	The "Let My People Go" Outdoor Exhibition yet to be installed. The submitted design concept for the exhibition was not approved. The exhibition team had to then review/re-work the concept for approval.

## PROGRAMME 3: PUBLIC ENGAGEMENT

SUB PROGRAMME 3 (A) MARKETING						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2021/2022	2022/2023	2022/2023	2022 / 2023	
Increased awareness about the Luthuli Museum	Number of Marketing Campaigns implemented	<p>4 x Marketing campaigns achieved implemented</p> <ol style="list-style-type: none"> <li>Youth In Conversation</li> <li>Online promotion and profiling of Chief Albert Luthuli</li> <li>Memorable Quotes</li> <li>Nozicwadi Story Telling Festival</li> <li>International Women's Month (Online)</li> </ol>	4 x Marketing campaigns achieved implemented	<p>4 x Marketing campaigns achieved implemented</p> <ol style="list-style-type: none"> <li>Freedom Day Online Campaign</li> <li>Luthuli Legacy Walk and Fun Run Media Launch</li> <li>Luthuli Legacy Walk and Fun Run</li> <li>Human Rights Day</li> </ol>	Achieved No Deviation	—
	Number of Museum visitors per annum	27584 x Visitors per Annum	40 000 x Visitors per Annum	38 278 x Visitors per Annum	Partially Achieved Deviation	The Museum did not receive the anticipated number of visitors during this financial year. However, there was an increase of 12 416 visitors if compared o the previous financial year.
	Number of promotional items sold and revenue generated	12 x Monthly reconciled sales Reports compiled on promotional items	12 x Monthly reconciled sales Reports compiled on promotional items	12 x Monthly reconciled sales Reports compiled on promotional items	Achieved No Deviation	—

**SUB PROGRAMME 3 (B)  
SOCIAL MEDIA**

<b>OUTCOME</b>	<b>OUTPUT INDICATORS</b>	<b>ACTUAL ACHIEVEMENT</b>	<b>PLANNED TARGET</b>	<b>ACTUAL ACHIEVEMENT</b>	<b>DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2022 / 2023</b>	<b>COMMENT ON DEVIATIONS</b>
Increased awareness about the Luthuli Museum	Number of posts by the Museum on Website; Facebook; Tweeter; Instagram	<p>2021/2022</p> <p>1081 x posts by the Museum on Website; Facebook; Tweeter; Instagram</p> <ol style="list-style-type: none"> <li>53 x Website updates</li> <li>392 x Facebook uploads</li> <li>321 x Tweeter uploads</li> <li>315 x Instagram uploads</li> </ol>	<p>2022/2023</p> <p>820 x posts by the Museum on Website; Facebook; Tweeter; Instagram</p> <p>20 x Website posts</p> <p>200 x Twitter posts</p> <p>400 x Facebook posts</p> <p>200 x Instagram posts</p>	<p>2022/2023</p> <p>1246 x posts by the Museum on Website; Facebook; Tweeter; Instagram</p> <ol style="list-style-type: none"> <li>53 website updates</li> <li>324 Facebook uploads</li> <li>453 Twitter uploads</li> <li>416 Instagram uploads</li> </ol>	<p>2022 / 2023</p> <p>Over Achievement</p> <p>Deviation</p>	<p>The increase in social media postings can be attributed to the increase of information compiled that needs to be shared with the public.</p>

### SUB PROGRAMME 3 (C) EDUCATION AND TOURS

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2021/2022	PLANNED TARGET 2022/2023	ACTUAL ACHIEVEMENT 2022/2023	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2022 / 2023	COMMENT ON DEVIATIONS
Inclusive and empowered communities	Number of Museum Education Programmes implemented	<p><b>7 x Museum Education Programmes implemented</b></p> <ol style="list-style-type: none"> <li>1. 2 x School Writer's Projects</li> <li>2. Poetry Africa Festival</li> <li>3. European Film Festival SA</li> <li>Special Screening at Schools.</li> <li>4. School Writers Project Book Launch</li> <li>5. Black history Month</li> <li>6. Time of the Writer</li> </ol>	<p><b>5 x Museum Education Programmes implemented</b></p>	<p><b>9 x Museum Education Programmes implemented</b></p> <ol style="list-style-type: none"> <li>1. Nelson Mandela Day Unplugged Coding Workshop for Educators.</li> <li>2. Nelson Mandela Day Unplugged Coding Tournament.</li> <li>3. KZN Provincial Unplugged Coding Tournament.</li> <li>4. KZN Unplugged Coding Workshop</li> <li>5. Poetry Africa Poetry Exchange.</li> <li>6. European Film Festival SA Special School Screenings.</li> <li>7. 4IR Coding and Robotic Workshop</li> <li>8. Time of the Writer</li> <li>9. DIFF 18 July 2022</li> </ol>	<p><b>Over Achievement Deviation</b></p>	<p>The deviation is due to requests received for the Unplugged Coding requests received by the education department.</p>
	Number of Museum Education Outreach Programmes implemented.	<p><b>6 x Education Outreach Programmes implemented.</b></p> <ol style="list-style-type: none"> <li>1. Chief Albert Luthuli Chess Programme</li> <li>2. Chief Albert Luthuli Chess</li> </ol>	<p><b>4 x Museum Education Outreach Programmes implemented</b></p>	<p><b>7 x Museum Education Outreach Programmes implemented.</b></p> <ol style="list-style-type: none"> <li>1. Chief Albert Luthuli School Chess Programme Q1</li> <li>2. CALCC School Chess Programme Q2</li> <li>3. CALCC participation in KwaDabeka Chess</li> <li>4. CALCC School Chess Programme Q3</li> <li>5. Bringing Museums Closer to our communities: Mall Activation Programme.</li> </ol>	<p><b>Over Achievement Deviation</b></p>	<p>The increase in outreach education programmes is due to the additional support provided to the Chief Albert Luthuli Chess Club Outreach programmes. Some of the programmes were not reflected on the quarterly reports however, upon consolidating the annual programmes, more were implemented.</p>



	Club Schools: Imbhakodo Chess Online Tournament 3. CALCC Chess Masterclass Launch. 4. Offering Poetry Show 5. National Library of SA Literacy Workshop (A chorus of rustics) 6. CALCC School Chess Tournament.		6. CALCC participation in South African Junior Chess Championship 7. CALCC School Chess Programme Q4			
<b>Number of guided tours conducted</b>	<b>1215 x Guided Tours conducted</b>	<b>1000 x Guided Tours conducted</b>	<b>2784 x Guided Tours conducted.</b>	<b>Over Achievement Deviation</b>	The increased number of visitors contributed to the increased number of tours that were conducted.	
<b>Number of Children Holiday Programmes Implemented</b>	<b>2 x Children Holiday Programmes Implemented</b>  1. Luthuli Museum Winter Holiday Programme (Online) 2. Christmas Holiday Programme (Online)	<b>5 x Children Holiday Programmes Implemented</b>	<b>5 x Children Holiday Programmes Implemented</b>	<b>Achieved No Deviation</b>	—	
<b>Number of National Special Days commemorated</b>	<b>9 x National Special Days commemorated.</b>  1. International Museum's Day 2. World Environment Day	<b>9 x National Special Days Commemorated</b>	<b>9 x National Special Days Commemorated</b>  1. World Book Day 2. International Museums Day 3. World Environment Day 4. Youth Day virtual 5. The Women's Day	<b>Achieved No Deviation</b>	—	

			<p>3. Youth Day</p> <p>4. Women's Day</p> <p>5. International Day of Peace</p> <p>6. World Aids Day</p> <p>7. Black History Month</p> <p>8. Human Rights Day</p>		<p>6. International Day of Peace</p> <p>7. Heritage Day Celebrations</p> <p>8. World Aids Day Commemorated online</p> <p>9. Human Rights Day</p>		
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**SUB PROGRAMME 3 (D)**

**PUBLIC RELATIONS**

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2022 / 2023	COMMENT ON DEVIATIONS
Increased awareness about the Luthuli Museum	Number of quarterly Museum newsletter produced and distributed to the public	<p><b>2021/2022</b></p> <p>1 x Quarterly Museum newsletter produced and distributed to the public</p> <p>Distribution area were as follows:</p> <ul style="list-style-type: none"> <li>- Luthuli Museum staff members</li> <li>- Grootville Community</li> <li>- Ballito Library</li> <li>- KDM Civic Building</li> <li>- KDM Library</li> <li>- Enterprise Ilembe</li> <li>- Tongaat Library</li> </ul>	<p><b>2022/2023</b></p> <p>2 x Bi-Annual Museum newsletter produced and distributed to the public</p>	<p><b>2022/2023</b></p> <p>1 x Bi-Annual Museum newsletter produced and distributed to the public</p>	<p>Partially Achieved</p> <p>Deviation</p>	<p>The second newsletter was planned for however, it was not compiled, produced, and distributed.</p>
	Number of promotional fair or event attended	<p><b>5 x Museum Activations Conducted</b></p> <ol style="list-style-type: none"> <li>1. Travel Marketing Workshop in Pretoria on 9 September 2021</li> <li>2. Teachers Award Function on 24 September 2021</li> <li>3. Ballito Pro x 2 (09 and 10 December 2021)</li> <li>4. Mzikayise Ndlovu Foundation Teachers Awards</li> </ol>	<p><b>5 x Promotional Activations Conducted</b></p>	<p><b>5 x Promotional Activations Conducted</b></p> <ol style="list-style-type: none"> <li>1. Spelling Bee Competition at KwaMaphumulo</li> <li>2. Heritage Day Celebration at Gledow Primary School, Date: 18 November. Presentation topic: 'Chief Albert Luthuli for peace'</li> <li>4. Activation: Mall Activation: 'Bringing Museums Closer to our communities'. Venue: King Senzangakhona Shopping Centre, Ulundi, Zululand District Municipality.</li> <li>5. Tourism Entrepreneurship Careers 16 and 17 February at the Sugar Rush in KwaDukuza.</li> </ol>	<p>Achieved</p> <p>No Deviation</p>	<p>—</p>

<p><b>Number of promotional Interviews conducted on radio and online</b></p>	<p><b>11 x promotional Interviews conducted on radio and online</b></p> <ol style="list-style-type: none"> <li>1. Vibe FM - 18 June 2021</li> <li>2. INokozo FM, a local community Radio Station, during Women's Month.</li> <li>3. 1x Radio Interview with Khwezi FM</li> <li>4. 1x Radio interview with INokozo FM</li> <li>5. 1x interview with iLanga newspapers interviews</li> <li>6. 1x interview with Independent Newspapers</li> <li>7. 1x Khwezi Radio interview</li> <li>8. 1x iLanga Newspaper interview</li> <li>9. 1x Khwezi radio interview Soccer Tournament</li> <li>10. 1x Khwezi radio interview - Dr. Albertinah Luthuli</li> <li>11. 1x Khwezi Radio interview Mr. Xolani Myeni Chess</li> </ol>	<p><b>4 x promotional Interviews conducted (Radio/online)</b></p>	<p><b>4 x promotional Interviews conducted on (radio/online)</b></p> <ol style="list-style-type: none"> <li>1. Luthuli Walk and Fun Run</li> <li>2. Dr Albertina on reflection of Mama Nokukhanya</li> <li>3. 2022 Annual Memorial Lecture</li> <li>4. Chief Albert Luthuli Soccer and Netball Tournament</li> </ol>	<p><b>Achieved No Deviation</b></p>	<p>—</p>
<p><b>Number of Press Releases distributed</b></p>	<p><b>9 x Press Releases distributed to media houses</b></p> <ol style="list-style-type: none"> <li>1. Table soccer tournament</li> <li>2. Mama Nokukhanya Public Dialogue</li> <li>3. Book launch press release</li> <li>4. Moat Court Competition press release</li> <li>5. Nozinwadi Book Festival write up</li> <li>6. Soccer draw launch press release</li> </ol>	<p><b>15 x Press Releases distributed</b></p>	<p><b>15 x Press Releases distributed</b></p> <ol style="list-style-type: none"> <li>1. Jazz Concert Press release</li> </ol> <p>Vocalist Zoyadi Yamungu Press release was distributed to both radio and print media.</p> <ol style="list-style-type: none"> <li>2. Jazz Concert Press release Nicky Shange in Concert</li> <li>3. Youth Month Celebration- 18 June</li> <li>4. Luthuli Legacy Walk and Run 17 June</li> <li>5. Luthuli Legacy Walk and Fun Run</li> <li>6. Mrs Nokukhanya Luthuli Champion for Green Economy</li> <li>7. Night at the Museum</li> </ol>	<p><b>Achieved No Deviation</b></p>	<p>—</p>

	<p>7. Soccer Tournament write up</p> <p>8. Luthuli Museum Chess Tournament</p> <p>9. UMongo Msindo Exhibition Launch</p>		<p>8. Moot Court Competition Press Release. 14 September 2022.</p> <p>9. Chief Albert Luthuli Founders Lecture Press Release. 16 November 2022.</p> <p>10. Article: Revisiting Albert Luthuli &amp; the role of women as pillars of peace &amp; Security in Africa by Prof. Segalo. 18 November 2022.</p> <p>11. Jazz Concert Press Release. 02 December 2022.</p> <p>12. Chief Albert Luthuli Memorial Lecture Press Release. 10 December 2022.</p> <p>13. 2x Press Releases distributed/circulated media houses - Soccer and Netball Tournament Press Release.</p> <p>14. Nelson Mandela Winter Camp</p>			
	<p><b>350 x Promotional Brochures &amp; Newsletters distributed to the public</b></p>	<p><b>1000 x Promotional Brochures and 3000 x Newsletters distributed to the public</b></p>	<p><b>250x Promotional Brochures and 345 x Newsletters distributed to the public</b></p> <ol style="list-style-type: none"> <li>250 promotional brochures distributed at Iziphozethu Primary. 18 November 2022 and at King Senzangakhona Shopping Centre, Ulundi, Zululand. 30 November 2022.</li> <li>345 x Newsletters distributed to the public</li> </ol>	<p><b>Partially Achieved</b> <b>Deviation</b></p>	<p>The public relations department experienced challenges with the approval of material to be distributed and securing of a service provider for reprints. The lack of planning led to the under achievement of this target.</p>	

### SUB PROGRAMME 3 (E) PUBLIC PROGRAMMES

OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
Inclusive and empowered communities	Number of community capacity building programmes implemented	2021/2022	2022/2023	2022/2023	2022 / 2023	
		<p>18 x community capacity building programmes implemented</p> <ol style="list-style-type: none"> <li>1. Moot Court</li> <li>2. Table Soccer Tournament</li> <li>3. Garden Project x4</li> <li>4. NHHC Shows (The Purge, Documentary Screening, Show II)</li> <li>5. Online Chess Tournament</li> <li>6. Chief Albert Luthuli Soccer Tournament</li> <li>7. Moot Court Competition</li> <li>8. Robben Island Youth Camp</li> <li>9. Live Jazz Concert - 11 December 2021</li> <li>10. Live Jazz Concert - 19 December 2021</li> <li>11. Jazz Concert 28 January 2022</li> <li>12. Table Soccer</li> <li>13. Umhlanga Rapid Chess Tournament</li> <li>14. Love is in the Air Poetry Session</li> <li>15. Nobel Rated Chess Tournament</li> </ol>	<p>8 x community capacity building programmes implemented</p>	<p>18 x community capacity building programmes implemented</p> <ol style="list-style-type: none"> <li>1. Career guidance exhibition in Kwa Maphumulo</li> <li>2. Youth Day Event with KZN Film Commission</li> <li>3. Jazz Concert – 29 April 2022 – Zawadi Yamungu</li> <li>4. Jazz Concert - 27 May 2022 - Nicky Shange</li> <li>5. Jazz Concert - 24 June 2022 - Mthobisi Mthalane</li> <li>6. Garden Project Q2</li> <li>7. Knitting Project</li> <li>8. International Youth Camp with the Nelson Mandela Museum</li> <li>9. Kungaqala Ngawe Academy Information Sharing Session.</li> <li>10. Moot Court Competition. 26 October 2022.</li> <li>11. Jazz Concert. 02 December 2022.</li> <li>12. Jazz Concert. 09 December 2022.</li> <li>13. Night at the Museum</li> <li>14. Teacher's Awards</li> <li>15. Chief Albert Luthuli Soccer and Netball Tournament</li> <li>16. Chess Tournament</li> <li>17. Nokukhanya Chess Tournament</li> <li>18. Nirvana Session</li> </ol>	<p>Over Achievement</p> <p>Deviation</p>	<p>The over achievement is due to the various requests received for jazz sessions, Chess, and Nirvana sessions.</p>
	Number of Partnerships established	2021/2022	2022/2023	2022/2023	2022 / 2023	
		<p>10 x Partnerships established</p> <ol style="list-style-type: none"> <li>1. INTOKOZO FM</li> <li>2. UKZN - Moot Court</li> </ol>	<p>10 x Partnerships established</p>	<p>10 x Partnerships established</p> <ol style="list-style-type: none"> <li>1. KwaDukuza Municipality for Luthuli Walk &amp; Run</li> <li>2. iLembe District for Luthuli Walk &amp; Run</li> <li>3. KZN Department of Sports Arts and Culture (Sports) for Luthuli Walk &amp; Run</li> <li>4. Enterprise iLembe for Luthuli Walk &amp; Run</li> </ol>	<p>Achieved</p> <p>No Deviation</p>	<p>—</p>



		<p>3. Nirvana Hip Hop Club</p> <p>4. Chief Albert Luthuli Chess Club</p> <p>5. KwaDukuza Municipality</p> <p>6. DSR – Department of Sports Arts and Culture (District)</p> <p>7. iLembe District Municipality</p> <p>8. Concert SA</p> <p>9. KwaZulu-Natal Film Commission</p> <p>10. Mzikayise Ndlovu Foundation</p>		<p>5. University of KwaZulu-Natal Street Law</p> <p>6. UKZN Partnership</p> <p>7. University of KwaZulu-Natal for CAL Lecture.</p> <p>8. KwaDukuza Municipality for Soccer and Netball Tournament</p> <p>9. iLembe District for Soccer and Netball Tournament</p> <p>10. KZN Department of Sports Arts and Culture (Sports) for Soccer and Netball Tournament</p>		
<p><b>Number of Dialogues offered</b></p>	<p><b>6 x Dialogues or lectures implemented for the public</b></p> <ol style="list-style-type: none"> <li>1. Women dialogue with DSD</li> <li>2. Commemoration of meeting of Luthuli and Kennedy</li> <li>3. Youth in conversation dialogue on iNkokoza FM Webinar Public</li> <li>4. Dialogue - Mrs. Nokukhanya Luthuli (recording corrupted)</li> <li>5. Chief Albert Luthuli Memorial lecture</li> <li>6. Dialogue with uKhozi FM – Zulu Translated Broadcast</li> </ol>	<p><b>7 x Dialogues offered</b></p>	<p><b>6 x Dialogues offered</b></p> <ol style="list-style-type: none"> <li>1. Night at the Museum Brainstorming and Dialogue Session</li> <li>2. July is Luthuli Month Book Launch dialogue.</li> <li>3. Wreath Laying Ceremony and Dialogue with Mr. Mntambo, 21 July 2022</li> <li>4. Dialogue Session on GBV &amp; Violence against women and girls, families and domestic and teenage pregnancy and relationships. 24 September 2022</li> <li>5. Chief Albert Luthuli Research Chair Founders Lecture</li> <li>6. Chief Albert Luthuli Annual Memorial Lecture</li> </ol>	<p><b>Partially Achieved Deviation</b></p>	<p>The Mrs Nokukhanya Luthuli dialogue was cancelled. The cancellation was due to aligning it with a programme that will be done in the 2nd quarter of the new financial year. A new date in the new financial year will be allocated for this dialogue.</p>	

## 2.2.4 Linking Performance with Budgets

## 2.2.4 (i) Financial Disclosure

Programme / Activity / Objective	2021 / 2022			2022/2023		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
<b>Compensation</b>	9,127	8,995	132	10,026	8,928	1,098
<b>Depreciation</b>	236	269	-33	306	221	85
<b>Programme 1</b>	5,558	4,876	682	6,307	6,363	-56
<b>Programme 2</b>	506	509	-3	1,569	1,327	242
<b>Programme 3</b>	1,673	561	1,112	546	160	386
<b>TOTAL</b>	17,100	15,210	1,890	18,754	16,999	1,755

## 1. Narrative Report

- Savings in Programme 2 and 3 are due to the fact that Luthuli Museum was due to fund an event for the opening of Nokukhanya Luthuli Resource Centre towards the end of March 2022. This event was postponed at the end of March 2022 and it is now to be held in the new financial year, as a result these funds are now to be transferred to the new financial year.
- Personal Assistant position to the Director and the HR Practitioner position is still vacant and that resulted to the savings in the compensation.

## 2.2.5 Revenue Collection

### 2.2.5 (i) Financial Disclosure

Sources of Revenue	2021/ 2022			2022 / 2023		
	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Core Funding	17,049	17,049	0	17,687	17,700	-13
Capital Works	0	0	0	0	0	0
Public Donations	50	11	-39	50	0	50
Interest Received	0	154	154	0	350	-350
Sale of DVD / Books, Mugs etc	1	1	0	1	4	-3
Tender Deposit	0	8	8	0	0	0
Fundraising	0	0	0	0	0	0
Transfer from Investments	0	0	0	1,016	0	1,016
Heritage Assets Contribution	0	9	9			
Profit on Sale of property, plant, and equipment	0	0	0	0	174	-174
<b>TOTAL</b>	17,100	17,232	132	18,754	18,228	526

#### 1. Narrative Report 2022/23

- R 350,000.00 is the interest received from FNB Investment Accounts. The Museum does not budget for interest as it is not in the investment business.

## 2.2.6 Capital Investment (Capital investment, maintenance, and asset management plan)

### 2.2.6 (i) Financial Disclosure

Infrastructure Projects	2021/ 2022			2022/2023		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Resource Centre Building	0	2	-2	0	0	0
Asbestos Roofing Replacement	0	0	0	0	0	0
Albert Luthuli Memorial Site	0	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0	0

### 2.2.6 (ii) Narrative Report

No capital projects incurred during 2022 financial year.

# PART C: GOVERNANCE



(Left to right) Luthuli Museum 2022 Moot Court Competition 2nd Runner up, Lusanda Ngisu, learner from Fairbreeze Secondary School, UKZN Howard College- Law School Senior Lecturer Mr Adrian Bellengere and the competition winner, Fairbreeze Secondary School learner, Poullinate Thusi



(Standing up Left to right) Luthuli Museum PRO Zinhle Nyembe, UKZN Howard College- Law School Lecturer Mr Matthew Kimble, and university Law School Post Graduate student Shria Naidoo. Fairbreeze Secondary School Competition winner learner Poullinate Thusi and School Teacher, Mr Gumede. UKZN Law School Senior Lecturer Mr Adrian Bellengere, competition second runner up from Fairbreeze Secondary School learner, Lusanda Ngisu. UKZN - Howard College Law School Senior Lecturer Dr. Janine Hicks, Luthuli Museum Curator, Ms Loyiso Gumede. (Sitting down) KwaDukuza Magistrate Court Control Prosecutor Advocate Fanaphi, KwaDukuza Magistrate Court Magistrate Rose Sepeng and KwaDukuza Magistrate Court Attorney Rakesh Maharaj.



US Consul General Anne Linnee, Deputy Chairperson of Museum Council Dr Mxolisi Mchunu and UKZN Deputy Vice Chancellor Prof. Mosa Moshabela at the 2022 Luthuli Memorial Lecture.



North Coast Primary School learners at the Luthuli Museum during one of their annual visits.

## **PART C : GOVERNANCE**

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**C.1** 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.

**C.1. (i) Council Charter**

The Luthuli Museum Council's role and responsibilities are set out in the Council Charter as adopted. The Charter outlines; the Mission of Council members; Fiduciary responsibility; Leadership of Council; Orientation of new Council members; Conflicts of interest; Segregation of roles with respect to the establishment of Committees; Evaluation of Council members; Council relationship to staff and external advisors; Succession and emergency planning; Council meetings and secretarial role; Risk management and internal controls; Monitoring and operational performance; Public communication; Integrated sustainability reporting; Code of Ethics; Quorum; Amendments to the Charter and Council Code of Conduct.

**C.1. (ii) Composition of Museum Council**

Members of Council are appointed by the Minister of Sports, Arts and Culture through public nomination for a three (3) year term of office. The Luthuli Museum currently has eight (8) Council members as appointed by the Minister. The members attend Council meetings and are remunerated in accordance with National Treasury prescripts application to the entity's classification.



C.2. Council Information Disclosure

C.2.(i) Council Term: 09 December 2020 – 08 December 2023

Member Name	Designation	Date Appointed	Date Resigned	Qualifications	Board Directorship (other entities)	Other Committees or Task Teams
Mr I Mkhize	Chairperson	09-Dec-2020	n/a	B. Degree: Technology Management	n/a	None
Dr M Mchunu	Deputy	09-Dec-2020	n/a	B. Degree (Ph.D.)	n/a	MRCOMM
Mr T Tsematse	Member	09-Dec-2020	n/a	B. Degree Public Administration (Honours) National Diploma: Public Management (Current)	n/a	HRREMCO
Mr S Dlamini	Member	09-Dec-2020	n/a			HRREMCO / FINCOM
Mr J Matlou	Member	09-Dec-2020	n/a	B.A Communications BA (Honours) Communications M.A International Communications	n/a	MRCOMM / ARC
Ms. S Mabilane	Member	09-Dec-2020	n/a	B. Degree Cost & Management Accounting	n/a	FINCOM / HRREMCO
Ms. S Mthembu	Member	09-Dec-2020	n/a	LLB Degree Post Graduate Certificate (Labour Law) LLM (Human Rights Law)	n/a	HRREMCO / FINCOM
Dr A Luthuli	Member	01-Oct-2022	n/a	Degree M.D.	n/a	MRCOMM

### C.2.(ii) Council Committees

Since a Council / Board cannot attend to all the matters effectively the following Committees are established:

- Audit and Risk Committee
- Finance Committee
- Human Resources and Remuneration Committee
- Marketing and Research Committee

### C.2.(iii) Disclosure of Committees Information

Committee	Number of Meetings held	Number of Members	Name of Members
ARC	3	3	Ms. B Chiliza; Mr T Tsematse, Mr J Matlou (01 April – 30 September 2022)
	5**	3	Ms. W Oelofse, Ms. M Nchabeleng, Mr. J Matlou (01 October 2022 – 31 March 2023)
FINCOM	4	3	Ms. S Mabilane; Ms. S Mthembu, Mr. S Dlamini
HRREMCO	4	4	Ms. S Mthembu, Mr. S Dlamini, Ms S Mabilane, Mr T Tsematse
MRCOM	4	3	Mr. J Matlou, Dr A Luthuli; Dr M Mchunu

\*\* The Committee attended 3Special Meetings 27-07-22, 06-02-23 and 25-02-23.

**C.2.(iv) Remuneration of Museum Council Members**

The Council Members are remunerated in accordance with National Treasury prescripts applicable to Schedule 3A entities. The Chairperson of Council remuneration amount is R 2,109,00; the Deputy Chairperson is R1,917.00 and ordinary member is R 1,742.00. The Museum provides for member's subsistence and travel including, flights; vehicle hire or shuttles and accommodation. Other provision for members includes monthly 5 gigabytes of data per month and reimbursement of claims for use of personal vehicle during Museum business.

**C.2.(v) Disclosure of remuneration information for Council members in 2021/2022 Financial Year**

<b>Name</b>	<b>Remuneration</b>	<b>Other Allowance</b>	<b>Other Reimbursements</b>	<b>Total</b>
Mr I Mkhize	187,830	0	0	187,830
Dr M Mchunu	124,470	0	0	124,470
Mr T Tsematse	121,384	0	0	121,384
Mr S Dlamini	99,949	0	0	99,949
Mr J Matlou	95,044	0	0	95,044
Ms S Mabilane	110,072	0	0	110,072
Ms S Mthembu	103,792	0	0	103,792
Dr A Luthuli	3,484	0	0	3,484
Ms B Chiliza	43,170	0	0	43,170
Ms Nchabeleng	16,188	0	0	16,188
Mr S Luthuli	9,847	0	0	9,847
Ms W. Oelofse	40,220	0	0	40,220
Mr T Maphatanga	0	0	0	0
<b>Subtotal</b>	<b>955,450</b>	<b>0</b>	<b>0</b>	<b>955,450</b>
<b>Other people paid through honorarium</b>				
<b>SANDA (SA National Deaf Association)</b>	<b>49,300</b>		<b>0</b>	<b>49,300</b>
<b>GRAND TOTAL</b>	<b>1,004,750</b>			<b>1,004,750</b>

### C.3 Risk Management

Risk Management oversight at the Museum is by the Audit and Risk Committee assisted and supported by the Internal Audit. In the reporting year the Museum conducted a risk assessment exercise to identify new and emerging risks. The risk assessment addressed itself to identification and mitigation of risk with respect to the following areas of operations:

- Technology and systems.
- Process and operational.
- Strategy and service delivery.
- Financial.
- Governance and compliance.
- Regulatory and reputational.
- Human Resource Management.

A Risk Register was developed to assist with monitoring the effectiveness of risk management within the Museum and the mitigation of risks. The Museum has not made much progress in addressing the identified risks to ensure the effectiveness of risk management.

### C.4 Internal Audit

The Museum Internal Audit function is an outsourced service. The Museum has appointed Morar Inc. Chartered Accountants SA on a three (3) year contract that started on 15 December 2021. The auditing firm is entrusted with the responsibility to appraise Museum policies; procedures; risks and controls.

The Internal Auditors advised the Accounting Officer and the Audit and Risk Committee on the following matters:

- Review of the Museum Risk Management Plan.
- Development of a 3 Year Internal Audit Strategic Plan.
- Development and execution of an internal audit plan based on risk assessment.
- Conducting internal financial and operational audits.
- Monitoring and identification of financial and operational risks.
- Enabling reliable and accurate financial and management reporting.
- Monitoring compliance with relevant legislation and regulations.
- Providing support to the external audit processes in so far as the internal audit work performed for the museum.
- Reporting to the Luthuli Museum management and Audit Committee.
- Identification and reporting, to appropriate levels of any fraud, irregularities, wasteful and fruitless expenditure including reviewing processes put in place to report suspected fraud; Compliance with PFMA and Treasury Regulations, Division of Revenue Act and any other applicable reporting requirements.

### C.5 Audit and Risk Committee

The oversight work of the Audit and Risk Committee is guided by the Audit Committee Charter which outlines its oversight role and responsibilities with respect to corporate governance, financial reporting, and internal controls.

In executing its oversight responsibilities, the Audit and Risk Committee addresses itself to the following matters:

- (a) Advise the Museum Council, the Accounting Officer and the Management staff on matters relating to:
- Internal financial control and internal audits.
  - Risk management.
  - Accounting policies.
  - The adequacy, reliability and accuracy of financial reporting and information.
  - Performance Management.

- Effective Governance.
- Compliance with the Public Finance Management Act and any other applicable legislation.
- Performance evaluation.
- Any other issues referred to it by the Museum.

- (b)** Review the annual financial statements to provide the Council of the Museum with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness and its overall level of compliance with the Public Finance Management Act and any other applicable legislation.
- (c)** Respond to the Council on any issues raised by the Auditor-General in the Audit report.
- (d)** Carry out such investigations into the financial affairs of the Museum as the Council may request; and
- (e)** Perform such other functions as may be prescribed.

In performing its duties, the committee will maintain effective working relationships with the Council, Management, and the internal and external auditors. To perform their work effectively, each committee member will obtain an understanding of the detailed responsibilities of committee membership as well as the Museum's business, operations, and risks.

C.5. (i) Disclosure information on Audit and Risk Committee members

Member Name	Qualifications	Designation	Date Appointed	Date Resigned	Number of Meetings Attended
<b>Ms B Chiliza</b>	<ol style="list-style-type: none"> <li>Bachelor of Commerce in Accounting</li> <li>Honours Bachelor of Commerce in Accounting</li> <li>Chartered Accountancy: SAICA</li> </ol>	Chairperson	01-Nov-2018	03-Sep-2022	3
<b>Mr T Tsematse</b>	<ol style="list-style-type: none"> <li>Bachelor of Administration (Honours)</li> <li>Diploma in Management Studies</li> <li>Post Graduate Certificate in Management Studies</li> </ol>	Member	09-Dec-2020	n/a	5
<b>Mr J Matlou</b>	<ol style="list-style-type: none"> <li>B.A Communications</li> <li>BA (Honours) Communications</li> <li>M.A International Communications</li> </ol>	Member	09-Dec-2020	n/a	5
<b>Ms W Oelofse (CA) SA</b>	<ol style="list-style-type: none"> <li>B Commerce Degree</li> <li>Diploma in Accounting</li> <li>SA Institute of Accounting member</li> </ol>	Member	21-Oct-2022	n/a	2
<b>Ms M Nchabeleng</b>	<ol style="list-style-type: none"> <li>B TECH Internal Auditing</li> <li>National Diploma Internal Auditing</li> <li>Institute of Internal Auditors SA affiliation</li> </ol>	Member	21-Oct-2022	n/a	2

**C.5. (ii) Compliance with laws and regulations**

Quarterly internal audits ensure that the Luthuli Museum maintains compliance with application of laws and regulations. The organisation has systems; procedures and processes in place to ensure that there is segregation of responsibilities; payment requisition documentation and forms are available to maintain the value chain of accountability; a delegations of authority procedures document is available to guide management in executing its responsibilities.

**C.5. (iii) Fraud and Corruption**

The Museum has a Fraud Prevention Plan in place that outlines all the steps and procedures in preventing fraud. Through segregation of duties and responsibilities the organisation ensures that the checks and balances are in place to prevent fraud. Compliance with internal control processes and procedures also assists in preventing fraud.

**C.5. (iv) Minimising Conflict of Interest**

All Museum staff signs declarations every year regarding protection of information; business interest and usage of online / computer systems.

**C.5. (v) Code of Conduct**

Employee code of conduct is through policies and procedures that are in place. A workshop is conducted annually with staff on policies and procedures emphasizing the importance of complying with the Museum's code of conduct. Noncompliance is addressed through the organisation's disciplinary procedures.

**C.5.( vi) Health, Safety and Environmental Issues**

The Museum does not have health and environmental issues of concern.

**C.5. (vii) Social Responsibility**

Social responsibility activities at the Museum include a food gardening project for people with disability and the children holiday programmes which keeps children occupied and off the streets during school holidays. Such programmes involve physical activities; the visual arts; craft; chess games and watching educational and fun films at the Museum.

## C.5.9 AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

This report is provided by the Audit Committee in respect to the 2022/2023 financial year of the Luthuli Museum, as required by section 76 of the Public Finance Management Act No. 1 of 1999, as amended (PFMA) read with the Treasury Regulations 3.1.9 and 27.1 issued in terms of the PFMA.

#### C.5.9. (i) Audit Committee Members and Attendance

In terms of section 27.1.1 of the Treasury Regulations, the Accounting Authority of a Public Entity must establish an Audit & Risk Committee (ARC). The Luthuli Museum ARC was established on 13 December 2018 and is responsible for the Audit Committee functions of the Luthuli Museum. This is in line with the Audit Committee Charter, the PFMA and the King IV Principles of Corporate Governance.

Member	Gender	Meeting date				
		26-Apr-22	09-May-22	24-Aug-22	20-Jan-22	22-Feb-23
Ms. B Chiliza*	F	**	**	**	n/a	n/a
Mr. B Mbanjwa	M	***	***	***	n/a	n/a
Mr. T Tsematse	M	**	**	**	**	**
Mr. J Matlou	M	**	**	**	**	**
Ms. W Oelofse	F	n/a	n/a	n/a	**	**
Ms. M Nchabeleng	F	n/a	n/a	n/a	**	**

\* Chairperson      \*\* Denotes Attendance      \*\*\* Denotes absence with apology

#### Narrative

1. The Committee members also attended special meetings:
  - a. 27-07-22 (for the review of the Management and Audit Report 2021/2022);
  - b. 06-02-23 (for the review of the Annual Performance Plan 2023/24);
  - c. 25-02-23 (a continuation of the Q3 meeting started 22-02-23).
2. Ms. B Chiliza resigned as Chairperson of the Committee on 03-09-23 and Ms W Oelofse was appointed as Chairperson of the Committee effective from 21-10-23 for a 3-year term.
3. Ms. M Nchabeleng was appointed as a new independent member of the Committee effective as from 21-10-23.

#### C.5.9. (ii) Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 51(1)(ii) and 77 of the PFMA read with Treasury Regulation 3.1.10, 27.1.7 and 27.1.8 and reports that it has operated in terms of the approved Audit Committee Charter.

#### C.5.9. (iii) Efficiency and Effectiveness of the Internal Controls

Internal Audit provides the Audit Committee with assurance that the internal controls in place at the Luthuli Museum are efficient and effective. The system of internal controls for financial and risk management in place at Luthuli Museum is partially effective and efficient, and the controls have shown some improvement in the year under review.

The system of internal controls is also in line with the requirements of the PFMA and the principles of the King IV Report on Corporate Governance.



The ARC assessment of the system of internal controls was formed based on the Internal Audit reports tabled at the ARC meetings during the year under review, and the Auditor General Audit Report and Management Report. Deficiencies in the internal control system were highlighted in reports from both IA and AGSA. Management has committed to implement corrective action and these commitments will be monitored by the Audit Committee on a regular basis in the year ahead.

The Luthuli Museum incurred Irregular Expenditure in the year under review. Management has provided the ARC with regular reports on the Irregular Expenditure incurred and the processes put in place to limit the reoccurrence thereof. Significant progress has been made on the regularisation of all contracts as well as the planning of expenditure, and ARC believe that these measures together with regular review, will significantly reduce the instances of Irregular Expenditure in the future.

The Luthuli Museum has anti-corruption measures in place which aim to curb the frequency and magnitude of fraud and corruption. There have been no reported instances of fraud or corruption in the year under review. ARC has recommended the drafting and implementation of a Whistleblower policy and Management have committed to implementing this in the next financial year. The ARC is satisfied that the Museum maintains adequate prevention of fraud and corruption controls and this risk is continually monitored.

The ARC is aware of the risks surrounding the Information and Communication Technology (ICT) and the effectiveness of the ICT governance structure. Management have made some progress in the strengthening of the controls over ICT and the ARC will monitor the progress made in the year ahead.

**C.5.9. (iv) Internal Audit Function**

The Audit Committee reviewed and approved the Internal Audit Charter and the Internal Audit Plan. The Internal Audit Plan considered the key risks of the Museum that were identified through the Risk Review.

The Audit Committee considers the Internal Audit Function to be optimally resourced. During the financial year under review, the Internal Audit function was performed by an external service provider, Morar Incorporated.

The Audit Committee assessed the Internal Audit function to be efficient and responsive to external audit findings and other emerging risks, and they provided Management and the Audit Committee with reports of a high quality and in a timely manner.

The Audit Committee supports the direction that the current Internal Auditors have adopted in providing the necessary skills and agility required for the function to respond efficiently and effectively to assist with the strengthening of controls within the Museum.

**C.5.9. (v) External Audit Function**

In terms of PFMA, the Auditor General of South Africa (AGSA) is the appointed external auditor. During the 2022/23 financial year, the AGSA has performed the external audit using an external service provider, whilst maintaining responsibility for the audit.

The Audit Committee is satisfied that the external auditor is independent of the Museum and can confirm that the External Auditor did not provide any non-audit services.

The AGSA is mandated by the Public Audit Act No. 25 of 2004 to conduct audits in accordance with the International Standards on Auditing.

The AGSA adopted the International Federation of Accountants' Code of Ethics and International Organisation of Supreme Audit Institutions' Code of Ethics to ensure that the audits are conducted in an ethical manner and in accordance with the code. These codes require the AGSA to identify threats to independence and put mitigating measures in place.

The Audit Committee among other matters:

- a) Recommended the approval of the external audit engagement letter, the audit plan and the budgeted audit fees payable to the AGSA; and
- b) Considered whether any reportable irregularities were identified and reported by the External Auditors in terms of the Auditing Profession Act.

The Audit Committee has met with the External Auditors to ensure there are no unresolved issues.

**C.5.9. (vi) Risk Management**

Risk management is the identification, assessment, and prioritisation of risks and the application of resources to minimise, monitor, and control the probability and/or impact of the risks. The ARC is responsible for the oversight of the internal and external audit function and financial reporting. The assessment of internal controls over financial reporting is risk-based, and as a result the Audit Committee is responsible for overseeing management's risk policies and discussing the Museum's key risk exposures with management.

Internal Audit does not assume the functions, systems and processes of risk management but assists management in the monitoring of risks in the Museum through its own assurance processes and the progress made by the Museum in managing their risk.

Management undertook a detailed review of the risks of Luthuli Museum during the year under review and this review was attended by ARC. Management updated the Risk Registers, recorded mitigating controls and reported to the ARC on a regular basis on the progress made with the implementation of mitigating controls.

Management also reported on any emerging risks identified as part of their regular risk review. There are no significant emerging risks that require highlighting.

**C.5.9. (vii) Evaluation of the Finance Function**

The ARC relies on the Finance Function to deliver quality financial reports in a timely manner to enable it to have effective oversight over the financial and governance structures of the Museum.

*The Finance Function has shown some improvement in the reporting provided to the ARC in the year under review. The ARC has made some recommendations to management for further improvements and will monitor the quality of reporting in the year ahead.*

**C.5.9. (viii) Performance Management**

The responsibility of the Audit Committee includes the review of Performance Management of the Museum. The Audit Committee has:

- a) Reviewed and commented on the compliance with statutory requirements and performance management best practices and standards.
- b) Reviewed and commented on the relevance of indicators and recommended enhancements to ensure they are measurable; and
- c) Reviewed the quarterly performance reports submitted by Management. These reports were reviewed by Internal Audit and management committed to implement the recommended improvements detailed in these reports.

The Audit Committee is satisfied that the performance report has been prepared in terms of the PFMA and other related regulations, and accurately reflects the Museum's performance for the year under review.

**C.5.9. (ix) Evaluation of the Annual Financial Statements**

The ARC reviewed the draft Annual Financial Statements prior to their submission to the Auditor General (AGSA). The review focussed on:

- (a) Confirmation of Going Concern as a basis for the preparation of the AFS.
- (b) Review of the significant financial reporting judgements and estimates contained in the AFS and confirmed with Management that the qualifying criteria had been applied to these judgements and estimates.
- (c) Reviewed and discussed the audited AFS with AGSA.
- (d) Reviewed the AGSA's Management and Audit Reports.
- (e) Reviewed significant adjustments made because of the audit.

Except for matters identified by AGSA in the Auditor's Report, the ARC is of the opinion that in all material respects, the AFS comply with the relevant legislature, the Standards of Generally Recognised Accounting Practices, and fairly present the financial position on 31 March 2023, and the results of operations and cashflows for the year ended 31 March 2023.

**C.5.9. (x) External Audit Report**

The report of the Auditor General on the Annual Financial Statements is welcomed with appreciation. Whilst the entity received an unqualified audit opinion, the Audit Committee is concerned about the matters raised in the Management Letter. The Audit Committee will oversee Management's development of action plans to address all reported matters and monitor its implementation on a regular basis.

**C.5.9. (xi) Going Concern**

The going concern assumption is a fundamental principle in the preparation of the Annual Financial Statements. The Luthuli Museum complies with and has applied the applicable accounting principles which assume that the museum will continue to exist to carry out its objectives and commitments into the foreseeable future.

**C.5.9. (xii) Conclusion**

The ARC confirms its commitment to assist Council to make significant progress towards clean administration and wishes to thank Council and management for its support and the teams from internal and external audit for their contributions.

**On behalf of the Audit Committee**



**Wendy Oelofse**

**Chairperson: Audit Committee  
August 2023**

# PART D: HUMAN RESOURCES





Internal students from Germany on their visit to the Luthuli Museum. Seen here with Mr Thulani Thusi, the Museum Heritage Educator.



Prof. Puleng Segalo, Chief Albert Luthuli Research Chair (far right) with her fellow assistants Dr Tinyiko Maluleke and Mr Mfaniseni Wiseman Mbatha.



President Cyril Ramaphosa during his visit to Luthuli Museum flanked by (from left to right) Mr Sandile Luthuli; Dr Mxolisi Mchunu; Mr Important Mkhize of Luthuli Museum Council ; Mr Siboniso Duma, Provincial Chairperson of ANC KZN; and Mr Brian Xaba, Luthuli Museum Director.



President Cyril Ramaphosa signing the Luthuli Museum Visitors Book.



Mr Sandile Luthuli, the newly appointed Luthuli Museum Council member at the Albert Luthuli Memorial Lecture.

## PART D: HUMAN RESOURCES

### D.1 Introduction

The Museum has made significant strides in this reporting year with the filling of 3 permanent positions of HR Practitioner, SCM Officer and PA to the Director. These achievements become possible with the support of the HRREMO and the appointed recruitment and selection agency that managed the whole process.

### D.2 HUMAN RESOURCES OVERSIGHT STATISTICS

#### D.2. (i) Personnel Costs by programme / activity / objective

Programme/ activity/ objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel expenditure as a % of total expenditure. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1	6,363	5,456	69,5%	11	496
Programme 2	1,327	2,498	31,8%	7	356,8
Programme 3	160	974	12,7%	2	487
<b>TOTAL</b>	<b>7,850</b>	<b>8,928</b>	<b>114%</b>	<b>20</b>	<b>1 339,8</b>

#### D.2. (ii) 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	0	0	0	0
Senior Management	1,253	14,0%	1	1,253
Professional qualified	2,320	25,9%	3	773,3
Skilled	3,699	41,4%	6	616,5
Semi-skilled	1,171	13,1%	7	167,3
Unskilled	485	5,4%	3	161,7
<b>TOTAL</b>	<b>8,928</b>	<b>99,8%</b>	<b>20</b>	<b>2,971</b>

D.2. (iii) Performance Rewards

Programme/Activity/Objective	Performance Rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	None	-	-
Senior Management	None	-	-
Professional qualified	None	-	-
Skilled	None	-	-
Semi-skilled	None	-	-
Unskilled	None	-	-
<b>TOTAL</b>	None	-	-

D.2. (iv) Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees	Average training cost per employee
Programme 1	5,456	24	0,3%	11	2,2
Programme 2	2,498	19	0,2%	7	2,7
Programme 3	974	13	01%	2	6,5
<b>TOTAL</b>	<b>8,928</b>	<b>56</b>	<b>0,6%</b>	<b>20</b>	<b>11,4</b>

D.2. (v) Employment and Vacancies

Programme/ activity/ objective	2020/2021 No. of Employees	2021/2022 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Programme 1	10	10	11	2	10%
Programme 2	7	7	7	0	0
Programme 3	2	2	2	0	0
<b>TOTAL</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>2</b>	<b>10%</b>

D.2 (vi) Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>



D.2. (vii) Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	-	-
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
<b>TOTAL</b>	-	-

D.2. (viii) Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	3
Final Written warning	0
Dismissal	0

D.2. (ix) Equity Target and Employment Equity Status

Male

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management		-	-	-	-	-	-	-
Senior Management	1	-		-	-	-	-	-
Professional qualified	1	-		-	-	-	-	-
Skilled	3	-	1	-	-	-	-	-
Semi-skilled	3	-		-	-	-	-	-
Unskilled	1	-		-	-	-	-	-
<b>TOTAL</b>	<b>9</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Female

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	0	-	-	-	-	-
Senior Management	0	-	0	-	-	-	-	-
Professional qualified	2	-	0	-	-	-	-	-
Skilled	2	-	0	-	-	-	-	-
Semi-skilled	4	-	0	-	-	-	-	-
Unskilled	2	-	0	-	-	-	-	-
<b>TOTAL</b>	<b>10</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Disabled

Levels	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	-	-	-	-
Skilled	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
<b>TOTAL</b>	-	-	-	-

# PART E: PFMA COMPLIANCE REPORT



Dr Albertina Luthuli and Mr Zakhele Gumede during the launch of his publication, 'July is Luthuli Month' at the Luthuli Museum.



Deputy Chairperson of Museum Council Dr Mxolisi Mchunu; fellow member Mr Jubie Matlou and Luthuli Museum staff member Mr Thabani Nkosi at the Joshua Nkomo Museum in Bulawayo, Zimbabwe.



Dr Pali Lehohla, 2022 Luthuli Lecture Speaker preparing to lay wreath at the grave of Chief Albert Luthuli flanked by Chairperson of Luthuli Museum Council Mr Important Mkhize, Council member Mr Tsematse Tsematse and Museum staff member Ms. Nonhlanhla Mnguni.



Former Director General of the Department of Arts and Culture Mr Themba Wakashe attending the 2022 Albert Luthuli Memorial Lecture.



Gizenga Mpanza Hospital Choir at the 2022 Albert Luthuli Memorial Lecture held at the UKZN, Westville campus.

## PART E: PFMA COMPLIANCE REPORT

### E.1 INTRODUCTION

This section provides guidance on the information to be included in the annual report guide relating to PFMA compliance requirements. This is information disclosure on irregular, fruitless and wasteful expenditure, and material Losses. The Museum did not have any material losses through criminal conduct or being written off; has had no investigations or criminal nor disciplinary steps taken because of wasteful expenditure. A Determination Test was completed for the 2020/21 financial year and is pending consequence management. The Determination Test for the 2021/22 is pending and also for 2022/23 irregular expenditure.

### E.2 Disclosure of Irregular Expenditure

#### a) Reconciliation of Irregular Expenditure

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Opening balance	16,054	6,918
Add: Irregular expenditure confirmed	1,668	2,211
Less: Irregular expenditure condoned	(10,804)	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
<b>Closing balance</b>	<b>6,918</b>	<b>9,129</b>

#### b) Reconciling Notes

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Irregular Expenditure that was under assessment in 2021/2022	1,668	1,668
Irregular expenditure that relates to 2021/2022 and identified in 2022/2023	0	5,250
Irregular expenditure for the current year	1,668	2,211
<b>Total</b>	<b>1,668</b>	<b>9,129</b>

#### c) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Irregular expenditure under assessment	0	1,668
Irregular expenditure under determination	0	5,250
Irregular expenditure under investigation	0	0
<b>Total</b>	<b>0</b>	<b>6,918</b>

d) **Details of current and previous year irregular expenditure condoned.**

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Irregular expenditure condoned	10,804	0
<b>Total</b>	<b>10,804</b>	<b>0</b>

e) **Details of current and previous year irregular expenditure removed – (not condoned).**

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**E.3 Fruitless and wasteful expenditure**

a) **Reconciliation of fruitless and wasteful expenditure**

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Opening balance	17	17
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
<b>Closing balance</b>	<b>17</b>	<b>17</b>

b) **Reconciling notes**

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/2022	17	17
Fruitless and wasteful expenditure that relates to 2021/2022 and identified in 2022/23	0	0
Fruitless and wasteful expenditure for the current year	0	0
<b>Total</b>	<b>17</b>	<b>17</b>

c) **Details of current and previous fruitless and wasteful expenditure (under assessment, determination, and investigation)**

Description	2021 / 2022	2022 / 2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	17	17
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
<b>Total</b>	<b>17</b>	<b>17</b>



**E.4 Information on late and / or non-payment of suppliers**

**a) Reconciliation of invoices**

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	820	8, 887
Invoices paid <b>within</b> 30 days or agreed period	820	8, 887
Invoices paid <b>after</b> 30 days or agreed period	0	0
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> )	0	0
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> )	0	0
Less: Irregular expenditure not recovered and written off	0	0
<b>Closing balance</b>	<b>820</b>	<b>8, 887</b>

**E.5 Information on the Supply Chain Management matters**

**a) Procurement by other means**

Project Description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
				R'000
Internal Audit Services	Morar Incorporated	Tender Process	LM04/2021/08	391
Security Guarding Services	Siyjabula Security Services	Tender Process	LM01/20/02	1,474
ICT Support and Hosting	Boss Technical Solution	RFQ Process	LM01/2021/03	430

**b) Contract variations and expansions**

Project Description	Name of supplier	Contract modification type (Expansion or variation)	Contract number	Original Value of contract	Value of previous contract expansion/s or variation (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
n/a	n/a	n/a	n/a	0	0	0
n/a	n/a	n/a	n/a	0	0	0
n/a	n/a	n/a	n/a	0	0	0
n/a	n/a	n/a	n/a	0	0	0
n/a	n/a	n/a	n/a	0	0	0
n/a	n/a	n/a	n/a	0	0	0
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>0</b>	<b>0</b>	<b>0</b>





“...there  
can be no peace  
in any part  
of the world  
where there are  
people  
oppressed...”

- Chief Albert Luthuli  
Africa's First Nobel Peace Laureate



**VISIT LUTHULI MUSEUM:**  
3233 Nokukhanya Luthuli,  
GROUTVILLE  
**KWADUKUZA**  
**STANGER**  
4450

    (@luthulimuseum)



an agency of the  
Department of Sport, Arts and Culture

# **PART F: ANNUAL FINANCIAL INFORMATION**





Mr. N Mtambo, from the UCCSA Groutville Ms. D Manqele, Mr N Mngenge and Rev. R B Dlamini; from Luthuli Family and friends Ms M Mbatha, Ms L Goba, Mrs V Luthuli and Dr A Luthuli.



Mr N Mngenge, Rev R B Dlamini and Ms D Manqele.



US Exchange Students laying wreath at the grave of Chief Albert Luthuli.



Learner from one of the local schools at one of the Museum Chess Tournaments



Mrs V Luthuli and Dr A Luthuli preparing to lay wreath at grave of Chief Albert Luthuli.



AUDITOR GENERAL  
SOUTH AFRICA

# AUDIT REPORT

Luthuli Museum

2022-23



# Report of the auditor-general to Parliament on Luthuli Museum

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Luthuli Museum set out on pages 87 to 131, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in equity, statement of cash flows and the 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 Luthuli Museum as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No.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 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.

### Other matter

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

#### National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements,

only the current year and prior year figures are disclosed in note 15 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Luthuli Museum. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.

8. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### **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 the (SA Standards of 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 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 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.

### **Report on the audit of 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 against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected a programme that measure the entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
<p><b>Business development</b></p>	<p>26 - 31</p>	<p>To ensure that the collection is accessioned and catalogued, digitized for ease of access and implemented conservation standards</p> <p>Conduct research to support organization mandate with respect to the development and production of exhibitions, publications, research papers, collection development, academic study and public enquiry</p> <p>To provide visitor experience through creative visual interpretations of the legacy of Chief Albert Luthuli. Create interactive exhibitions to enhance and prompt involvement and participation. Create temporary, travelling and permanent exhibition to provide wider access</p>

15. I evaluated the reported performance information for the selected programme 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 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 entity's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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 are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance conclusion.
18. I did not identify any material findings on the reported performance information of business development.

### **Other matters**

19. I draw attention to the matters below.

### **Achievement of planned targets**

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under achievements.
21. Reasons for the underachievement of targets are included in the annual performance report on pages 19 to 41

### **Material misstatements**

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of business development. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

## **Report on compliance with legislation**

23. 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 entity's compliance with legislation.
24. 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.
25. 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.

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Annual financial statements**

27. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (a) of the PFMA. Material misstatements of government grants and subsidies, employee costs, provisions and unspent conditional grants and receipts identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### **Expenditure management**

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R2, 21 million as disclosed in note 15 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management processes.

### **Procurement and contract management**

29. Some of the quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).
30. Some of the quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.
31. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with Treasury Regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22.
32. Procurement by other means was not provided in the SCM policy of the institution or did not cover at least the minimum requirements as required by PFMA Instruction Note 3 of 2021/22 par. 4.3 and 4.4.
33. Some of the deviations and procurement by other means are not provided in the SCM policy and are not in line with the circumstances provided in the SCM policy under which the procurement can occur as required by PFMA instruction note no.3 of 2021/22 par. 4.3 and 4.4 (c) .
34. Some of the deviation process followed in respect of identifying prospective suppliers are not in line with the process prescribed in the institution's SCM policy as required by PFMA instruction note no.3 of 2021/22 par. 4.4.(d).
35. The invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2).

## Other information in the annual report

36. 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 the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
37. 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.
38. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. The other information I obtained prior to the date of this auditor's report is the irregular and fruitless and wasteful expenditure disclosures, and the draft annual report is expected to be made available to us after 31 July 2023.
40. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
41. When I do receive and read the draft annual report, if 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 this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

42. 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.
43. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
44. The accounting authority did not exercise adequate oversight responsibility over compliance with applicable laws and regulations. In this regard, effective measures were not taken to ensure compliance with laws and regulations.

45. Management did not implement adequate controls over daily, monthly recording of transactions as well as adequate review and monitoring over compliance with applicable laws and regulations

*Auditor General*

Pietermaritzburg

31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 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 the selected programme and on the 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 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 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 an 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 to 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 requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(3)(c'); 66(5)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c') Treasury Regulation 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c ) ; 3.3 (e ) ; 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c) -(d); 4.6

Legislation	Sections or regulations
	Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1

# ANNUAL FINANCIAL STATEMENT





KwaDukuza Mayor Lindi Nhaca at the Luthuli Museum registering for the 2022 Luthuli Walk and Run



Luthuli Museum Council Members Dr Mxolisi Mchunu and Ms Salome Mabilane during the 2022 Luthuli Walk and Run aerobics session.



Mr Important Mkhize, Chairperson of the Luthuli Museum Council and fellow member Mr Tsematse Tsematse at the starting line of the 2022 Luthuli Walk and Run.



Museum Director Mr Brian Xaba with the AMAFA delegation during their inspection visit of the 1927 House of Chief Albert and Mrs. Nokukhanya Luthuli.



DSAC Minister Nathi Mthethwa at the unveiling of the Winnie Madikizela Mandela Museum in Brandfort, in the Free State Province. He is flanked by entities' Chairpersons Mr Important Mkhize (Luthuli Museum); Mr Jabulani Sithole (IZIKO Museums) and Princess Celenhle Dlamini (National Arts Council)

# Luthuli Museum

Annual Financial Statements for the year ended 31 March 2023

## Index

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The reports and statements set out below comprise of the annual financial statements presented to the council:

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# Luthuli Museum

Annual Financial Statements for the year ended 31 March 2023

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Business and Principal Activities</b>	The Luthuli Museum mandate is to preserve, educate, promote, grow and sustain the Legacy of Chief Albert Luthuli
<b>Director</b>	Mr. B Xaba
<b>Members</b>	Hon. I Mkhize - Chairperson Prof. M Mchunu - Deputy Chairperson Dr. A Luthuli - retired 28/08/2022 Mr. T Tsematse Ms. S Mabilane Mr. J Matlou Mr. S Dlamini Ms. S Mthembu Mr. S Luthuli - appointed 28/10/2022
<b>Audit Committee</b>	Ms. W Oelofse - Chairperson - appointed 21/10/2022 Mr. T Tsematse Mr. J Matlou Mr. T Maphanga - appointed 21/10/2022 Ms. M Nchabeleng - appointed 21/10/2022 Mr. B Mbanjwa - resigned 31/10/2022 Ms. B Chiliza - resigned 03/09/2022
<b>Controlling entity</b>	National Department of Sport, Arts and Culture
<b>Registered Office</b>	333 Nokukhanya Luthuli Street Groutville KwaDukuza 4450
<b>Postal Address</b>	PO Box 1869 Stanger 4450
<b>Bankers</b>	First National Bank
<b>Company Secretary</b>	Vacant

### Approval of the Annual Financial Statements

The Annual Financial Statements for the year ended 31 March 2023, as set out on pages 3 to 43 were approved by the Luthuli Museum Council on 27 July 2023 and were signed on its behalf by:

#### ENDORSED BY COUNCIL

NAME: Mxolisi R. Mchunu

SIGNATURE: 

DATE: 28/07/2023

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Prof. M Mchunu - Deputy Chairperson

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Financial Position

Figures in R	Notes	2023	2022 Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	10,132,678	9,172,382
Intangible assets	6	4,058	4,869
Heritage assets	7	6,931,955	6,831,685
<b>Total non-current assets</b>		<b>17,068,691</b>	<b>16,008,936</b>
<b>Current assets</b>			
Inventories	8	31,732	8,434
Trade and other receivables	9	81,548	38,235
Cash and cash equivalents	10	11,637,637	11,919,153
<b>Total current assets</b>		<b>11,750,917</b>	<b>11,965,822</b>
<b>Total assets</b>		<b>28,819,608</b>	<b>27,974,758</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated surplus		27,201,416	25,972,523
<b>Current liabilities</b>			
Provisions	11	362,066	670,856
Trade and other payables	12	310,719	372,682
Unspent conditional grants and receipts	13	945,407	958,697
<b>Total current liabilities</b>		<b>1,618,192</b>	<b>2,002,235</b>
<b>Total equity and liabilities</b>		<b>28,819,608</b>	<b>27,974,758</b>



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Financial Performance

Figures in R	Notes	2023	2022 Restated
<b>Revenue from non-exchange transactions</b>			
Government grants and subsidies	18	17,700,290	17,058,660
Income from investments		349,800	153,782
Donations received		-	11,081
<b>Total revenue from non-exchange transactions</b>	17	<b>18,050,090</b>	<b>17,223,523</b>
<b>Revenue from exchange transactions</b>			
Tender deposits		-	8,100
Sales - Books		2,680	500
Sales - T-Shirts		1,116	-
Sales - Caps		56	-
Sales - Mugs		29	-
Profit on sale of property, plant and equipment		174,555	-
<b>Total revenue from exchange transactions</b>	19	<b>178,436</b>	<b>8,600</b>
<b>Gross surplus</b>		<b>18,228,526</b>	<b>17,232,123</b>
<b>Expenditure</b>			
Administrative expenses	20	(1,088,851)	(851,643)
Amortisation	6	(812)	(4,870)
Audit Fees	21	(1,345,741)	(1,223,688)
Depreciation	5	(220,636)	(264,407)
Employee costs	22	(8,928,911)	(8,995,871)
Governance expenditure	22	(1,004,751)	(1,028,394)
Operating expenditure	24	(2,823,702)	(1,881,731)
Impairment loss		(99,000)	(7,225)
Marketing expenditure	24	(1,487,229)	(1,064,992)
<b>Total expenditure</b>		<b>(16,999,633)</b>	<b>(15,322,821)</b>
<b>Surplus from operating activities</b>		<b>1,228,893</b>	<b>1,909,302</b>
<b>Surplus for the year</b>		<b>1,228,893</b>	<b>1,909,302</b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
<b>Balance at 1 April 2021</b>	24,063,221	24,063,221
<b>Changes in equity</b>		
Surplus for the year	1,904,052	1,904,052
Surplus for the period	1,904,052	1,904,052
Correction of prior period error (Note 34)	5,250	5,250
<b>Balance at 31 March 2022</b>	<b>25,972,523</b>	<b>25,972,523</b>
<b>Balance at 1 April 2022</b>	25,972,523	25,972,523
<b>Changes in equity</b>		
Surplus for the year	1,228,893	1,228,893
Surplus for the period	1,228,893	1,228,893
<b>Balance at 31 March 2023</b>	<b>27,201,416</b>	<b>27,201,416</b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Cash Flows

Figures in R	Notes	2023	2022 Restated
<b>Cash flows from operations</b>			
<b>Receipts</b>			
Government grants and subsidies	17	17,700,290	17,058,660
Tender deposits		174,555	8,100
Sales - Books		2,680	500
Sales - T-Shirts		1,116	-
Sales - Caps		56	-
Sales - Mugs		29	-
Income from investments		349,800	153,782
		<b>18,228,526</b>	<b>17,221,042</b>
<b>Payments</b>			
Payments to suppliers for goods and services		(8,491,881)	(5,180,438)
Payments to and on behalf of employees	22	(8,928,911)	(8,995,871)
Payments to suppliers for operating leases		(106,172)	-
		<b>(17,526,964)</b>	<b>(14,176,309)</b>
<b>Net cash flows from operations</b>		<b>701,562</b>	<b>3,044,733</b>
<b>Cash flows used in investing activities</b>			
Proceeds from sales of property, plant and equipment	5	190,000	-
Purchase of property, plant and equipment	5	(973,808)	(317,838)
Purchase of heritage assets	7	(199,270)	(14,833)
<b>Cash flows used in investing activities</b>		<b>(983,078)</b>	<b>(332,671)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(281,516)</b>	<b>2,712,062</b>
Cash and cash equivalents at beginning of the year		11,919,153	9,207,091
<b>Cash and cash equivalents at end of the year</b>	10	<b>11,637,637</b>	<b>11,919,153</b>



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 1. General information

The company is incorporated as a Schedule 3A Public Entity and domiciled in South Africa. The address of its registered office is 333 Nokukhanya Luthuli Street, Groutville, KwaDukuza, 4450.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of Luthuli Museum have been prepared in accordance with Standards of Generally Recognised Accounting Practice and the Public Finance Management Act No. 1 of 1999. The financial statements have been prepared on the accrual basis of accounting under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through surplus or deficit. They are presented in South African Rand.

The preparation of financial statements in conformity with Standards of Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Property, plant and equipment

##### Definition

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

##### Recognition

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 or fair value of the item can be measured reliably.

Heritage assets assessed as having a dual function of being a heritage asset and providing accommodation services are recognised and disclosed in terms of the Standard of GRAP on Property, Plant and Equipment (GRAP 17) and not the Standard of GRAP on Heritage Assets (GRAP 103) if a significant portion of the heritage asset is utilised for office accommodation.

##### Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost, except where the asset is acquired by way of a non-exchange transaction, where it is initially measured at fair value at the date of acquisition.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

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.

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

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

### **Subsequent measurement - Cost model**

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated, as it is deemed to have an indefinite useful life.

### **Depreciation**

Depreciation of an asset commences when it is available for use, and ceases at the date that the asset is derecognised.

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. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

<b>Asset class</b>	<b>Measurement base</b>	<b>Useful life</b>	<b>Depreciation method</b>
Buildings - work in progress			
Motor vehicles	Historical cost	4-7 years	Straight line
Fixtures and fittings	Historical cost	6-10 years	Straight line
Office equipment	Historical cost	6-10 years	Straight line
Computer equipment	Historical cost	3-6 years	Straight line

### **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of 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 an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are classified as other gains on the face of the statement of financial performance.

## **2.2 Heritage assets**

### **Definition**

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.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

*Basis of preparation and summary of significant accounting policies continued...*

### Recognition

A heritage asset is recognised as an asset when:

- 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 of the asset can be measured reliably.

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

### Initial measurement

A heritage asset that qualifies for recognition as an asset is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

### Subsequent measurement - Cost model

After initial recognition, a class of heritage assets is measured at cost less any accumulated impairment losses.

### Subsequent measurement - Revaluation model

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

If a heritage asset is revalued, the entire class of heritage assets to which that asset belongs are revalued.

If the fair value cannot be determined reliably, heritage asset are measured using the cost model. The carrying amount of the heritage asset shall be its revalued amount at the date of the last revaluation less any subsequent accumulated impairment losses.

### Impairment

Heritage assets are not depreciated, but at each reporting date an assessment is made as to whether there is any indication of impairment. Where such an indication exists, an estimate is made of the recoverable service amount or recoverable amount of the heritage asset, and the asset is written down immediately to this estimated recoverable service amount or recoverable amount.

The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised directly in net assets to the extent of any credit balance existing in the revaluation surplus.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of heritage assets that were impaired, lost or given up are included in surplus or deficit when the compensation becomes receivable.

An impairment loss recognised in prior periods for an asset is only reversed if there is an indication that the impairment may no longer exist or may have decreased. This will occur when there was a change in the estimates used to determine the asset's recoverable service amount or recoverable amount. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised.

A reversal of impairment is recognised immediately in surplus or deficit, except where the asset is carried at a revalued amount. If the asset is carried at a revalued amount, the reversal of the impairment loss is treated as a revaluation increase, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.3 Intangible assets

#### Definition

An intangible asset is an identifiable non-monetary asset without physical substance. The asset is determined to be identifiable if it either is separable, or arises from binding arrangements.

#### Recognition

An intangible asset is recognised when:

- 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 of the asset can be measured reliably.

An assessment of the probability of expected future economic benefits or service potential that will flow to the entity as a result of the use of an asset is made by management before the asset is recognised. This includes using reasonable and supportive assumptions that represent a best estimate of the set of economic conditions that will exist over the useful life of the asset.

#### Initial measurement

Intangible assets are initially measured at cost except where the asset is acquired through a non-exchange transaction, in which case its initial cost at the date of acquisition will be its fair value at that date.

Separately acquired assets are initially measured at their purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use.

Internally generated goodwill is not recognised as an asset.

Acquisitions as part of a transfer of functions are initially measured at fair value at acquisition date.

The cost of assets acquired through an exchange of assets is measured at fair value at acquisition date unless the fair value of neither the asset received nor the asset given up is reliably measurable. The acquired asset is immediately measured in this way even if the asset given up cannot immediately be derecognised. If the acquired asset is not measured at fair value, its cost is measured using the carrying amount of the asset given up. If the transaction is in substance a non-exchange transaction, it is measured in terms of the accounting policies related to revenue from non-exchange transactions.

Internally generated intangible assets are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met, bearing in mind the following additional criteria:

- During the research phase, no intangible asset is recognised. Expenditure on research is recognised as an expense when it is incurred.
- During the development phase, an intangible asset will be recognised only if the following can be demonstrated:
  - it is technically feasible to complete the intangible asset so that it will be available for use or sale;
  - there is an intention to complete the intangible asset and use or sell it;
  - there is an ability to use or sell the intangible asset;
  - it is possible to demonstrate how the asset will generate probable future economic benefits or service potential. including the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
  - there are available financial, technical and other resources to complete the development of the intangible asset as well as to use or sell the intangible asset;
  - the expenditure attributable to the intangible asset during the development phase can be reliably measured.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

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

Expenditure on an intangible asset is recognised as an expense when it is incurred unless it is part of the cost of an intangible asset that meets the recognition criteria. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

### **Subsequent measurement - Cost model**

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

### **Amortisation**

An intangible asset is regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

The useful life of an intangible asset that arises from binding arrangements (including rights from contracts) shall not exceed the period of the binding arrangement, but may be shorter depending on the period over which the entity expects to use the asset. If the binding arrangements (including rights from contracts) are conveyed for a limited term that can be renewed, the useful life of the intangible asset shall include the renewal period(s) only if there is evidence to support renewal by the entity without significant cost.

For other intangible assets amortisation is allocated on a systematic basis over its useful life. Where an intangible asset has a residual value, the depreciable amount is determined after deducting its residual value.

Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Amortisation ceases at the date that the asset is derecognised.

The amortisation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight line method is used.

The amortisation charge for each period is recognised in surplus or deficit unless this or another Standard permits or requires it to be included in the carrying amount of another asset.

The residual values of intangibles assets are assumed zero unless:

- there is a commitment by a third party to purchase the asset at the end of its useful life; or
- there is an active market for the asset and:
  - residual value can be determined by reference to that market; and
  - it is probable that such a market will exist at the end of the asset's useful life.

Residual values as well as the useful lives of all assets are reviewed annually. Changes in residual values are treated as a change in estimate and treated in accordance with the relevant accounting policies.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

The classification of useful lives and amortisation methods for the various classes of assets are as follows:

<b>Asset class</b>	<b>Internally generated or other other</b>	<b>Useful life classifica- tion</b>	<b>Useful life</b>	<b>Amortisati on method</b>
Computer software		finite	3 - 6 years	Straight line

### **Retirements and disposals**

An asset is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss on disposal is recognised in surplus or deficit.

The gain or loss arising from the derecognition of an intangible asset shall be included in surplus or deficit when the asset is derecognised (unless GRAP 13 requires otherwise on a sale and leaseback).

## **2.4 Financial instruments**

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

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unutilised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

Financial instruments at fair value are financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial asset or financial liability is held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial instruments at fair value are financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial asset or financial liability is held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities with fixed or determinable payments, other than those that:

- the entity upon initial recognition designates as at fair value; or
- are held for trading.

Financial instruments at cost are investments in residual interests that are not quoted in an active market, and whose fair value cannot be reliably measured.

### **Cash and cash equivalents**

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

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

### **Trade and other payables**

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## 2.5 Prepayments

Trade and other receivables consist of various payments that have been made in advance for goods and services to be received in future. Trade and other receivables are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.6 Inventories

#### Definition

Inventories are assets:

- in the form of materials or supplies to be consumed in the production process;
- in the form of materials or supplies to be consumed or distributed in the rendering of services;
- held for sale or distribution in the ordinary course of operations; or
- in the process of production for sale or distribution.

#### Recognition

Inventories are 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 inventories can be measured reliably.

#### Measurement

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value at the date of the acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In instances where inventories purchased on deferred settlement terms contain a financing element, that element is recognised as an interest expense over the period of the financing.

The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

The cost of inventories is assigned using the first-in, first-out (FIFO) cost formula (or weighted average cost formula). The same cost formula is used for all inventories having a similar nature and use to the entity.

Agriculture inventories comprising agricultural produce that have been harvested from biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest. This is considered the cost of the inventories at that date.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.7 Leases

#### Definition

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

#### Classification

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

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

#### Operating leases as lessee

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 2.8 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

A contingent liability is:

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

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 provision is recognised when:

- there is a present obligation (legal or constructive) 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 amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. 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.

Future events that may affect the amount required to settle an obligation shall be reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

Gains from the expected disposal of assets are not be taken into account in measuring a provision.

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 it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

In the statement of financial performance, the expense relating to a provision is presented net of the amount recognised for a reimbursement.

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

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

Provisions are not recognised for deficits from future operating activities.

The present obligation (net of recoveries) under an onerous contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the activity/operating unit or part of an activity/operating unit concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and
- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructuring, and not associated with the ongoing activities of the entity.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Where a fee is received by the entity for issuing a financial guarantee, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, the entity recognises the obligation at the higher of:

- the amount determined using the Standard of GRAP on Provisions, Contingent liabilities and Contingent assets.
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the annual financial statements.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.9 Revenue from exchange transactions

#### Definition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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.

Revenue from exchange transactions consists primarily of services charges, rentals, interest received and other services rendered.

When considering the probability of the future economic benefits that will flow to the entity, consideration is given to the requirements as outlined in IGRAP 1.

#### Measurement

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

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.

### 2.10 Revenue from Non-Exchange Transactions

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.

Revenue from non-exchange transactions consists primarily of grants from National - and Provincial Government, Property rates and Fines revenue.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

#### **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.

When considering the probability of the future economic benefits that will flow to the entity, consideration is given to the requirements as outlined in IGRAP 1.

#### **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.

#### **Transfers**

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### **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.

#### **Conditional grants and receipts**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

## **2.11 Employee benefits**

### **Short-term employee benefits**

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset (see, for example, the Standards of GRAP on Inventories, Property, Plant and Equipment, Intangible Assets and Heritage Assets).

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### **Bonus, incentive and performance related payments**

The expected cost of profit-sharing and bonus payments are recognised when there is a present legal or constructive obligation to make such payments as a result of past events, and a reliable estimate of the obligation can be made. A present obligation exists when there is no realistic alternative but to make the payments.

### **2.12 Government grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the company. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the company.

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that:

- the entity will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised in surplus or deficit on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are expensed.

### **2.13 Related parties**

A related party is a person or 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the management of the entity (or its controlling entity).
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the controlling entity of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.14 Events after the reporting date

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

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

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

The entity will not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

If non-adjusting events after the reporting date are material, the entity discloses the nature and an estimate of the financial effect or a statement that such an estimate cannot be made.

### 2.15 Fruitless and wasteful expenditure

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

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

### 2.16 Irregular expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including the Public Finance Management Act, 1999 (Act No. 1 of 1999), the State Tender Board Act, 1968, or any regulations made in terms of that Act, or any provincial legislation providing for procurement procedures in that provincial government. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Accounting Policies

*Critical accounting estimates and judgements continued...*

### 3.1.1 Useful lives and residual values

These estimates are based on industry norms. Management will increase the depreciation charge prospectively where useful lives are less than previously estimated useful lives. Management will decrease the depreciation charge prospectively where useful lives are more than previously estimated useful lives. Where changes are made to the estimated residual lives, management also makes these changes prospectively.

### 4. New standards and interpretations

In the current year, the Museum has not adopted any standards and interpretations that are effective for the current financial year and that are relevant to its operations.

The Museum 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 2023 or later periods:

Standard	Standard effective date	Adopted in the current year (Y/N)	Expected impact
GRAP 25 - Employee benefits (revised)	TBD	N	Unlikely to have a material impact
GRAP 104 - Financial instruments (revised)	01 April 2025	N	Unlikely to have a material impact
IGRAP 7 - The limit on a defined benefit asset, minimum funding requirements and their interaction (revised)	TBD	N	Unlikely to have a material impact
IGRAP 21 - The effect of past decisions on materiality	01 April 2023	N	Unlikely to have a material impact
Guideline on Accounting for landfill sites	01 April 2023	N	Unlikely to have a material impact

The Museum expects to adopt the amendments for the first time when the Minister sets the effective date for the amendment.

## Luthuli Museum

Financial Statements for the year ended 31 March 2023

### Notes to the Financial Statements

#### Figures in R

#### 5. Property, plant and equipment

##### 5.1 Balances at year end and movements for the year

	Buildings - work in progress	Motor vehicles	Fixtures and fittings	Office equipment	Computer equipment	Total
<b>Reconciliation for the year ended 31 March 2023</b>						
<b>Balance at 1 April 2022</b>						
At cost	8,407,858	486,527	1,031,388	506,458	1,268,574	11,700,805
Accumulated depreciation	-	(443,730)	(859,572)	(425,900)	(799,221)	(2,528,423)
<b>Net book value</b>	<b>8,407,858</b>	<b>42,797</b>	<b>171,816</b>	<b>80,558</b>	<b>469,353</b>	<b>9,172,382</b>
<b>Movements for the year ended 31 March 2023</b>						
Additions from acquisitions	222,569	631,277	-	-	342,531	973,808
Additions through assets under construction	-	-	-	-	-	222,569
Depreciation	-	(6,275)	(42,814)	(33,646)	(137,901)	(220,636)
Disposals	-	(15,445)	-	-	-	(15,445)
<b>Property, plant and equipment at end of year</b>	<b>8,630,427</b>	<b>652,354</b>	<b>129,002</b>	<b>46,912</b>	<b>673,983</b>	<b>10,132,678</b>
<b>Closing balance at 31 March 2023</b>						
At cost	8,630,427	829,492	1,031,388	506,458	1,611,104	12,608,869
Accumulated depreciation	-	(177,138)	(902,386)	(459,546)	(937,121)	(2,476,191)
<b>Net book value</b>	<b>8,630,427</b>	<b>652,354</b>	<b>129,002</b>	<b>46,912</b>	<b>673,983</b>	<b>10,132,678</b>
<b>Reconciliation for the year ended 31 March 2022</b>						
<b>Balance at 1 April 2021</b>						
At cost	8,407,858	486,527	1,027,603	502,958	958,021	11,382,967
Accumulated depreciation	-	(400,933)	(817,177)	(392,487)	(653,419)	(2,264,016)
<b>Net book value</b>	<b>8,407,858</b>	<b>85,594</b>	<b>210,426</b>	<b>110,471</b>	<b>304,602</b>	<b>9,118,951</b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R

*Property, plant and equipment continued...*

### Movements for the year ended 31 March 2022

Additions from acquisitions	-	-	3,784	3,501	310,553	317,838
Depreciation	-	(42,797)	(42,394)	(33,414)	(145,802)	(264,407)
<b>Property, plant and equipment at end of year</b>	<b>8,407,858</b>	<b>42,797</b>	<b>171,816</b>	<b>80,558</b>	<b>469,353</b>	<b>9,172,382</b>
<b>Closing balance at 31 March 2022</b>						
At cost	8,407,858	486,527	1,031,388	506,458	1,268,574	11,700,805
Accumulated depreciation	-	(443,730)	(859,572)	(425,900)	(799,221)	(2,528,423)
<b>Net book value</b>	<b>8,407,858</b>	<b>42,797</b>	<b>171,816</b>	<b>80,558</b>	<b>469,353</b>	<b>9,172,382</b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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*Property, plant and equipment continued...*

### 5.2 Additional disclosures

Building - work in process

The construction of the building is taking longer than the significant period due to awaiting for the approval of the certificate of occupancy from the Kwadukuza Municipality.

An assessment was performed and there were no indication of impairments.

### 6. Intangible assets

#### Reconciliation of changes in intangible assets

	Computer software	Total
<b>Reconciliation for the year ended 31 March 2023</b>		
<b>Balance at 1 April 2022</b>		
At cost	54,271	54,271
Accumulated amortisation	(49,402)	(49,402)
<b>Net book value</b>	<b>4,869</b>	<b>4,869</b>
<b>Movements for the year ended 31 March 2023</b>		
Amortisation	(811)	(811)
<b>Intangible assets at end of period</b>	<b>4,058</b>	<b>4,058</b>
<b>Closing balance at 31 March 2023</b>		
At cost	54,271	54,271
Accumulated amortisation	(50,213)	(50,213)
<b>Net book value</b>	<b>4,058</b>	<b>4,058</b>
<b>Reconciliation for the year ended 31 March 2022</b>		
<b>Balance at 1 April 2021</b>		
At cost	54,271	54,271
Accumulated amortisation	(44,532)	(44,532)
<b>Net book value</b>	<b>9,739</b>	<b>9,739</b>
<b>Movements for the year ended 31 March 2022</b>		
Amortisation	(4,870)	(4,870)
<b>Intangible assets at end of period</b>	<b>4,869</b>	<b>4,869</b>
<b>Closing balance at 31 March 2022</b>		
At cost	54,271	54,271
Accumulated amortisation	(49,402)	(49,402)
<b>Net book value</b>	<b>4,869</b>	<b>4,869</b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

### Figures in R

#### 7. Heritage assets

##### 7.1 Balances at year end and movements for the year

	Works of art - revaluation	Contents of Luthuli House - revaluation	Collections of rare books - revaluation	Collections of archival documents - revaluation	Collections of multimedia - revaluation	Objects - revaluation	Total
<b>Reconciliation for the year ended 31 March 2023</b>							
<b>Balance at 1 April 2022</b>	3,321,124	296,480	410,005	779,049	1,885,087	139,940	6,831,685
Gross carrying amount	<u>3,321,124</u>	<u>296,480</u>	<u>410,005</u>	<u>779,049</u>	<u>1,885,087</u>	<u>139,940</u>	<u>6,831,685</u>
<b>Net carrying amount</b>							
<b>Movements for the year ended 31 March 2023</b>							
Additions	199,000	-	270	-	-	-	199,270
Impairment loss recognised in surplus or deficit	(99,000)	-	-	-	-	-	(99,000)
	<u>3,421,124</u>	<u>296,480</u>	<u>410,275</u>	<u>779,049</u>	<u>1,885,087</u>	<u>139,940</u>	<u>6,931,955</u>
<b>Closing balance at 31 March 2023</b>							
Gross carrying amount	3,520,124	296,480	410,275	779,049	1,885,087	139,940	7,030,955
Accumulated impairment	(99,000)	-	-	-	-	-	(99,000)
<b>Net carrying amount</b>	<u>3,421,124</u>	<u>296,480</u>	<u>410,275</u>	<u>779,049</u>	<u>1,885,087</u>	<u>139,940</u>	<u>6,931,955</u>
<b>Reconciliation for the year ended 31 March 2022</b>							
<b>Balance at 1 April 2021</b>	3,321,124	300,380	401,230	784,899	1,881,504	139,940	6,829,077
Gross carrying amount	-	-	-	(5,000)	-	-	(5,000)
Accumulated impairment	<u>3,321,124</u>	<u>300,380</u>	<u>401,230</u>	<u>779,899</u>	<u>1,881,504</u>	<u>139,940</u>	<u>6,824,077</u>
<b>Net carrying amount</b>							
<b>Movements for the year ended 31 March 2022</b>							
Additions	-	-	9,750	-	5,083	-	14,833
Impairment loss recognised in surplus or deficit	-	(3,900)	(975)	(850)	(1,500)	-	(7,225)
	<u>3,321,124</u>	<u>296,480</u>	<u>410,005</u>	<u>779,049</u>	<u>1,885,087</u>	<u>139,940</u>	<u>6,831,685</u>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R

*Heritage assets continued...*

### Closing balance at 31 March 2022

Gross carrying amount	3,321,124	300,380	410,980	784,899	1,886,587	139,940	6,843,910
Accumulated impairment	-	(3,900)	(975)	(5,850)	(1,500)	-	(12,225)
<b>Net carrying amount</b>	<b>3,321,124</b>	<b>296,480</b>	<b>410,005</b>	<b>779,049</b>	<b>1,885,087</b>	<b>139,940</b>	<b>6,831,685</b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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*Heritage assets continued...*

### 7.2 Additions

For recognition of heritage assets, the asset needs to be controlled by the Luthuli Museum as a result of the past events. Such events may include: purchases, donations, bequeath, loans or transfer.

### 7.3 Heritage assets on loan from other entity

No loan agreements have been concluded with any other entity.

### 7.4 Restrictions on title and disposal of heritage assets

There are no restrictions on heritage assets title and disposal thereof.

### 7.5 Net carrying amount of heritage assets pledged as security for liabilities

There are no heritage assets that have been pledged as security for any financial liabilities.

### 7.6 Amount of contractual commitments for the acquisition, maintenance and restoration of heritage assets

There are no contractual commitments for the acquisition, maintenance and restoration of heritage assets.

### 7.7 Revaluation of heritage assets

Luthuli Museum is in custody of items of heritage assets in the form of documents, photographs, books, audio-visuals, paintings and other artefacts which were evaluated by independent valuer: Paul Myson, a Fellow of the International Fine Art and Antiques Appraisers Association.

### 7.8 Impairment losses and reversals

GRAP 103.59 requires that an entity shall assess heritage assets for indications of impairment at each reporting date. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of each heritage asset.

Indicators of impairment include but are not limited to the following;

External sources of information:

- Significant decline of the asset's market value more than expected as a result of passage of time or normal use.
- The absence of an active market for a revalued heritage asset.

Internal sources of information:

- Evidence is available of physical damage or deterioration of the heritage asset.
- A decision to halt the construction of the heritage asset before it is complete or in A usable form.

### 7.9 Loss control register

The Luthuli Museum maintains a loss control register. This register contains items that have been accessioned but cannot be located. At the end of the 2021/22 financial year the register comprised of items of the value of R4 325.00 and the items that were duplicated amounted to R2 900.00.



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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*Heritage assets continued...*

### 7.10 Backlog register

The Luthuli Museum maintains a backlog register which comprises of books and photographs which are at the Museum but are not accompanied by ownership documents or legal transfers from donors. This backlog register is valued on an annual basis as all assets acquired by means of purchase will initially be measured at cost. Where no cost can be determined the fair value will be determined as at the date of recognition.

In the 2020/2021 financial year an investigation was conducted by the Museum on the backlog to obtain ownership documents however, the Museum was not successful in this regard.

In 2021/2022 a valuation was conducted on two items located in the education section. These items have no provenance and they were valued at R1 000.00 and added to the backlog register.

In the previous year, the backlog was valued at R15 833.15.

### 8. Inventories

**Inventories comprise:**

Inventory - books	29,382	6,083
Inventory - DVDs	2,350	2,350
	<u>31,732</u>	<u>8,433</u>

### 9. Trade and other receivables

**Trade and other receivables comprise the following balances**

Loans and other receivables	63,406	17,718
Prepayment	18,142	20,517
	<u>81,548</u>	<u>38,235</u>

### 10. Cash and cash equivalents

#### 10.1 Cash and cash equivalents comprise:

#### **Cash**

Balances with banks	7,315,062	6,691,353
<b>Total cash</b>	<u>7,315,062</u>	<u>6,691,353</u>

#### **Cash equivalents**

Short term deposits	4,322,575	5,227,800
<b>Total cash equivalents</b>	<u>4,322,575</u>	<u>5,227,800</u>

<b>Total cash and cash equivalents included in current assets</b>	<u>11,637,637</u>	<u>11,919,153</u>
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<b>Net cash and cash equivalents</b>	<u>11,637,637</u>	<u>11,919,153</u>
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# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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*Cash and cash equivalents continued...*

### 10.2 Securities provided

#### Description

FNB credit card

#### Details

Funds held on the FNB money market account amounting to R50 000 have been pledged as security for the Luthuli Museum credit card facility.

### 10.3 Detail of cash and cash equivalent balances

#### Bank balances

FNB current account

4,799,128

4,303,016

FNB 32 day notice account

2,515,934

2,388,337

#### Total

7,315,062

6,691,353

#### Short term deposits

FNB money market account

4,322,575

5,227,800

### 11. Provisions

#### Other provisions

#### Balance at 1 April 2022

Reductions in the carrying amounts of provisions resulting from remeasurement of the estimated future outflow of economic benefits of the provisions without cost to the entity

425,262

245,594

Total

670,856

(315,289)

-

(315,289)

Increase through adjustments arising from passage of time

-

6,499

6,499

Total changes

(315,289)

6,499

(308,790)

#### Balance at 31 March 2023

109,973

252,093

362,066

### 12. Trade and other payables

#### Trade and other payables comprise:

Trade payables

117,712

209,391

Accrued expense

143,000

143,000

Credit card

50,007

20,291

310,719

372,682

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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### 13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprise the following balances

	Special project grant	Heritage assets grant	Feasibility study grant	Total
Balance as 01 April 2021	-	109,176	159,181	268,357
Grants received	700,000			700,000
Grants transferred to revenue	-	(9,660)		(9,660)
<b>Balance as 31 March 2022</b>	<b>700,000</b>	<b>99,516</b>	<b>159,181</b>	<b>958,697</b>
Grants received	-			-
Grants transferred to revenue	(4,320)	(8,970)		(13,290)
<b>Balance as at 31 March 2023</b>	<b>695,680</b>	<b>90,546</b>	<b>159,181</b>	<b>945,407</b>

#### Additional disclosure

##### Heritage assets grant

The Heritage Assets Grant comprises of funds received from the Department of Sports, Arts and Culture for assisting the Luthuli Museum to evaluate the Heritage Assets in order to determine the market values of inclusion in the Statement of Financial Position.

The Heritage Assets Conditional Grant balance at 31 March 2023 amounts to R90 546.00

##### Feasibility study grant

The Feasibility Study Grant comprises of funds received from the Department of Sports, Arts and Culture for assisting the Luthuli Museum with the feasibility study of the creation of the Chief Albert Luthuli Memorial Site.

The Feasibility Study Grant balance at 31 March 2023 amounts to R159 181.00

##### Special project grant

The Special Project Grant comprises of funds received from the Department of Sports, Arts and Culture for the Public Art Mural Project that will take place at the Chief Albert Luthuli Monument Site in eThembeni. The funding is under the umbrella of the Presidential Employment Stimulus Programme (PESP) aimed at youth employment creation.

The Special Projects Grant balance was transferred to revenue

### 14. Fruitless and wasteful expenditure

#### 14.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	17,337	17,337
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#### 14.2 Details of incidents of fruitless and wasteful expenditure

##### Incident

The fruitless and wasteful expenditure incurred to date comprises of interest and penalties paid to the South African Receiver of Revenue Services.	17,337	17,337
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# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
<b>15. Irregular expenditure</b>		
<b>15.1 Reconciliation of irregular expenditure</b>		
Opening balance	6,918,536	16,054,986
Add: irregular expenditure - current year	2,211,001	1,668,154
Less: Condoned or written off by relevant authority	-	(10,804,604)
	<u>9,129,537</u>	<u>6,918,536</u>
<b>15.2 Details of incidents of irregular expenditure</b>		
<b>Incident</b>		
Prior year irregular expenditure was identified by Management and the determination test is being conducted.	-	1,668,154
In line with the NT Instruction Note No. 2 of 2019/2022 amending the Irregular Expenditure Framework, an application for the removal of the irregular expenditure from the notes was conducted. Irregular Expenditure in an amount of R10 804 604.14 was condoned by The National Treasury on the 07/06/2022.		(10,804,604)
Current year irregular expenditure relates to operations and was identified by Management.	<u>2,211,001</u>	<u>-</u>
<b>16. Contingent Liabilities</b>		
Contingent liability is a possible obligation depending on whether some uncertain future event or an obligation occurs yet payment is not probable or the amount cannot be reliably measured.		
Contingent liabilities are thus not recognised in the statement of financial position as a liability but are included in the disclosure notes, unless the possibility of an outflow of economic resources is remote.		
The Luthuli Museum dismissed an employee in 2017, the matter has proceeded to the Labour Court. The legal representative of the Luthuli Museum estimated that the contingent liability was R250 000.00 for the 2021/2022 financial year. The Luthuli Museum effected an inflationary adjustment of 25% resulting in a provision of R312 500.00 contingent liability for the 2021/2022 financial year. For the current financial year The Luthuli Museum affected an inflationary adjustment of 10% resulting in a provision of R343 750.00 contingent liability.		
<b>17. Revenue from non-exchange transactions</b>		
<b>Revenue from non-exchange transactions comprise:</b>		
Donations received	-	11,081
Income from investments	349,800	153,782
Government grants and subsidies (Note 18.)	<u>17,700,290</u>	<u>17,058,660</u>
	<u>18,050,090</u>	<u>17,223,523</u>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
<b>18. Government grants and subsidies</b>		
<b>Government grants and subsidies comprise:</b>		
<b>Operating grants</b>		
Government grants and subsidies - operating	17,695,970	17,058,660
<b>Capital and special grants</b>		
Government grants and subsidies - special	4,320	-
	<u>17,700,290</u>	<u>17,058,660</u>
<b>19. Revenue from exchange transactions</b>		
<b>Revenue from exchange transactions comprise:</b>		
Tender deposits	-	8,100
Sales - Books	2,680	500
Sales - T-Shirts	1,116	-
Sales - Caps	56	-
Sales - Mugs	29	-
Profit on sale of property, plant and equipment	174,555	-
	<u>178,436</u>	<u>8,600</u>
<b>20. Administrative expenses</b>		
<b>Administrative expenses comprise:</b>		
HR - administrative fees	132,175	47,987
Lease rental on operating lease	106,172	132,372
Training	56,886	31,341
Bank charges	20,756	17,653
Computer expenses	504,709	259,561
Sundry expenses	-	46,843
Postage	4,493	9,463
Printing and stationery	74,741	102,619
Telephone and fax	188,919	203,804
	<u>1,088,851</u>	<u>851,643</u>
<b>21. Audit fees</b>		
<b>Audit fees comprise:</b>		
Internal audit	376,119	353,998
Statutory audit	969,622	869,690
	<u>1,345,741</u>	<u>1,223,688</u>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
<b>22. Employee costs</b>		
<b>Employee costs comprises:</b>		
Basic salaries	3,657,135	5,764,112
Casual wages	5,394	3,424
Medical aid contributions	496,956	
Pension fund contributions	1,707,512	
Annual leave provision	(315,287)	9,723
Service bonus provision	6,499	31,968
Salaries and wages	<u>5,558,209</u>	<u>5,809,227</u>
Director	1,156,311	1,117,209
Finance manager	942,788	840,836
Curator	682,778	659,688
Marketing manager	588,824	568,911
Management emoluments	<u>3,370,701</u>	<u>3,186,644</u>
	<b><u>8,928,911</u></b>	<b><u>8,995,871</u></b>
Number of employees	20	20
<b>23. Governance expenditure</b>		
<b>Governance expenditure comprise:</b>		
Honorarium fee	<u>1,004,751</u>	<u>1,028,394</u>
<b>24. Operating expenses</b>		
<b>Operating expenses comprise:</b>		
Cleaning	38,910	24,483
Consulting, contractors and special services	561,876	496,931
Electricity and water	217,919	269,513
Entertainment	45,193	45,102
Insurance	166,901	201,582
Repairs and maintenance	724,296	322,947
Travel and accomodation - Council	586,517	231,561
Travel and subsistence	482,090	289,612
	<b><u>2,823,702</u></b>	<b><u>1,881,731</u></b>
<b>25. Marketing expenditure</b>		
<b>Marketing expenditure comprise:</b>		
Advertising and promotions	160,123	508,770
Public programmes - Other	831,159	556,222
Public programmes - Luthuli lecture	199,895	-
Public programmes - Luthuli walk	296,052	-
	<b><u>1,487,229</u></b>	<b><u>1,064,992</u></b>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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### 26. Income tax expense

#### Additional disclosures

Luthuli Museum is a Schedule 3A Public Entity that is exempted from income taxation under section 10(1)(cN)(I) of the Income Tax Act.

### 27. Change in accounting estimates

#### Change in estimate

##### Property, plant and equipment

The Luthuli Museum on an annual basis, assesses the useful lives and residual values of items of property, plant and equipment. These assessments are based on historic analysis, benchmarking and the latest available and reliable information.

##### Motor vehicles

The useful lives of affected items of motor vehicles have been extended to 7 years and the effect on the current and future periods will be a reduction in the depreciation charge of R36 682.82.

##### Computer equipment

The useful lives of affected items of computer equipment have been extended to 5 years and the effect on the current and future periods will be a reduction in the depreciation charge of R71 784.21.

##### Computer software

The useful lives of affected items of computer software have been extended to 6 years and the effect on the current and future periods will be a reduction in the amortisation charge of R4 057.94.

### 28. Events after the reporting date

No events or circumstances arising after the reporting date have come to the attention of management that would require adjustments to or disclosure in the financial statements.

### 29. Going concern

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.

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

### 30. Operational commitments

#### Commitments in respect of operational expenditure:

##### Approved and contracted for

	Siyajabula Security Services	Morar Inc	Boss Technical Solutions	Total
Services	353,927	14,777	187,322	556,026



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
<b>31. Financial assets</b>		
<b>Carrying amount of financial assets by category</b>		
	<b>At amortised cost</b>	<b>Total</b>
<b>Year ended 31 March 2023</b>		
Trade and other receivables	81,548	81,548
Cash and cash equivalents (Note 10)	11,637,637	11,637,637
	<b>11,719,185</b>	<b>11,719,185</b>
<b>Year ended 31 March 2022</b>		
Trade and other receivables	38,235	38,235
Cash and cash equivalents (Note 10)	11,919,153	11,919,153
	<b>11,957,388</b>	<b>11,957,388</b>
<b>32. Financial liabilities</b>		
<b>Carrying amount of financial liabilities by category</b>		
	<b>At amortised cost</b>	<b>Total</b>
<b>Year ended 31 March 2023</b>		
Trade and other payables (Note 12)	117,710	117,710
<b>Year ended 31 March 2022</b>		
Trade and other payables (Note 12)	209,392	209,392
<b>33. Financial risk management</b>		
<b>33.1 Financial risk factors</b>		
<p>The Luthuli Museum activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Luthuli Museum overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Luthuli Museum financial performance. The Luthuli Museum uses derivative financial instruments to hedge certain risk exposures.</p> <p>Risk management is carried out by the Luthuli Museum Council which identifies, evaluates and hedges financial risks in close co-operation with the Audit Committee which provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.</p>		
<b>33.2 Market Risk</b>		
<p>Market risk is the risk that changes in the market prices, such as the interest rates will affect the Luthuli Museum's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing return.</p>		
<b>33.2.1 Foreign exchange risk</b>		
<p>Foreign exchange risk is the risk that arises from the exposure of foreign currency transactions and the fluctuations in the forex market. The Luthuli Museum does not engage in foreign currency transactions and is not exposed to this risk.</p>		

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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### *Financial risk management continued...*

#### 33.2.2 Interest rate risk

Interest rate risk is the risk that arises from exposure to credit facilities. The Luthuli Museum maintain a business credit card facility which it uses for air travel arrangements and e-commerce transactions. The payment plan is through debit order against the current account thus limiting exposure to interest charges.

#### 33.2.3 Fair values

The fair values of financial assets and liabilities are the same as the carrying values reflected in the statement of financial position.

#### 33.3 Credit risk

Credit risk is the risk of financial loss to Luthuli Museum if a customer or counterparty to a financial instrument fails to meet its contractual obligations and rises principally from Luthuli Museum' receivables from customers.

##### **Trade and other receivables**

The Luthuli Museum has no significant exposure to credit risk, the credit risk applicable to Luthuli Museum amounted to R0.00 for the year ended 31 March 2023.

##### **Investments**

The Luthuli Museum limits its exposure to credit risk by investing only in high liquid investments that are held only at the approved banking institution with maturities of three months or less and that are subject to insignificant interest rate risk

#### 33.4 Liquidity risk

Liquidity risk is the risk that the Luthuli Museum will not be able to meet its financial obligations as they fall due. The Luthuli Museum's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Luthuli Museum's reputation.

It is the policy of the Luthuli Museum, in line with the National Department of Sport, Arts and Culture not to borrow monies. The Luthuli Museum maintain a business credit card which it uses for air travel arrangements and e-commerce transactions.

##### **Trade and other payables**

The Luthuli Museum is only exposed to liquidity risk with regard to the payment of its payables. These payables are all due within the short-term.

#### 34. Lease rental on operating lease

Operating lease commitments - Mr. M Guma

Due in 12 months	70,240	63,855
Due in 24 months	97,029	-
Due in 4-5 years		167,270
	<u>167,269</u>	<u>231,125</u>

Operating lease commitments - Mrs. S Guma

Due in 12 months	46,675	42,432
Due in 3-5 years		154,496
Due in 4-5 years	107,820	-
	<u>154,496</u>	<u>196,928</u>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
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### 35. Prior period errors

#### Marketing expenditure

In the prior year financial statements an invoice of R5250.00 was raised as a creditor but when payment of that invoice was made on the cash book it was allocated to the public programmes expense account thus overstating both the trade and other payables and public programme expense account.

The correction of the error results in adjustments as follows:

#### Statement of Financial Performance

Decrease in marketing expenditure	5,250
	<u>5,250</u>

#### Statement of Financial Position

Decrease in trade and other payables	(5,250)
Increase in accumulated surplus	5,250
	<u>-</u>

#### Audit fees

An internal audit fee invoice of R117 390.00 was recorded in an incorrect period using the payment date instead of the invoice date which fall on the prior year.

The correction of the error results in adjustments as follows:

#### Statement of Financial Performance

Increase in Audit Fees	117,390
	<u>117,390</u>

#### Statement of Financial Position

Increase in trade and other payables	117,390
Decrease in accumulated surplus	(117,390)
	<u>-</u>

	As previously reported	Correction of error	Restated
<b>Statement of Financial Position: Extract 2022</b>			
Accumulated surplus	26,084,660	(112,140)	25,972,520
Trade and other payables	260,545	112,140	372,685
	<u>26,345,205</u>	<u>-</u>	<u>26,345,205</u>
<b>Statement of Financial Performance: Extract 2022</b>			
Audit fees	(1,106,298)	117,390	(1,223,688)
Marketing expenditure	(1,070,242)	(5,250)	(1,064,992)
	<u>(2,176,540)</u>	<u>112,140</u>	<u>(2,288,680)</u>
<b>Notes to the Annual Financial Statements: Extract 2022</b>			
Audit fees	(1,106,298)	(117,390)	(1,223,688)
Marketing expenditure	(1,070,242)	5,250	(1,064,992)
Public programmes	(561,472)	5,250	(556,222)
	<u>(2,738,012)</u>	<u>(106,890)</u>	<u>(2,844,902)</u>
<b>Statement of Cash Flows: Extract 2022</b>			
Payments to suppliers for goods and services	(5,180,438)	-	(5,180,438)
Net cash flows from operations	3,044,733	-	3,044,733
	<u>(2,135,705)</u>	<u>-</u>	<u>(2,135,705)</u>

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
<b>36. Comparative information restated</b>		
The Luthuli Museum comparative information has been restated.		
<b>37. Related parties</b>		
<b>Relationships</b>		
Controlling entity		National Department of Sport, Arts and Culture
Executive authority		Minister of Sports, Arts and Culture All entities which fall under the portfolio of Minister of Sport, Arts and Culture
Accounting authority		Council members
Custodian of immovable assets		National Department of Public Works and Infrastructure
<b>Related party balances</b>		
National Department of Sport, Arts and Culture		
Operational grant	17,678,030	17,049,000
Conditional grant	249,727	958,696
	<u>17,927,757</u>	<u>18,007,696</u>
Council members fees paid:		
Dr. A Luthuli - retired 28/08/2022	3,484	73,164
Dr. M Mchunu	124,470	137,829
Hon I Mkhize	187,830	140,336
Mr. J Matlou	95,044	102,778
Mr. S Dlamini	99,949	96,005
Mr. S Luthuli - appointed 28/10/2022	9,847	
Mr. S Mabilane	110,072	149,818
Mr. T Tsematse	121,384	93,713
Ms. B Chiliza - resigned 03/09/2022	43,170	56,121
Ms. S Mthembu	103,792	87,100
Ms. M Nchabeleng - appointed 21/10/2022	16,188	
Ms. W Oelofetse - appointed 21/10/2022	40,220	
South African National Deaf Association	49,300	46,500
Mr. T Maphanga - appointed 21/10/2022	-	
	<u>1,004,750</u>	<u>983,364</u>
Mr. D Nduli (He is a related party on a project relating to Luthuli Detachment. He is paid a Honorarium Fee for work done with The Luthuli Museum during the prior financial year.)	-	45,030
Senior management	3,370,701	3,186,644
	<u>4,375,451</u>	<u>4,215,038</u>

## 37 Budget information and explanation of differences

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

Figures in R	2023	2022 Restated
<b>37.1</b>	This is a subsidy Income Received from DSAC	
<b>37.2</b>	This income is for the special project called Public Art Mural Project. The funding is under the Presidential Employment Stimulus Programme (PESP) aimed at youth employment creation.	
<b>37.3</b>	Income from book sales	
<b>37.4</b>	Sales from branded t-shirts	
<b>37.5</b>	Sales from branded cap	
<b>37.6</b>	Sales from branded mugs	
<b>37.7</b>	No donations received during the year	
<b>37.8</b>	Interest received from FNB investment accounts, funds which are not used are invested into these accounts to earn interest until they are utilised. We do not budget for the interest received as we are not in the investment business.	
<b>37.9</b>	General saving on expenses	
<b>37.10</b>	This over expenditure was an error on the calculation of the number of the instalments remaining during the budget review.	
<b>7.11.1</b>	This was a savings on adverts and promotion because the Chief Albert Luthuli Lecture for 2022 was hybrid event not a full sitting events that require high promotional costs.	
<b>7.11.2</b>	Over expenditure as the museum was required to prepare for the surprise visit of The President towards the end of March 2023 which was not budgeted.	
<b>7.11.3</b>	This was a savings because the Chief Albert Luthuli Lecture for 2022 was hybrid event not a full sitting events that require high expenditure.	
<b>7.11.4</b>	Event was within the budgeted amount	
<b>37.12</b>	This was a general savings on bank expenses.	
<b>37.13</b>	General saving on expenses	
<b>37.14</b>	Museum made a saving because the contract for the new service provide was suppose to start in June but it was finalized in September 2022.	
<b>37.15</b>	This was a saving due to the fact that the courier service was reduced because most documents are now submitted in soft copies to DSAC as compared to hard copies previously	
<b>37.16</b>	Depreciation and amortisation rates were revised which resulted in the current depreciation being lower than the budgeted amount.	
<b>37.17</b>	No donations paid during the year	
<b>37.18</b>	General saving on expenses	
<b>37.19</b>	Over expenditure as the museum was required to prepare for the surprise visit of The President towards the end of March 2023 which was not budgeted.	
<b>37.20</b>	General saving on HR Admin as the museum is currently busy filling up the vacant positions	
<b>37.21</b>	This was a general savings on the insurance premium	
<b>37.22</b>	General saving on expenses	
<b>37.23</b>	There were no legal fee costs incurred in the current year.	
<b>37.24</b>	Over expenditure due to the increase in the diesel purchased as a result of the load shedding.	
<b>37.25</b>	This was a saving due to the fact that the print service was reduced because most documents are now submitted in soft copies to DSAC as compared to hard copies previously	
<b>37.26</b>	Over expenditure due to the number of items repaired during the year	
<b>37.27</b>	This was a project to install a palisade fence for the new parking in the museum.	
<b>37.28</b>	Savings because the position for PA and HR Practitioner were vacant during the year	
<b>37.29</b>	Savings as there less casuals employed during the year	
<b>37.30</b>	No subscription paid during the year.	
<b>37.31</b>	Saving as a result that training more training will be conducted in the first and second quarter of the new year	
<b>37.32</b>	Maintenance staff uniform is purchased in phases and more unit form will be purchased in the new year and these funds will be transfer to the new financial year.	
<b>37.33</b>	This expense is for the special project called Public Art Mural Project. The funding is under the Presidential Employment Stimulus Programme (PESP) aimed at youth employment creation.	
<b>37.34</b>	General saving on expenses	
<b>37.35</b>	General saving on expenses	
<b>37.36</b>	Staff members received invitation from DSAC to attend the events towards the end of the year which were not budgeted like Unisa Symposium, Humans Rights Day etc.	

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Notes to the Financial Statements

<b>Figures in R</b>	<b>2023</b>	<b>2022</b> <b>Restated</b>
<b>37.37</b> Council Members received invitation from DSAC to attend the events towards the end of the year which were not budgeted like Unisa Symposium, Humans Rights Day etc.		
<b>37.38</b> General saving on expenses		
<b>37.39</b> This is an ongoing project which is paid from the Heritage Assets Conditional Grant. The Balance in 2022 was R 99,519.00 less R 8,970.00 remaining balance is R 90,546.00 for 2023 financial year.		

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Comparison of Budget and Actual Amounts

Figures in R

Notes

### Statement of financial performance

		Approved	Actual	Difference	Variance
	36	budget	amounts on	between final	percentage
			comparable	budget and	
			basis	actual	
Subsidy Income	37.1	17,687,000	17,695,970	(8,970)	(0.05)
PESP Public Art Project	37.2	-	4,320	(4,320)	(100.00)
Sales - Books	37.3	-	2,680	(2,680)	(100.00)
Sales - T-Shirts	37.4	1,000	1,116	(116)	(11.60)
Sales - Caps	37.5	-	56	(56)	(100.00)
Sales - Mugs	37.6	-	29	(29)	(100.00)
Profit on sale of property, plant and equipment		-	174,555	(174,555)	(100.00)
Donations received	37.7	50,000	-	50,000	100.00
Transfer from investments		1,016,811		1,016,811	100.00
Income from investments	37.8	-	349,800	(349,800)	(100.00)
<b>Total revenue</b>		<b>18,754,811</b>	<b>18,228,526</b>	<b>526,285</b>	



# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Comparison of Budget and Actual Amounts

Figures in R	Notes				
<b>Expenditure</b>					
Audit fees	37.9	(1,482,193)	(1,345,741)	(136,452)	9.21
Security	37.10	(496,722)	(493,334)	(3,388)	0.68
Advertising		-	-	-	
Adverts and promotions	37.11.1	(181,274)	(160,123)	(21,151)	11.67
Public programs	37.11.2	(834,632)	(831,159)	(3,473)	0.42
Luthuli lecture	37.11.3	(220,000)	(199,895)	(20,105)	9.14
Luthuli walk	37.11.4	(300,000)	(296,052)	(3,948)	1.32
Bank charges	37.12	(52,088)	(20,756)	(31,332)	60.15
Cleaning	37.13	(43,766)	(38,910)	(4,856)	11.10
Computer expenses	37.14	(673,000)	(504,709)	(168,291)	25.01
Consulting fees		(54,390)	(54,652)	262	(0.48)
Postage	37.15	(12,608)	(4,493)	(8,115)	64.36
Depreciation	37.16	(341,948)	(220,636)	(121,312)	35.48
Impairment	37.16	-	(99,000)	99,000	(100.00)
Amortisation	37.16	(4,052)	(812)	(3,240)	79.96
Donations	37.17	(3,061)	-	(3,061)	100.00
Electricity and water	37.18	(260,000)	(217,919)	(42,081)	16.19
Entertainment	37.19	(45,312)	(45,193)	(119)	0.26
HR - Administrative fees	37.20	(186,829)	(132,175)	(54,654)	29.25
Insurance	37.21	(214,500)	(166,901)	(47,599)	22.19
Lease rental on operating lease	37.22	(122,036)	(106,172)	(15,864)	13.00
Legal expense	37.23	(123,491)	-	(123,491)	100.00
Motor vehicle expense	37.24	(265,380)	(265,105)	(275)	0.10
Printing and stationery	37.25	-	-	-	-
Annual rep and broch		(56,308)	(16,891)	(39,417)	70.00
Stationery		(57,749)	(57,850)	101	(0.18)
Repairs and maintenance	37.26	(558,808)	(558,446)	(362)	0.06
Employee expense - salaries	37.28	(10,016,141)	(8,923,517)	(1,092,624)	10.91
Employee expense - casual wages	37.29	(10,000)	(5,394)	(4,606)	46.06
Subscriptions	37.30	(985)	-	(985)	100.00
Training	37.31	(75,371)	(56,886)	(18,485)	24.53
Protective clothing	37.32	(9,254)	(600)	(8,654)	93.52
PESP public art project costs	37.33		(4,320)	4,320	(100.00)
Telephone	37.34	(85,240)	(73,332)	(11,908)	13.97
Cellphone expenses	37.35	(126,272)	(115,587)	(10,685)	8.46
Travel and accomodation - staff	37.36	(217,337)	(216,985)	(352)	0.16
Travel and accomodation - Council	37.37	(587,404)	(586,517)	(887)	0.15
Honorarium fees	37.38	(1,036,660)	(1,004,751)	(31,909)	3.08
<b>Total expenses</b>		<b>(18,754,811)</b>	<b>(16,824,813)</b>	<b>(1,929,998)</b>	
<b>Surplus for the year</b>		-	<b>1,403,713</b>	<b>(1,929,998)</b>	
<b>Capital projects</b>					
Pallisade face	37.27	(165,850)	(165,850)	-	-
GRAP 103	37.39	(8,970)	(8,970)	-	-
		<b>(174,820)</b>	<b>(174,820)</b>	-	-
<b>Net surplus for the year</b>		<b>(174,820)</b>	<b>1,228,893</b>	<b>(1,929,998)</b>	

# Luthuli Museum

Financial Statements for the year ended 31 March 2023

## Statement of Comparison of Budget and Actual Amounts

<b>Figures in R</b>	<b>Notes</b>		
<b>Capital additions</b>			
Buildings - work in progress	-	222,569	(222,569) (100.00)
Motor vehicles	-	631,277	(631,277) (100.00)
Computer equipment	-	342,530	(342,530) (100.00)
Works of art - cost	-	199,000	(199,000) (100.00)
Contents of Luthuli House - cost	-	(3,900)	3,900
Collections of rare books - cost	-	(705)	705
Collections of archival documents - cost	-	(5,850)	5,850
Collections of multimedia - cost	-	(1,500)	1,500
	-	<b>1,383,421</b>	<b>(1,383,421)</b>



an agency of the  
Department of Sport, Arts and Culture

# Luthuli Museum

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