



LUTHULI MUSEUM ANNUAL REPORT 2023 – 2024



RP202/2024
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Luthuli Museum Annual Report 2023/2024

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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	luthulimuseum@luthulimuseum.org.za
Website Address	www.luthulimuseum.org.za
Internal Auditors	MORAR Inc. Chartered Accountants SA. Ukukhanya Advisory Services
External Auditors	AGSA
Bankers Information	First National Bank

A.2 LIST OF ABBREVIATIONS

AA	Accounting Authority
ARC	Audit and Risk Committee
AO	Accounting Officer
APP	Annual Performance Plan
AR	Annual Report
APR	Annual Performance Report
AFS	Annual Financial Statements

AGSA	Auditor General of South Africa
DSAC	Department of Sports, Arts and Culture
EA	Executive Authority
FINCOM	Finance Committee
GRAP	General Accounting Standards
HRREMCO	Human Resources and Remuneration Committee
IA	Internal Auditors
MTEF	Medium Term Expenditure Framework
MRCOM	Marketing and Research Committee
SP	Strategic Plan

A.3 FOREWORD BY THE MUSEUM COUNCIL CHAIRPERSON



Prof. Mxolisi Mchunu

We close this 2023-24 financial year in memory of our late Chairperson of Council, Mr I Mkhize who diligently and with commitment led this entity since 2018. May his soul rest in peace. A new member has been appointed by the Minister to replace Mr Mkhize. This ensures that there is proper representation within Council from a governance point of view.

The Museum has again achieved an unqualified audit outcome for 2023-24 financial year, a notable achievement. Further work and effort is required from management to achieve a clean audit.

The Minister of DSAC has seen fit to extend our Council term of office for another year. I believe that is in consideration of the pending amalgamation of entities and formation of flagship institutions. The amalgamation process is not yet concluded.

The extension of our term of Council has provided an opportunity to enable the Museum to reflect and finalize some of the important work we had pursued as an oversight body.

We close this reporting year with the end of term of the 6th administration of government and the 5-year MTSF. The Museum is nearing its mark of 20 Years since it was established. I believe as this Council we have achieved a lot in elevating the legacy of Chief Albert Luthuli. A Memorandum of Understanding was signed with Solusi University in Zimbabwe thus opening another chapter in the global footprints of Chief Albert Luthuli.

Another leg of Luthuli's life (and impact) in the United States of America beckons the Museum. An edited publication reflecting on the Albert Luthuli Memorial Lectures' 15 years milestone is in the making for delivery in 2025. Financially and operationally the Museum remains on sound footing with promises of greater prospects in years to come. The Council has laid the foundation for the Museum to begin the integration of the life of Mrs. Nokukhanya Luthuli into the storyline and interpretation of the heritage site. As Council we note and support the reopening of the inquest into the 21 July 1967 death of Chief Albert Luthuli. We hope that the truth about what happened that fateful day 57 years ago will finally be revealed. I believe that the Luthuli Museum has done well in the past 5 years to fulfill its mandate. Our midterm assessment of the Museum performance was revealing in that regard.

I thank my colleagues within Council and management of the Museum for their dedication and commitment to the quest to grow this institution and the legacy of Chief Albert Luthuli, freedom fighter and Africa's first Nobel Peace Laureate.

May the Spirit of Luthuli Speak to All!

Prof. Mxolisi Mchunu

Chairperson: Luthuli Museum Council

A.4 MUSEUM DIRECTOR OVERVIEW



Mr Brian Xaba

The Luthuli Museum had a notable performance in the 2023-2024 financial year with respect to fulfilling its mandate of upholding the legacy of Chief Albert Luthuli and fulfilling its strategic outcomes, namely, efficiency and effectiveness in operations, accessibility and dissemination of information about the Museum and Chief Albert Luthuli; inclusive and empowered communities.

The Museum's performance this continued to focus on several key areas. These were educational outreach and community engagement programmes; exhibitions and collections; collaborations and partnerships; infrastructure and maintenance; profiling the legacy of Chief Albert Luthuli and lastly, financial performance and compliance.

Educational and community engagements included programmes with schools like the, the coding competitions; schools' chess programme; spell bee; the Inkosi Albert Luthuli Oral History Competition; live music workshops and many more.

The food garden project, the 'Night at the Museum' young girls programme and youth training activities on film making, entrepreneurial skills, creative writing, visual art techniques, served well for the museum in terms of capacity building for young people interested in life skill training.

In sharing of knowledge about Chief Albert Luthuli exhibitions like the *Nobel Peace Award* and the *Amasosha kaLuthuli* (which had a traveling component) served the Museum was able to foster a deeper understanding of South Africa's history and the principles of democracy and human rights. The Nobel Peace Award as an online exhibition expanded the reach of the museum far and beyond South Africa. Our museum library books collections was boosted with the acquisition of books relevant to the history of South Africa, its road to democracy and the quest for a transformed society as envisioned by those who fought for freedom. A milestone for the Museum this reporting year was the publishing and launch of a book on Chief Albert Luthuli by one of the elders in Groutville, Rev. Dr Chris Mzoneli. The book, which has been almost five (5) years in the making, is titled, *Chief Albert Luthuli: A Personal Tribute*. The Museum has embarked on two oral history projects with local elders from Groutville and also KwaMaphumulo to record and document what one of them called 'continued marginalized histories of ordinary South Africans. These projects promise to unearth important recollections that will weave new regional knowledge into South Africa's tapestry of the country's road to democracy.

Partnerships and collaborations are essential to promoting inclusiveness, alleviation of expenses for both parties and achievement of a heightened programme impact. The structuring and nurturing of these partnerships and collaborations is imperative for any organization's operational longevity. The Luthuli Museum's sustained lifespan since its establishment on 21 August 2004 has had to recognize this reality. This reporting year notable partnerships and collaborations included but not limited to, the Gcinamasiko Heritage Trust, the Happiness Foundation, the Groutville Jazz Club, the Solusi University in Bulawayo, Zimbabwe; the Ward 10 Committee in Groutville, Enterprise iLembe (district development agency); the local municipality, universities (UKZN; UNISA, UNIZUL), the Luthuli family, including our sister museums. Much was achieved in 2023-2024 by the Museum on a broader scale through these engagements. Of notable achievement, were the inaugural iLembe Book Festival that took place during the fourth quarter of our reporting year; and the Presidential Employment Stimulus Project (PESP) funding which enabled the museum (working with young visual artists) to be beautify the memorial site along the uMvoti River, where Chief Albert Luthuli was fatally injured on 21 July 1967.

There were several infrastructure repair and maintenance projects undertaken by the museum during this reporting year. Much of it was preventative maintenance to address deterioration and preserving the integrity of the facilities over time. More so, such interventions ensure a safe and aesthetically pleasing environment for visitors to the museum. The Luthuli 1927 Historic House, our main attraction, remains partially closed off to the public as the stages of the refurbishment work are implemented.

On the financial side, the museum has managed to use its resources effectively, focusing on optimizing the available budget to ensure sustainability of its operations and programmes. There remains the challenge for the museum to explore new funding opportunities to support its activities. Other areas that present opportunity for further intervention include, for example, staff training and development, marketing research to measure the impact of our service and diverse audience development, effective alignment of our work with legislation applicable to the nature of our work. Visitor numbers have grown this reporting year and are back to the pre-2020 growth trajectory. The Museum will need to align its operations to this new development in terms of facilities and human resource capacity.

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



Mr Brian Xaba

Director: Luthuli Museum

A.4 (1) INCOME AND STAFF COSTS

STATE GRANT

2020/2021	2021/2022	2022/2023	2023/2024
R14 915 000	R 17 058 660	R17 700 290	R17 689 000

A.4 (2) ANNUAL VISITOR NUMBERS

2020/2021	2021/2022	2022/2023	2023/2024
15 305	27 584	35 495	44 853



Grade 4 learners from North Coast Primary School, during one of their annual visits to Luthuli Museum.

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 2024.

Yours faithfully,



Mr Brian Xaba

Director: Luthuli Museum

Date:



Prof. Mxolisi Mchunu

Chairperson: Luthuli Museum Council

Date:

A.6 STRATEGIC OVERVIEW

A.6. (1) 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.(2) VISION: A Transformed Society inspired by the values and ideals of Chief Albert Luthuli

A.3.(3) MISSION: To 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 beneficitation 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. (4) 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).



Museum Research Officer (2nd from left) Mr Mthunzi Zungu with members (standing) of the Groutville Oral History Project. From L-R, Dr. Joe Ndaba; Mr. Linda Msomi; Rev. Ben Ndaba and Mr Sibusiso Mthembu. Seated is Rev. BK Dlodla who was interviewed.

PART B : PERFORMANCE INFORMATION

B.1 SITUATIONAL ANALYSIS

B.1.2 Service Delivery Environment

The heritage sector continues to be in a state of change and adjustment like many things in the country informed by the need to achieve efficiency, value for money and improve public service. The amalgamation process of the Department of Sport, Arts and Culture to establish museum flagships under the same theme continues steadily. The newly opened locally KwaDukuza Museum in Stanger indicates the growing need for heritage, arts and culture subjects within schools in the country. We believe that the next 5-year strategic framework brings more exciting developments in the heritage space worth celebrating.

B.1.3 Organizational Environment

The growing public interest in the Luthuli Museum, especially regarding the booking of the venue by the public for events, has placed pressure on staff capacity. The resignation of the Human Resources Practitioner has resulted in a backlog in terms of human resources work. The position will soon be filled, and the organization will again be back on track regarding HR matters. Much reflection will need to be done in the new financial year to align the nature of the work done by the Luthuli Museum with its policies and procedures. This will require a steady and focused approach on the part of the museum, the management and staff working together.

B.1.4 Key Policy Development

There are no key policy developments for reporting.



Prof. Thandabantu Nhlapo delivering the 2023 Chief Albert Luthuli Memorial Lecture at the University of KwaZulu Natal, Westville Campus on Saturday, 09 December 2023.

B.2 PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE

B.2.1 DESCRIPTION OF EACH PROGRAMME/ACTIVITY/OBJECTIVE

A. PROGRAMME 1: ADMINISTRATION

B. Subprogramme (A): Governance

Description: 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.

Purpose: 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. Subprogramme (B): Support Services

Description: 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 (FM); Supply Chain Management (SCM); Human Resources Management (HRM); Information Communication Technology (ICT); Legal Services (LS); Safety and Security Services (SS)).

Purpose: 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. Subprogramme (C): Facilities management and development

Description: 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 (**RAMP**) and the long-term User Asset Management Plan (**UAMP**).

Purpose: 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.

C.	PROGRAMME 2:	BUSINESS DEVELOPMENT
I.	Subprogramme:	Collections Management
	Description:	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.
	Purpose:	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.	Subprogramme:	Research and Exhibitions
	Description:	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
	Purpose:	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.	Subprogramme:	Education
	Description:	Concerned with the support and promotion of the legacy of Chief Albert Luthuli through public intellectual dialogue; publications and scholarship support.
	Purpose:	Organize seminars; lectures; conferences; colloquia; develop publications and also implement the education / scholarship programme for academic excellence.

D.	PROGRAMME 3:	PUBLIC ENGAGEMENT
I.	Subprogramme:	Marketing
	Description:	The programme primary responsibility is to promote and profile the Museum by applying media and marketing principles and techniques.
	Purpose:	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.
II.	Subprogramme:	Social Media
	Description:	Increased and sustained museum social media presence; impact and monitoring.
	Purpose:	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.
III.	Subprogramme:	Education and Tours
	Description:	Organized Museum learner education programmes; visitor tours and public programmes.
	Purpose:	Develop and manage innovative and interesting education programmes for learners; public and enhance visitor experience through informative and exciting tours.
IV.	Subprogramme:	Public Relations
	Description:	Public relations and stakeholder relations management
	Purpose:	Develop and implement a public relations programme and campaigns intended to communicate and build positive relationships with stakeholders; media and the public.
V.	Subprogramme:	Shared Value Programmes
	Description:	Management of Museum public relations & public programmes
	Purpose:	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
VI.	Subprogramme:	Design Development
	Description:	Design & production support for marketing collateral; exhibition development & publications.
	Purpose:	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.



Solusi University Vice Chancellor Prof B Baidya and Luthuli Museum Council Chairperson Prof M Mchunu signing the Memorandum of Understanding (MOU) on 02 November 2023 between the University and the Museum. Onlooking are Dr C Banda from Solusi, Mrs. V Luthuli, Mr B Xaba, Dr A Luthuli and Mr J Matlou, a member of the Museum Council.



Luthuli Museum PRO Ms Z Nyembe (corner left) and Ms Dudu Busani, (iLembe Book Festival organising member) at BW Vilakazi Primary School distributing books for learners donated by the Web Foundation/Siyafunda.

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

2.2.1 PROGRAMME 1: ADMINISTRATION

SUB PROGRAMME 1 (A)						
GOVERNANCE						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2022/2023	2023/2024	2023/2024	2023/ 2024	
Effective and Efficient Organization	Mandatory number of quarterly Council meetings conducted	4 x Council quarterly Meetings conducted 1. 29 April 2022. 2. Special Council Meeting conducted on 27 May 2022. 3. 26 August 2022 4. 28 January 2023	4 x Council quarterly Meetings conducted	4 x Council quarterly Meetings conducted. 1. 29 May 2023 2. 08 September 2023 3. 27 October 2023 4. 29 February 2024	Achieved No Deviation	No Deviation
	Number of policies reviewed and approved	4 x Policies reviewed and approved by Council 1. Contract Management 2. Asset Management 3. Code of Conduct Policy 4. Grievance Policy	5 x Policies reviewed and approved by Council	3 x Policies reviewed and approved. 1. Racial Harassment policy 2. SCM Policy 3. Workplace Smoking policy	Partially Achieved Deviation	There were 10 policies reviewed during the year and only 3 were approved. The remaining policies required more time for management review before submission to Council for approval. The remaining policies will be submitted for approval in the new financial year.
	Number of internal Audits Conducted	6 x Internal Audits conducted 1. AFS Review 2. APR Review 3. Performance Information Q1 4. Performance Information Q3 5. Assets Management 6. SCM Review	6 x Internal Audits conducted	6 x Internal Audits conducted. 1. AFS Audit Review 2. APR Audit review 3. Revenue Management 4. Review of PMS Q2 5. Review of PMS Q3 6. SCM Audit	Achieved No Deviation	No Deviation

		11 x Key Reporting Deadlines Implemented 1. Submitted list of all banking accounts to Treasury via DSAC 2. Audit Committee meeting to approve AFS for 2020/21 submission to AG for audit. 3. Submit signed unaudited financial statements for 2021/22 and management reports to Treasury and Auditor-General/External auditor 4. Submit unaudited AFS to Treasury and DSAC 5. First Quarterly Report on the procurement plan 2022/23 6. Submit mock-up Annual Report to DSAC 2021/2022 7. 2nd Quarterly Report on the procurement plan for 2022/23 8. Application to retain surpluses 9. APP Draft for 2023/24 10. 2023/2024 Annual Performance Plan 11. Quarter 3 report to DSAC	100% Compliance with mandatory reporting deadlines	90% Compliance with mandatory reporting deadlines	Partially Achieved Deviation	The Museum did not submit one document relating to the condonation of irregular expenditure as the museum did not apply for it. The Museum will ensure that all the targeted 100% is achieved in the new financial year.
	100% Compliance with mandatory reporting deadlines					

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		2022/2023	2023/ 2024		2023 /2024	
	Number of Financial Performance Reviews and reports	4 x Quarterly Financial Performance Reviews and Report	6 x Quarterly Financial Performance Reviews and Report	4 x Quarterly Financial Performance Reviews and Report	Partially Achieved No Deviation	The achievement of 4 quarterly financial reports is correct as one is produced each quarter. The Museum made an error on the APP by setting a target of 6 financial reports instead of 4.
		1x Annual Financial Performance Reviews and Reports	1x Annual Financial Performance Reviews and Reports	1x Annual Financial Performance Reviews and Reports	Achieved No Deviation	No Deviation
		1 x Review and approval of 2023/2024 Annual Budget	1 x Review and approval of Annual Budget	1 x Review and approval of Annual Budget	Achieved No Deviation	No Deviation
		Number of PPE and Heritage Assets reports produced with 100% compliance (GRAP 17& 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)	2 x PPE and Heritage Assets reports produced with 100% compliance (GRAP 17 & GRAP 103)	3 x PPE and Heritage Assets reports produced with 100% compliance (GRAP 17 & GRAP 103)	Partially Achieved No Deviation
	Number of Quarterly Performance Information Reports Submitted to DSAC	4 x Quarterly Performance Information Reports Submitted to DSAC without the achievement of all targets.	4 x Quarterly Performance Information Reports Submitted to DSAC with 90%achievement of targets.	4 x Quarterly Performance Information Reports Submitted to DSAC with however, the 90%achievement of targets was not attained.	Partially Achieved Deviation	The museum was unable to attain a 90% achievement rate due to not fully achieving its targets on a quarterly basis. The museum will ensure that 90 percent of targets are achieved going forward.
	100% Developed and implemented audit improvement plans	10% Audit Action Plan Objectives Implemented	100% Audit Action Plan objectives implemented	40% Audit Action Plan objectives implemented	Partially Achieved Deviation	Some action plans could only be addressed after the end of the financial year. (further verification to be done)

SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
HUMAN RESOURCES MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/2023	PLANNED TARGET 2022/2023	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/ 2024	COMMENT ON DEVIATIONS
Effective and Efficient Organisation	Number of annual performance assessments conducted for all annual staff	Performance assessments conducted but not for all staff	1 x annual performance assessments conducted for all staff	1 x annual performance assessments conducted for 8 staff members	Partially Achieved Deviation	The 2021/2022 performance assessments were concluded during the financial year. Museum Management had challenges with competing work priorities to commence the 2022/2023 performance assessments. These will be conducted in the 2024/2025 financial year.
	Number of training opportunities provided to staff	3 x training of staff members 1. Workshop on POPIA attended by staff on 24 June 2022 (Online) 2. BBBEE Workshop by DTIC 3. Collections Management Training (Basic Cleaning) 09 September 2022.	4 x training opportunities to staff members	4 x training opportunities provided to staff members 1. Legislative Compliance Reporting and project tracking template 2. Collections Conservation Workshop 3. Graphic Design Training 4. SCM Training.	Achieved No Deviation	No Deviation

SUB PROGRAMME 1 (B)						
SUPPORT SERVICES						
SUPPLY CHAIN MANAGEMENT						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/ 2024	COMMENT ON DEVIATIONS
Effective and Efficient Organization	Number of Monthly SCM compliance reports produced	2022/2023 12 x Monthly SCM compliance reports produced	2023/2024 12 x Monthly SCM compliance reports produced	2023/ 2024 12 x Monthly SCM compliance reports produced	Achieved No Deviation	No Deviation



Dr Albertina Luthuli delivering her remarks on 21 October 2023 at the launch of book by Rev Dr Christopher Mzoneli titled, 'Chief Albert Luthuli: A Personal Tribute'



Mrs. Mavis Mzoneli delivering her remarks at the launch of her husband Rev Dr Christopher Mzoneli's book on 21 October 2023.

2.2.2 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 2022 / 2023
Increased access to information about the Luthuli Museum	Number of museum artefacts acquired and valued	2022/2023	2023/2024		
		5 x Museum artefacts acquired 1. Artwork Title: "The Gift: I've come to take you home" 2. Artwork Title: "Patriotism" 3. Artwork Title: "Women in Communion - The Power of Love" 4. Artwork Title: The Emptiness of Africa" 5. Book-The Story of my Life by Joshua Nkomo	20 x Museum artefacts acquired and valued	25 x Museum artefacts acquired and valued 1. Mr. Bhekinkosi Nduli Interview 2. Mr. Phiwuyo Ngcobo Interview 3. Ms Fikile Thwala Interview 4. Inkosi Albert Luthuli Oral History Programme – 23 Aug 2023 5. 87th National SAMA Conference Programme 02-05 October 2023 6. 87th National SAMA Conference Programme – Opening Dinner 02 October 7. Book Launch Special Invitation – Chief Albert Luthuli: A Special Tribute 8. Book: Chief Albert Luthuli: A Personal Tribute by Rev. Dr. Mzoneli 9. OE09/2024 Book title: Now You Know How Mapetla Died - The story of a Black Consciousness martyr by Zikhona Valela 10. OE10/2024 Book title: Indaba, My Children - African Tribal History, Legends, Customs and Religious Beliefs by Credo Mutwa. 11. OE11/2024 Book title: I Remember Nelson Mandela by Vimla Naidoo and Sahlm Venter 12. OE12/2024 Book title: Who will rule South Africa? By Adrian Basson and Qaanitch Hunter 13. OE13/2024 Book: The Prison Letters of Nelson Mandela by Sahlm Venter 14. OE14/2024 Book: Children of the Sugarcane by Joanne Joseph 15. OE15/2024 Book: Blame Me on History by William by Blake Modisane 16. OE16/2024 Book: Can Themba by Siphiwo Mahala 17. OE17/2024 Book: Blood blades and Bullets by Nathi Olifant	Over Achievement Deviation
					The 2024 ilembe Book Festival was held at the Luthuli Museum. The museum utilized this opportunity to enhance its reference library collection by purchasing a variety of historically based books.

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
		2022/2023	2023/2024	2023/2024	2023/2024	
Increased access to information about the Luthuli Museum	Number of research documents produced for exhibitions	4 x Research documents produced for exhibitions 1. Research documents produced for an outdoor exhibition (Death of Chief Albert Luthuli) 2. Research documents produced for Let my people go Outdoor exhibition revised. 3. Research documents produced for Chief Albert Luthuli's ANC Presidency 4. Research documents produced for Bedroom and Kitchen	3 x Research documents produced for exhibitions	3 x Research documents produced for exhibitions 1. Let My people Go Exhibition Narrative 2. Amasosha kaLuthuli Exhibition Text 3. Chief Albert Luthuli Chief ANC Presidency	Achieved No Deviation	No Deviation
	Number of documents produced for Museum publications	The Chief Albert Luthuli Speeches publication not completed.	1 x Documents produced for Museum publications	1 x Documents produced for Museum publications Book: Chief Albert Luthuli: A Personal Tribute	Achieved No Deviation	No Deviation
	Number of conference paper or newspaper opinion produced for public dissemination	4 x Conference paper or newspaper opinion produced for public dissemination 1. In His Footprints: Following the Last Steps of Chief Albert Luthuli 2. Leaders Urged to Seek Solutions during Crisis Times in SA 3. A spirit that refuses to submit to tyranny: freedom in our lifetime 4. Revisiting Albert Luthuli and the role of women as pillars of Peace and Security in Africa	4 x Conference paper or newspaper opinion produced for public dissemination	3 x Conference paper or newspaper opinion produced for public dissemination 1. 2 x Conference Papers Presented 2. 1 x Quotes produced for public dissemination – Mama Nokukhanya	Partially Achieved Deviation	During this financial year the Museum was unable to implement the Luthuli Legacy Walk and Fun Run. The Museum produces a write up relating to the Fun Walk's commemoration. This year we could not produce an article as the targeted event did not take place.

SUB PROGRAMME 2 (C)						
EXHIBITIONS						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2022/2023	2023/2024	2023/2024	2023/2024	
Increased access to information about the Luthuli Museum	Number of Permanent Museum Exhibitions upgraded	1 x Permanent Museum Exhibitions not upgraded	1 x Permanent Museum Exhibitions upgraded	1 x Permanent Museum Exhibitions upgraded	Achieved No Deviation	No Deviation
				1. Amasosha kaLuthuli Exhibition		
		1 x Museum Temporary and Travelling exhibitions staged. Museum Career Exhibition staged	2 x Museum exhibitions staged	3 x Museum exhibitions staged	Overachievement Deviation	The Museum hosted a Luthuli travelling exhibition at the January 8 Anniversary Exhibition ANC invitation.
	Number of Museum Exhibitions staged			1. Amasosha kaLuthuli Online Exhibition 2. Amasosha kaLuthuli Travelling Exhibition 3. Black History Month Travelling Display		



2.2.3 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
		2022/2023	2023/2024	2023/2024	2023/2024	
Increased awareness about the Luthuli Museum	Number of Marketing Campaigns implemented	4 x Marketing campaigns achieved implemented 1. Freedom Day Online Campaign 2. Luthuli Legacy Walk and Fun Run Media Launch 3. Luthuli Legacy Walk and Fun Run 4. Human Rights Day	4 x Marketing campaigns achieved implemented	12 x Marketing campaigns achieved implemented 1. Freedom Day Campaign – Online 2. Africa Day Campaign - Online 3. Youth Month – Online 4. World Environment Day - Online 5. Women's Month Campaign – Online 6. Heritage Month – Online 7. Deaf Awareness Month Campaign – Online 8. Luthuli Week – Online 9. World Aids Day – Online 10. Day of Reconciliation – Online 11. Amasosha kaLuthuli Campaign – Online 12. Human Rights Day – Online	Over Achievement Deviation	The Museum engaged in online campaigns that promoted significant calendar days. The department of Sport, Arts and Culture provided some material to promote the mandate of the department.
	Number of Museum visitors per annum	38 278 x Visitors per Annum	40 000 x Visitors per Annum	44853 x Visitors per Annum	Over Achievement Deviation	The Museums increase in visitor numbers can be due to the number of public programmes presented by and at the museum.
	Number of promotional items sold, and revenue generated	12 x Monthly reconciled sales Reports compiled on promotional items	300 x promotional items sold, and revenue generated	64 x promotional items sold, and revenue generated	Partially Achieved Deviation	The Museum had inadequate promotional material that could be sold to a variety of visitors.

SUB PROGRAMME 3 (B)						
SOCIAL MEDIA						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2022/2023	2023/2024	2023/ 2024	2023/2024	
Increased awareness about the Luthuli Museum	Number of posts by the Museum on Website; Facebook; Tweeter; Instagram	1246 x posts by the Museum on Website; Facebook; Tweeter; Instagram 1. 53 website updates 2. 324 Facebook uploads 3. 453 Twitter uploads 4. 416 Instagram uploads	840 x posts by the Museum on Website; Facebook; Tweeter; Instagram	1306 x posts by the Museum on Website; Facebook; Tweeter; Instagram ▪ 48 x Website updates ▪ 314 x Facebook uploads ▪ 506 x Twitter uploads ▪ 435 x Instagram uploads	Over Achievement Deviation	The increase in social media postings can be attributed to the increase of information compiled that needs to be shared with the public.

SUB PROGRAMME 3 (C)						
EDUCATION AND TOURS						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/2023	PLANNED TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2023/2024	COMMENT ON DEVIATIONS
Inclusive and empowered communities	Number of Museum Education Programmes implemented	9 x Museum Education Programmes implemented 1. Nelson Mandela Day Unplugged Coding Workshop for Educators. 2. Nelson Mandela Day Unplugged Coding Tournament. 3. KZN Provincial Unplugged Coding Tournament. 4. KZN Unplugged Coding Workshop 5. Poetry Africa Poetry Exchange. 6. European Film Festival SA Special School Screenings. 7. 4IR Coding and Robotic Workshop 8. Time of the Writer 9. DIFF 18 July 2022	5 x Museum Education Programmes implemented	12 x Museum Education Programmes implemented 1. Affluence Human Rights Festival – 08 May 2023. 2. Nelson Mandela Day Unplugged Coding Tournament Workshop – 29 May 2023. 3. Luthuli Museum Spelling BEE Contest Workshop – 21 June 2023. 4. Nelson Mandela Day Unplugged Coding Tournament. 5. Durban International Film Festival Screening and Workshop. 6. Luthuli Museum Spelling BEE Contest. 7. KZN Unplugged Coding Tournament 8. Creative Writing Workshop. 9. Poetry Africa Poetry Exchange. 10. European Film Festival SA Special School Screening. 11. Black History Month 12. Time of The Writer	Over Achievement Deviation	The deviation is due to requests received for the Unplugged Coding requests received by the education department and requests received from the Centre for Creative Arts to partner in various programmes.

	Number of Museum Community Outreach Programmes implemented	7 x Museum Education Outreach Programmes implemented 1. Chief Albert Luthuli School Chess Programme Q1 2. CALCC School Chess Programme Q2 3. CALCC participation in KwaDabeka Chess 4. CALCC School Chess Programme Q3 5. Bringing Museums Closer to our communities: Mall Activation Programme. 6. CALCC participation in South African Junior Chess Championship 7. CALCC School Chess Programme Q4	8 x Community Education Outreach Programmes implemented	11 x Museum Education Outreach Programmes implemented 1. CALCC School Chess Programme 24 April – 21 June 2023. 2. Nirvana Hip Hop Club Dialogue 29 April 2023. 3. Nirvana Hip Hop Club – The Purge '23. 4. CALCC School Chess Programme. 5. Nirvana Hip Hop Club - Dialogue Tour. 6. CALCC – Arbiter Training Workshop. 7. Nirvana Hip Hop Club – Participation in KZN Music Imbizo 8. KDM SALGA Games 9. Iziphozethu Primary School Awards 10. Chief Albert Luthuli School Chess Programme 11. Nirvana Hip Hop Club – The Dragon Den (Outreach)	Over Achievement Deviation	The increase in outreach education programmes is due to the additional activities conducted by the Chess and Nirvana Club which the Museum supports.
	Number of guided tours conducted	1215 x Guided Tours conducted	1000 x Guided Tours conducted	1818 x Guided Tours conducted.	Over Achievement Deviation	The increased number of visitors contributed to the increased number of tours that were conducted.
	Number of Children Holiday Programmes Implemented	5 x Children Holiday Programmes Implemented	5 x Children Holiday Programmes Implemented	5 x Children Holiday Programmes Implemented 1. Luthuli Easter Holiday Programme 2. Luthuli Museum Winter Holiday Programme 3. Luthuli Museum Spring Holiday Programme 4. Luthuli Museum Christmas Holiday Programme 5. Luthuli Museum New Years Holiday Programme	Achieved No Deviation	No Deviation
	Number of National Special Days commemorated	9 x National Special Days Commemorated 1. World Book Day 2. International Museums Day 3. World Environment Day 4. Youth Day 5. The Women's Day 6. International Day of Peace	9 x National Special Days Commemorated	9 x National Special Days Commemorated 1. World Book Day 2. International Museums Day 3. World Environment Day 4. Youth Day 5. Women's Day 6. International Day of Peace 7. Heritage Day Celebrations	Achieved No Deviation	No Deviation

	7. Heritage Day Celebrations 8. World Aids Day Commemorated online 9. Human Rights Day		8. World Aids Day Commemorated online 9. Human Rights Day		



Dr Tinyiko Chauke and Prof. Puleng Segalo (Chief Albert Luthuli Research Chair) during their visit on 28 August 2023 to Howick to interview Ms Marilyn Aiken, author of book 'Nokukhanya Mother of Light'.

SUB PROGRAMME 3 (D)						
PUBLIC RELATIONS						
OUTCOME	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT	PLANNED TARGET	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR	COMMENT ON DEVIATIONS
		2022/ 2023	2023/ 2024	2023/2024	2023/2024	
Increased awareness about the Luthuli Museum	Number of Bi-Annual Museum newsletter produced and distributed to the public	1 x Bi-Annual Museum newsletter produced and distributed to the public	2 x Museum newsletter produced and distributed to the public	No Museum newsletter was produced and distributed to the public during this financial year.	Not Achieved Deviation	The Museum implemented changes in reporting lines and allocation of responsibilities in the Public Engagement Programme resulting in no newsletter being published. A newsletter will be produced in the 2024/2025 financial year.
	Number of promotional activations conducted	5 x Promotional Activations Conducted 1. Spelling Bee Competition at Kwa Maphumulo 2. Heritage Day Celebration at Gledow Primary 3. Activation: Presentation at Iziphazethu Primary School, Date: 18 November. 4. Activation: Mall Activation: 'Bringing Museums Closer to our communities'. Venue: King Sensangakhona Shopping Centre, Ulundi, Zululand District Municipality. 5. Tourism Entrepreneurship Careers 16 and 17 February at the Sugar Rush in KwaDukuza.	5 x Promotional Activations Conducted	6 x Promotional Activations Conducted 1. International Museums Day in Ncome. 2. International Environmental Day. 3. Jazz Concert - 14 July 4. Boardwalk Mall, Richards Bay - 22 September 5. Sisterhood 6. ilembe Book Festival - Book Donation Drive	Achieved No Deviation	No Deviation

	Number of promotional Interviews conducted on radio and online	4 x promotional Interviews conducted on (radio/online) 1. Luthuli Walk and Fun Run 2. Dr Albertina on reflection of Mama Nokukhanya 3. 2022 Annual Memorial Lecture 4. Chief Albert Luthuli Soccer and Netball Tournament	4 x promotional Interviews conducted (Radio/online)	8 x promotional Interviews conducted (Radio/online) 1. Intokoza Radio Promotional session (Q&A segment) 2. Education MEC, Ms Fraser 3. Dr. Albertina Luthuli 4. Luthuli Lecture 5. Teachers Awards 6. Chief Albert Luthuli Sports Tournament 7. ilembe Book Festival 8. Night at The Museum Youth Camp	Over Achievement Deviation	The increase in interviews conducted can be attributed to additional interviews conducted for some events hosted by the Museum.
	Number of Press Releases distributed	15 x Press Releases distributed 1. Jazz Concert Press release 2. Jazz Concert Press release Nicky Shange in Concert 3. Youth Month Celebration- 18 June 2022 4. Luthuli Legacy Walk and Run 17 June 2022 5. Mrs. Nokukhanya Luthuli Champion for Green Economy 6. Night at the Museum 7. Moot Court Competition Press Release. 14 September 2022. 8. Chief Albert Luthuli Founders Lecture Press Release. 16 November 2022. 9. Article: Revisiting Albert	15 x Press Releases distributed	14 x Press Releases distributed 1. Jazz Concert Njinji Concert. 2. Jazz Concert Zoe the Seed. 3. Kennedy & Luthuli Visit 4. Luthuli Museum Jazz Concert 5. Inkosi Albert Luthuli Oral History Programme 6. SAMA Conference 2023 at Luthuli Museum 7. Book Launch 8. SAMA Conference 9. Robben Island Spring Programme 10. Moot Court 11. Luthuli Memorial Lecture 12. Chief Albert Luthuli Sports Tournament 13. ilembe Book Festival 14. Night at the Museum Youth Camp	Partial Achievement Deviation	Museum managed to implement only 14 events with press releases. The remaining press release was drafted however, could not be distributed as the Nokukhanya dialogue had to be cancelled due to logistical challenges with the Museum partner and the keynote speaker time slots.

					Luthuli & the role of women as pillars of peace & Security in Africa by Prof. Segalo. 18 November 2022. 10. Jazz Concert Press Release. 02 December 2022. 11. Chief Albert Luthuli Memorial Lecture Press Release. 10 December 2022. 12. 2x Press Releases distributed/circulated media houses - Soccer and Netball Tournament Press Release. 13. Nelson Mandela Winter Camp				
	Number of promotional Brochures distributed to the public	250x Promotional Brochures distributed to the public 1. 250 promotional brochures distributed at Iziphazethu Primary. 18 November 2022 and at King Senzangakhona Shopping Centre, Ulundi, Zululand. 30 November 2022.	1000 x Promotional Brochures distributed to the public	1662 x Promotional Brochures distributed to the public	Over Achievement Deviation	The increased number of brochures distributed is due to the increased number of events where the brochures were distributed.			
	Number of promotional Newsletters distributed to the public	345 x Newsletters distributed to the public	3000 x Newsletters distributed to the public	No newsletters distributed to the public	Not Achieved Deviation	There was no newsletter printed for distribution during this financial year due to changes in the unit responsible for the publication. The distribution of the newsletter will commence in the new financial year.			

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
		2022/2023	2023/2024	2023/2024	2023/2024	
Inclusive and empowered communities	Number of community capacity building programmes implemented	18 x community capacity building programmes implemented 1. Career guidance exhibition in KwaMaphumulo 2. Youth Day Event with KZN Film Commission 3. Jazz Concert 29 Apr. 2022 – Zawadi Yamungu 4. Jazz Concert - 27 May 2022 - Nicky Shange 5. Jazz Concert - 24 June 2022 - Mthobisi Mthlale 6. Garden Project Q2 7. Knitting Project 8. International Youth Camp with the Nelson Mandela Museum 9. Kungaqala Ngawe Academy Information Sharing Session. 10. Moot Court Competition. 26	8 x community capacity building programmes implemented	14 x community capacity building programmes implemented 1. CALCC participation in the iLembe Youth Trials – 13 May 2023 2. Luthuli Kennedy Rated Chess Tournament – 24 June 2023. 3. Night at the Museum 4. 2 x Jazz Concert 5. Nonhlevu Secondary School Sports Event 6. Garden project 7. KDM SALGA Games 8. Iziphozethu Primary School Awards 9. Night at the Museum 10. Moot Court 11. Eskom Expo for young scientist workshop. 12. Mama Nokukhanya Luthuli Rated Chess Tournament. 13. Night at The Museum 14. Teachers Awards Programme	Over Achievement Deviation	The over achievement is due to the various requests received to participate in community building programmes.

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2.2.4 Linking Performance with Budgets

2.2.4.1 Financial Disclosure

2022/ 2023				2023/2024		
Programme / Activity / Objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	
Compensation	10,026	8,928	1,098	11,137	9,995	1,142
Depreciation	306	221	85	397	390	7
Programme 1	6,307	6,363	-56	7,364	6,415	949
Programme 2	1,569	1,327	242	1,424	1,339	85
Programme 3	546	160	386	343	342	1
TOTAL	18,754	16,999	1,755	20,665	18,481	2,184

1. Narrative Report

- Savings in compensation is because Luthuli Museum HR Practitioner resigned in September 2023.This resulted to the savings because his salary was included in the budget in the beginning of the year.
- In the beginning of the year, Luthuli Museum budgeted for the Fun Walk and Run. The museum did not do this project. This event was cancelled, and this resulted to the savings in Programme 2 in 2023/2024 financial year.

2.2.5 Revenue Collection

2.2.5.1 Financial Disclosure

		2022/ 2023			2023/ 2024		
Sources of Revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection	
	R'000	R'000	R'000	R'000	R'000	R'000	
Core Funding	17,687	17,700	-13	17,689	17,689	0	
PESP Public Art Project	0	0	0	0	440	-440	
Public Donations	50	11	50	50	0	50	
Interest Received	0	350	-350	0	505	-505	
Sale of DVD / Books, Mugs etc	1	4	-3	1	10	-9	
Tender Deposit	0	0	0	0	29	-29	
Income from loyalty programmes	0	0	0	0	14	-14	
Transfer from Investments	1,016	0	1,016	2,925	0	2,925	
Heritage Assets Contribution	0	0	0	0	50	-50	
Profit on Sale of property, plant, and equipment	0	174	-174	0	0	0	
TOTAL	18,754	18,228	526	20,665	18,737	1,928	

2.2.5.2 Narrative Report

- R 505,000.00 is the interest received from FNB Investment Accounts. 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)

2.2.6.1

Financial Disclosure

	2022/ 2023			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	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
TOTAL	0	0	0	0	0	0

2.2.6.2

Narrative Report_

No capital projects incurred during 2024 financial year.

PART C : GOVERNANCE

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.1.1 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.1.2 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. The Chairperson of Council, Mr. I Mkhize passed away during his term of office. A new member, Ms Senamile Masango was appointed by the Minister effective from 01 October 2023. Also, Prof. Mxolisi Mchunu, formerly the Deputy Chairperson, was appointed the Chairperson of Luthuli Museum Council. The Minister also appointed Mr Sandile Luthuli as a member of the Council with the retirement of Dr Albertina Luthuli.

C.2. Council Information Disclosure

C.2.1 Council Term: 09 December 2020-08 December 2023 (New Council term effective 01 December 2023 -)

Member Name	Designation	Date Appointed	Date Resigned	Qualifications	Board Directorship (other entities)	Other Committees or Task Teams
Mr I Mkhize ¹	Chairperson	09-Dec-2020	30-Sept-2023	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)	n/a	HRREMMCO
Mr S Dlamini	Member	09-Dec-2020	n/a	National Diploma: Public Management (Current)		HRREMMCO / 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 / HRREMMCO
Ms. S Mthembu	Member	09-Dec-2020	n/a	LLB Degree Post Graduate Certificate (Labour Law) LLM (Human Rights Law)	n/a	HRREMMCO / FINCOM
Mr S. Luthuli	Member	01-Oct-2022	n/a	B Comm Degree (Honours) MA Business Administration Higher Diploma Company Law	n/a	MRCOMM
Ms. S Masango	Member	02-12-2023	n/a	BSc. Physics and Electronics Ph.D. Candidate Nuclear Physics Diploma Project Management MSc. Nuclear Physics	n/a	MRCOM / ARC

¹ Mr. I Mkhize passed away in September 2023 during his term of office.

C.2.2 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.2.3 Disclosure of Committees Information

Committee	Number of Meetings held	Number of Members	Name of Members
ARC	7	5	Ms W Oelofse; Mr T Tsematse, Mr J Matlou, Mr T Maphanga, Ms. M Nchabeleng
FINCOM	3	3	Ms S Mabilane; Ms. S Mthembu, Mr. S Dlamini
HRREMCO	3	4	Ms. S Mthembu, Mr. S Dlamini, Ms S Mabilane, Mr T Tsematse
MRCOM	3	3	Mr. J Matlou, Mr S Luthuli; Mr T Tsematse

C.2.4 Honoraria 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.2.5 Disclosure of honoraria information for Council members in 2023/2024 Financial Year

Council Term: 08 December 2020 – 09 December 2023

Name	Remuneration	Other Allowance	Other Reimbursements	Total
Mr I Mkhize	61	0	0	61
Dr M Mchunu	127	0	0	127
Mr T Tsematse	61	0	0	61
Mr S Dlamini	60	0	0	60
Mr J Matlou	83	0	0	83
Ms S Mabilane	68	0	0	68
Ms S Mthembu	72	0	0	72
Dr A Luthuli	0	0	0	0
Ms B Chiliza	0	0	0	0
Ms Nchabeleng	13	0	0	13
Mr S Luthuli	25	0	0	25
Ms W. Oelofse	67	0	0	67
Mr T Maphanga	13	0	0	13
South African National Deaf Association*	49	0	0	49
Subtotal	699	0	0	699

*South African Deaf Association is not a council but a deaf association assisting Mr S Dlamini.

C.3

Risk Management

Risk Management oversight at the Museum is by the Audit and Risk Committee assisted and supported 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 thereof. 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 Ukukhanya Advisory Services from 01 October 2023 for a 12-month contract to provide internal audit services at the Museum. The auditing firm is entrusted with the responsibility to appraise Museum policies; procedures; risks and controls.

The Internal Auditors advise 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 financial 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.5.1.1 Disclosure information on Audit and Risk Committee members

Member Name	Qualifications	Designation	Date Appointed	Date Resigned
Ms W Oelofse	1. B Comm Accounting 2. Diploma Accounting 3. Member SA Institute of Chartered Accountants	Chairperson	21-10-2022	Not Applicable
Mr T Tsematse	1. Bachelor of Administration (Honours) 2. Diploma in Management Studies 3. Post Graduate Certificate in Management Studies	Member	20-12-2020	Not Applicable
Mr J Matlou	1. B.A Communications 2. BA (Honours) Communications 3. M.A International Communications	Member	20-12-2020	Not Applicable
Mr T Maphanga	1. B.Sc. (Computer Science and Statistics) 2. Certificate : HR Management in the Public Sector 3. ETP SETA Certified Assessor 4. ORACLE Database Administration 5. Public Sector ICT Governance	Member	21-10-2023	Not Applicable
Ms M Nchabeleng	1. BTECH Auditing 2. National Diploma : Internal Auditing	Member	21-10-23	Not Applicable

C.5.2 Compliance with laws and regulations

Quarterly internal audits ensure that the Luthuli Museum maintains compliance with application laws and regulations. The organisation has in place 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.5.3 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.5.4 Minimising Conflict of Interest

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

C.5.6 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.5.7 Health, Safety and Environmental Issues

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

C.5.8 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 2024

This report is provided by the Audit Committee in respect to the 2023/2024 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.5.9.1 Audit Committee Members and Meetings Attendance

NO.	MEETING DATE	ATTENDEES
1.	25-May-23 Q4 Part 1 Meeting (this incl. APR and AFS review)	Ms. W Oelofse (Chairperson) Ms. F Nchabeleng Mr. J Matlou
2.	08-June-23 Q4 Part 2 Meeting	Ms. W Oelofse (Chairperson) Ms. F Nchabeleng Mr. J Matlou
3.	05-September-23 Q1 Meeting	Ms. W Oelofse (Chairperson) Ms. F Nchabeleng Mr. J Matlou
4.	07-September-23 Special Meeting AR 22/23 Review	Ms. W Oelofse (Chairperson) Mr. J Matlou Ms. F Nchabeleng
5.	24-10-23 Q2 Meeting	Ms. W Oelofse (Chairperson) Ms. F Nchabeleng Mr. J Matlou Mr. T Maphanga
6.	22-February-24 Q3 Meeting	Ms. W Oelofse (Chairperson) Ms. F Nchabeleng Mr. J Matlou Mr. T Maphanga
7.	27-February-24 Q3 meeting Part 2	Ms. W Oelofse (Chairperson) Ms. F Nchabeleng Mr. J Matlou Mr. T Maphanga Ms. S Masango

C.5.9.2 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 Audit Committee Charter.

C.5.9.3 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. 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 and oversight, 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. 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 has made progress in the strengthening of the controls over ICT and the ARC will monitor the progress made in the year ahead.

C.5.9.4 Internal Audit Function

The Audit Committee reviewed and approved the Internal Audit Charter and the Internal Audit Plan. 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 external service providers, Morar Inc. and Ukukhanya Advisory Services.

The Audit Committee assessed the internal audit function to be efficient, responsive to external audit findings and other emerging risks and provides reports of a high quality to Management and the Audit Committee 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 strengthen controls within the museum.

C.5.9.5 External Audit Function

In terms of PFMA, the Auditor General of South Africa (AGSA) is the appointed external auditor. During the 2019/20 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.
- c) The Audit Committee has met with the External Auditors to ensure there are no unresolved issues.

C.5.9.6 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.5.9.7 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 improvement in the reporting provided to the ARC in the year under review. The ARC has made some recommendations to management regarding regular review and oversight and will monitor the quality of reporting in the year ahead.

C.5.9.8 Performance Management

As part of the responsibility of the Audit Committee includes the review of performance management. 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, having been reviewed by Internal Audit.

The Audit Committee is satisfied that the performance report has been prepared in terms of PFMA and other related regulations.

C.5.9.9 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 as a result 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 at 31 March 2024, and the results of operations and cashflows for the year ended 31 March 2024.

C.5.9.10 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.

C.5.9.11 Going Concern

The going concern assumption is a fundamental principle in the preparing of Annual Financial Statements. The Luthuli Museum has applied and complies with 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.5.9.12 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 2024

PART D : HUMAN RESOURCES

D.1 Introduction

The Museum continues with efforts in developing human resource capacity to align with the growth and development of the organisation in the fulfilling of its mandate. The HRREMC0's support and guidance has ensured that human resources challenges encountered by the Museum in fulfilling its mandate are addressed fully and in line with best practices in human resource management.

D.2 HUMAN RESOURCES OVERSIGHT STATISTICS

D.2.1 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	6,415	6,341	78,3%	11	576
Programme 2	1,339	2,679	33,1%	7	383
Programme 3	342	975	12%	2	479
TOTAL	8,096	9,995	123,4%	20	1,438

D.2.2 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	1,317	13,1%	1	1,317
Professional qualified	2,443	24,4%	3	814,3
Skilled	3,805	38,1%	6	638,2
Semi-skilled	1,702	17%	7	243,1
Unskilled	728	7,3%	3	242,7
TOTAL	9,995	99,9%	20	3,255

D.2.3 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	–	–
TOTAL	None	–	–

D.2.4 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	6,341	55	0.9%	15	3,7%
Programme 2	2,679	20	0.7%	3	6,7%
Programme 3	975	7	0.7%	2	3,5%
TOTAL	9,995	77	2,3%	20	13,9%

D.2.5 Employment and Vacancies

Programme/ activity/ objective	2023/2024 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Programme 1	9	9	9	1	5%
Programme 2	2	2	2	0	0
Programme 3	9	9	9	0	0
TOTAL	20	20	20	1	5%

D.2.6 Employment Changes

Salary Band		Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Professional qualified	0	0	0	0	0
Skilled	449	0	1	0	0
Semi-skilled	0	0	0	0	0
Unskilled	0	0	0	0	0
TOTAL	449	0	1	0	0

D.2.7 Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	–	–
Resignation	1	–
Dismissal	–	–
Retirement	–	–
Ill health	–	–
Expiry of contract	–	–
Other	–	–
TOTAL	–	–

D.2.8 Labour Relations: Misconduct and disciplinary action

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

D.2.9 Equity Target and Employment Equity Status

D.2.9.1 Male

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management		–	–	–	–	–	–	–
Senior Management	1	–		–	–	–	–	–
Professional qualified	1	–		–	–	–	–	–
Skilled	2	–	1	–	–	–	–	–
Semi-skilled	3	–		–	–	–	–	–
Unskilled	1	–		–	–	–	–	–
TOTAL	8	–	1	–	–	–	–	–

D.2.9.2 Female

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	–	–	0	–	–	–	–	–
Senior Management	2	–	0	–	–	–	–	–
Professional qualified	–	–	0	–	–	–	–	–
Skilled	2	–	0	–	–	–	–	–
Semi-skilled	5	–	0	–	–	–	–	–
Unskilled	2	–	0	–	–	–	–	–
TOTAL	11	–	0	–	–	–	–	–

D.2.9.3 Disabled

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

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	2022 / 2023	2023 / 2024
	R'000	R'000
Opening balance	6,918	9,129
Add: Irregular expenditure confirmed	2,211	838
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	9,129	9,967

b) Reconciling Notes

Description	2022/ 23	2023 / 24
	R'000	R'000
Irregular Expenditure that was under assessment in 2021/2022	1,668	3,879
Irregular expenditure that relates to 2021/2022 and identified in 2022/2023	5,250	5,250
Irregular expenditure for the current year	2,211	838
Total	9,129	9,967

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

Description	2022/ 2023	2023/ 2024
	R'000	R'000
Irregular expenditure under assessment	1,668	7,756
Irregular expenditure under determination	5,250	2,211
Irregular expenditure under investigation	0	0
Total	6,918	9,967

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

Description	2022 / 2023	2023 / 2024
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

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

Description	2022 / 2023	2023 / 2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

E.3 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022 / 2023	2023 / 2024
	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
Closing balance	17	17

b) Reconciling notes

Description	2022 / 2023	2023 / 2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/2023	17	17
Fruitless and wasteful expenditure that relates to 2022/2023 and identified in 2023/24	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	17	17

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

Description	2022 / 2023	2023 / 2024
	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
Total	17	17

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	924	8,096
Invoices paid within 30 days or agreed period	0	0
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	924	8,096

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	Ukukhanya Advisory Services	RFQ Process	N/A	183
Security Guarding Services	Siyejabula Security Services	Tender Process	LM01/20/02	245
ICT Support and Hosting	Boss Technical Solution	RFQ Process	LM01/2021/03	252

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
Security Guarding Services	Siyejabula Security Services	Tender Process	LM01/20/02	1,474	245	1,719
ICT Support and Hosting	Boss Technical Solution	RFQ Process	LM01/2021/03	430	252	682
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
Total				1,904	497	2,401

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 75 to 115 which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in equity, statement of cash flows, 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 2024 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 1 of 1999 (PFMA).

Basis for opinion

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

Responsibilities of the accounting authority for the financial statements

6. 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 69, forms part of our auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to business development presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of museum artefacts acquired and valued
 - Number of research field trips conducted for collection development
 - Number of research documents produced for exhibitions
 - Number of documents produced for museum publications
 - Number of conference paper or newspaper opinion produced for public dissemination
 - Number of permanent museum exhibitions upgraded
 - Number of museum exhibitions staged
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

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

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

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

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

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

18. The table that follows provides information on the achievement of planned targets and lists the key indicator that was not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 22 to 25.

Business development

<i>Targets achieved: 86%</i> <i>Budget spent: 90%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of conference paper or newspaper opinion produced for public dissemination	4 X Conference paper or newspaper opinion produced for public dissemination	3 X Conference paper or newspaper opinion produced for public dissemination

Material misstatements

19. I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was in the reported performance information for business development. Management subsequently corrected the misstatement, and I did not include any material findings in this report.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
21. 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.
22. 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.
23. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure 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 (SCM) processes.

Procurement and contract management

25. The preference point system was not applied in some of the procurement of goods and services as required by section 2(a) of the Preferential Procurement Policy Framework Act and Treasury Regulation 16A6.3(b).
26. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
28. 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.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

31. 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.
32. 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.

33. 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 prevent irregular expenditure and ensure compliance with procurement and contract management legislation.
34. Management did not implement and monitor the effectiveness of controls to ensure compliance with applicable SCM requirements.

Auditor-General

Pietermaritzburg

31 July 2024



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 selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)"
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3"
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2;
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 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
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

E.2 Luthuli Museum Annual Financial Statements for the year ended 31 March 2024

Luthuli Museum
Annual Financial Statements
for the year ended 31 March 2024

Luthuli Museum

Annual Financial Statements for the year ended 31 March 2024

Index

The reports and statements set out below comprise of the Annual Financial Statements presented to the council:

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Luthuli Museum

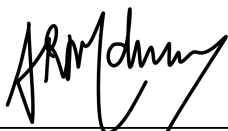
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The Luthuli Museum mandate is to preserve, educate, promote, grow and sustain the Legacy of Chief Albert Luthuli
Director	Mr. B Xaba
The Council Members	Prof. M Mchunu - Chairperson Hon. I Mkhize - Deceased 30/09/2023 Mr. T Tsemetse Ms. S Mabilane Mr. J Matlou Mr. S Dlamini Ms. S Mthembu Mr. S Luthuli Ms. S Masango - appointed 9/11/2023
Audit Committee	Ms. W Oelofse - Chairperson - appointed 21/10/2022 Mr. T Tsemetse - removed 31/10/2023 Mr. J Matlou Mr. T Maphanga - appointed 31/10/2023 Ms. M Nchabeleng
Controlling entity	National Department of Sport, Arts and Culture
Registered Office	333 Nokukhanya Luthuli Street Groutville KwaDukuza 4450
Bankers	First National Bank
Preparer	The financial statements were prepared internally by Mr. J Ncwane
External Auditors	Auditor-General South Africa
Entity Secretary	Not applicable

Approval of the Annual Financial Statements

The Annual Financial Statements for the year ended 31 March 2024, as set out on pages 3 to 42 were approved by the Luthuli Museum Council on 31 May 2024 and were signed on its behalf on their behalf by:



Prof. M Mchunu - Chairperson

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Statement of Financial Position

Figures in R

	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	5	10,531,413	10,132,678
Intangible assets	6	3,246	4,058
Heritage assets	7	6,981,570	6,931,955
Total non-current assets		17,516,229	17,068,691
Current assets			
Inventories	8	28,199	31,732
Trade and other receivables	9	58,367	81,548
Cash and cash equivalents	10	11,091,032	11,637,637
Total current assets		11,177,598	11,750,917
Total assets		28,693,827	28,819,608
Net assets and liabilities			
Net assets			
Accumulated surplus		27,457,013	27,201,416
Current liabilities			
Provisions	11	448,827	362,066
Trade and other payables	12	282,885	310,719
Unspent conditional grants and receipts	13	505,102	945,407
Total current liabilities		1,236,814	1,618,192
Total net assets and liabilities		28,693,827	28,819,608

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Statement of Financial Performance

Figures in R

	Notes	2024	2023
Revenue from non-exchange transactions			
Government grants and subsidies	17	18,129,305	17,700,290
Income from investments		504,799	349,800
Donations received		49,756	-
Income from loyalty programmes		14,446	-
Total revenue from non-exchange transactions	16	18,698,306	18,050,090
Revenue from exchange transactions			
Tender deposits		29,145	-
Sales - Books		9,565	2,680
Sales - T-Shirts		-	1,116
Sales - Caps		-	56
Sales - Mugs		456	29
Profit on sale of property, plant and equipment		-	174,555
Total revenue from exchange transactions	18	39,166	178,436
Gross surplus		18,737,472	18,228,526
Expenditure			
Administrative expenses	19	(1,263,921)	(1,088,851)
Amortisation	6	(811)	(811)
Audit Fees	20	(1,294,517)	(1,345,741)
Depreciation	5	(389,554)	(220,636)
Employee costs	21	(9,995,843)	(8,928,911)
Governance expenditure	22	(699,091)	(1,004,751)
Operating expenditure	23	(3,156,691)	(2,823,703)
Impairment loss	7	-	(99,000)
Marketing expenditure	25	(1,681,447)	(1,487,229)
Total expenditure		(18,481,875)	(16,999,633)
Surplus from operating activities		255,597	1,228,893
Surplus for the year		255,597	1,228,893

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 April 2022	25,972,523	25,972,523
Changes in net assets		
Surplus for the period	1,228,893	1,228,893
Balance at 31 March 2023	27,201,416	27,201,416
Balance at 1 April 2023	27,201,416	27,201,416
Changes in net assets		
Surplus for the period	255,597	255,597
Balance at 31 March 2024	27,457,013	27,457,013

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Figures in R	Notes	2024	2023 Restated
Receipts			
Government grants and subsidies	17	17,689,000	17,687,000
Tender deposits		29,145	-
Sales - Books		9,565	2,680
Sales - T-Shirts		-	1,116
Sales - Caps		-	56
Sales - Mugs		456	29
Donations received		140	-
Income from investments		504,799	349,800
		18,233,105	18,040,681
Payments			
Payments to suppliers for goods and services		(7,898,179)	(8,081,468)
Payments to and on behalf of employees		(9,995,843)	(8,928,911)
Payments to suppliers for operating leases		(111,847)	(106,172)
		(18,005,869)	(17,116,551)
Net cash flows from operations	26	227,236	924,130
Cash flows used in investing activities			
Purchase of property, plant and equipment		(773,841)	(783,807)
Purchase of buildings under construction		-	(222,569)
Purchase of heritage assets	7	-	(199,270)
Cash flows used in investing activities		(773,841)	(1,205,646)
Net decrease in cash and cash equivalents		(546,605)	(281,516)
Cash and cash equivalents at beginning of the year		11,637,637	11,919,153
Cash and cash equivalents at end of the year	10	11,091,032	11,637,637

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Accounting Policies

1. General information

The entity 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 Annual Financial Statements of Luthuli Museum have been prepared in accordance with Standards of Generally Recognised Accounting Practice. The Annual Financial Statements have been prepared on the accrual basis of accounting under the historical cost convention. 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 entity'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 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 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.

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.

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Accounting Policies

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

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:

Asset class	Measurement base	Useful life	Depreciation method
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 2024

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.

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Accounting Policies

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.

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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.

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Accounting Policies

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:

Asset class	Internally generated or other	Useful life classification	Useful life	Amortisation method
Computer software	other	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.

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Accounting Policies

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 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 Trade and other receivables

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

2.6 Inventories

Definition

Inventories are assets:

- 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.

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Financial Statements for the year ended 31 March 2024

Accounting Policies

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

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 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.

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.

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.

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Accounting Policies

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

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.

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.

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Accounting Policies

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

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.

2.9 Commitments

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

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

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

2.10 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.

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Financial Statements for the year ended 31 March 2024

Accounting Policies

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

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.

2.11 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.

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.

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.

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Accounting Policies

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

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.

2.12 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).

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.

2.13 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 entity. 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 entity.

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Accounting Policies

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

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.

2.14 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.

2.15 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.

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Accounting Policies

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

2.16 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.

2.17 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. 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 entity 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.

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 2024 or later periods:

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Financial Statements for the year ended 31 March 2024

Accounting Policies

New standards and interpretations continued...

Standard	Standard effective date	Adopted in the current year (Y/N)	Expected impact
GRAP 1 (amendments related to going concern) - Presentation of Financial Statements	01/04/2025	N	Unlikely to have a material impact
GRAP 103 (amendments) - Heritage Assets	TBD	N	Unlikely to have a material impact
iGRAP22 - Foreign Currency Transactions and Advanced Consideration	01/04/2025	N	Unlikely to have a material impact
GRAP 105, GRAP 106 and GRAP 107 (amendments) - Transfer of Functions and Mergers	TBD	N	Unlikely to have a material impact
Improvements to Standards of GRAP (2023)	TBD	N	Unlikely to have a material impact
Guideline - The Application of Materiality to Financial Statements	TBD	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

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5. Property, plant and equipment

5.1 Balances at year end and movements for the year

Reconciliation for the year ended 31 March 2024

Balance at 1 April 2023

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)
Net book value	8,630,427	652,354	129,002	46,912	673,983	10,132,678

Movements for the year ended 31 March 2024

Additions from acquisitions
Depreciation

	-	254,999	298,599	52,443	182,248	788,289
		(96,841)	(68,046)	(35,488)	(189,179)	(389,554)
Property, plant and equipment at end of year	8,630,427	810,512	359,555	63,867	667,052	10,531,413

Closing balance at 31 March 2024

At cost	8,630,427	1,084,491	1,329,987	558,901	1,793,353	13,397,159
Accumulated depreciation	-	(273,979)	(970,432)	(495,034)	(1,126,301)	(2,865,746)
Net book value	8,630,427	810,512	359,555	63,867	667,052	10,531,413

Reconciliation for the year ended 31 March 2023

Balance at 1 April 2022

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)
Net book value	8,407,858	42,797	171,816	80,558	469,353	9,172,382

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<i>Property, plant and equipment continued...</i>									
Movements for the year ended 31 March 2023									
Additions from acquisitions	-	631,277	-	-	-	342,531	973,808		
Additions through assets under construction	222,569	-	-	-	-	-	222,569		
Depreciation	-	(6,275)	(42,814)	(33,646)	(137,901)		(220,636)		
Disposals	-	(15,445)	-	-	-	-	(15,445)		
Property, plant and equipment at end of year	8,630,427	652,354	129,002	46,912	673,983	10,132,678			
Closing balance at 31 March 2023									
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)			
Net book value	8,630,427	652,354	129,002	46,912	673,983	10,132,678			

Luthuli Museum

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Property, plant and equipment continued...

5.2 Additional disclosures

Building - work in progress

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 Local Municipality.

This is a temporary arrangement. This building is in the process of being transferred to the Department of Public Works upon receipt of the certificate of occupancy from the KwaDukuza Local Municipality.

6. Intangible assets

Reconciliation of changes in intangible assets

	Computer software	Total
Reconciliation for the year ended 31 March 2024		
Balance at 1 April 2023		
At cost	54,271	54,271
Accumulated amortisation	(50,213)	(50,213)
Net book value	4,058	4,058
Movements for the year ended 31 March 2024		
Amortisation	(812)	(812)
Intangible assets at end of period	3,246	3,246
Closing balance at 31 March 2024		
At cost	54,271	54,271
Accumulated amortisation	(51,025)	(51,025)
Net book value	3,246	3,246
Reconciliation for the year ended 31 March 2023		
Balance at 1 April 2022		
At cost	54,271	54,271
Accumulated amortisation	(49,402)	(49,402)
Net book value	4,869	4,869
Movements for the year ended 31 March 2023		
Amortisation	(811)	(811)
Intangible assets at end of period	4,058	4,058
Closing balance at 31 March 2023		
At cost	54,271	54,271
Accumulated amortisation	(50,213)	(50,213)
Net book value	4,058	4,058

Luthuli Museum

Financial Statements for the year ended 31 March 2024

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7. Heritage assets

7.1 Balances at year end and movements for the year

	Works of art - revaluation	Contents of Luthuli House	Collections of rare books - revaluation	Collections of manuscripts - revaluation	Collections of records - revaluation	Objects of scientific or technological interest - revaluation	Total
Reconciliation for the year ended 31 March 2024							
Balance at 1 April 2023							
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)
Net carrying amount	3,421,124	296,480	410,275	779,049	1,885,087	139,940	6,931,955
Movements for the year ended 31 March 2024							
Additions	46,850	-	2,765	-	-	-	49,615
	3,467,974	296,480	413,040	779,049	1,885,087	139,940	6,981,570
Closing balance at 31 March 2024							
Gross carrying amount	3,467,974	296,480	413,040	779,049	1,885,087	139,940	6,981,570
Net carrying amount	3,467,974	296,480	413,040	779,049	1,885,087	139,940	6,981,570
Reconciliation for the year ended 31 March 2023							
Balance at 1 April 2022							
Gross carrying amount	3,321,124	296,480	410,005	779,049	1,885,087	139,940	6,831,685
Net carrying amount	3,321,124	296,480	410,005	779,049	1,885,087	139,940	6,831,685
Movements for the year ended 31 March 2023							
Additions	199,000	-	270	-	-	-	199,270
Impairment loss recognised in surplus or deficit	(99,000)	-	-	-	-	-	(99,000)
	3,421,124	296,480	410,275	779,049	1,885,087	139,940	6,931,955

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Heritage assets continued...

Closing balance at 31 March 2023

Gross carrying amount

Accumulated impairment

Net carrying amount

3,520,124	296,480	410,275	779,049	1,885,087	139,940	7,030,955
(99,000)	-	-	-	-	-	(99,000)
3,421,124	296,480	410,275	779,049	1,885,087	139,940	6,931,955

Luthuli Museum

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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 on the 04/05/2024 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 2023/24 financial year the register comprised of items of the value of R4 325 and the items that were duplicated amounted to R2 900.

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.

As at 31 March 2024, the backlog was valued at R17 495.

Luthuli Museum

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8. Inventories		
Inventories comprise:		
Inventory - books	25,849	29,382
Inventory - DVDs	2,350	2,350
	28,199	31,732
9. Trade and other receivables		
Trade and other receivables comprise the following balances		
Loans and other receivables - staff loans	40,398	63,406
Prepayment - rental	17,969	18,142
	58,367	81,548
10. Cash and cash equivalents		
10.1 Cash and cash equivalents comprise:		
Cash		
Balances with banks	6,742,706	7,315,062
Total cash	6,742,706	7,315,062
Cash equivalents		
Short term deposits	4,348,326	4,322,575
Total cash equivalents	4,348,326	4,322,575
Total cash and cash equivalents included in current assets	11,091,032	11,637,637
Net cash and cash equivalents	11,091,032	11,637,637
10.2 Securities provided		
Description	Details	
FNB credit card	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	4,011,709	4,799,128
FNB 32 day deposit account	2,730,997	2,515,934
Total	6,742,706	7,315,062
Short term deposits		
FNB money market account	4,348,326	4,322,575

Luthuli Museum

Financial Statements for the year ended 31 March 2024

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11. Provisions

Other provisions

	Provision for leave pay	Provision for service bonus	Total
Balance at 1 April 2023	109,973	252,093	362,066
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	-	(13,911)	(13,911)
Increase through adjustments arising from passage of time	100,672	-	100,672
Total changes	100,672	(13,911)	86,761
Balance at 31 March 2024	210,645	238,182	448,827

12. Trade and other payables

12.1 Trade and other payables comprise:

Trade payables	122,750	117,712
Accrued expense	143,000	143,000
Credit card	17,135	50,007
	282,885	310,719

12.2 Additional disclosures

The accrued expense is a contingency fee to be paid to MVY Construction upon receipt of the certificate of occupancy from KwaDukuza Local Municipality as per Note 5.2.

Luthuli Museum

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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 2022	700,000	99,516	159,181	958,697
Grants received	-	-	-	-
Grants transferred to revenue	(4,320)	(8,970)	-	(13,290)
Balance as 31 March 2023	695,680	90,546	159,181	945,407
Grants received	-	-	-	-
Grants transferred to revenue	(440,305)	-	-	(440,305)
Balance as at 31 March 2024	255,375	90,546	159,181	505,102

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 2024 amounts to R90 546.

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 2024 amounts to R159 181.

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 expenditure was transferred to revenue amounts to R440 305 and the Special Projects Grant balance at 31 March 2024 amounts to R255 375.

14. Fruitless and wasteful expenditure

14.1 Reconciliation of fruitless and wasteful expenditure

Fruitless and wasteful expenditure - current year	-	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
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Luthuli Museum

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15. Irregular expenditure

15.1 Reconciliation of irregular expenditure

Irregular expenditure - current year	838,392	2,211,001
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15.2 Details of incidents of irregular expenditure

Incident

Irregular expenditure relates to contracts of various service providers that were extended without following competitive bidding procedures	191,573	371,996
Irregular expenditure relates to SBD 4 not completed by service providers	66,717	
Irregular expenditure relates to deviations not justifiable various service providers.	27,966	230,471
Irregular expenditure relates to evaluation criteria not the same as the invitation for quotation	338,885	-
Irregular expenditure relates to transactions procure without criteria	-	1,608,534
Irregular expenditure relates to quotations not evaluated based on PPPFA (points system)	213,252	-
	838,393	2,211,001

16. Revenue from non-exchange transactions

Revenue from non-exchange transactions comprise:

Donations received	49,756	-
Income from investments	504,799	349,800
Income from royalty programmes	14,446	-
Government grants and subsidies (Note 17.)	18,129,305	17,700,290
	18,698,306	18,050,090

17. Government grants and subsidies

Government grants and subsidies comprise:

Operating grants

Government grants and subsidies - operating	17,689,000	17,695,970
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Capital and special grants

Government grants and subsidies - capital	440,305	4,320
	18,129,305	17,700,290

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18. Revenue from exchange transactions

Revenue from exchange transactions comprise:

Tender deposits	29,145	-
Sales - Books	9,565	2,680
Sales - T-Shirts	-	1,116
Sales - Caps	-	56
Sales - Mugs	456	29
Profit on sale of property, plant and equipment	-	174,555
	39,166	178,436

19. Administrative expenses

Administrative expenses comprise:

HR - administrative fees	170,839	132,175
Lease rental on operating lease	111,847	106,172
Training	76,621	56,886
Bank charges	18,211	20,756
Computer expenses	547,390	504,709
Postage	3,003	4,493
Printing and stationery	146,999	74,741
Telephone and fax	189,011	188,919
	1,263,921	1,088,851

20. Audit fees

Audit fees comprise:

Internal audit	254,784	376,119
Statutory audit	1,039,733	969,622
	1,294,517	1,345,741

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21. Employee costs

Employee costs comprises:

Basic salaries	4,434,668	3,657,135
Casual wages	6,645	5,394
Medical aid contributions	576,460	496,956
Pension fund contributions	1,161,733	1,707,512
Annual leave provision	100,673	(315,287)
Service bonus provision	(13,911)	6,499
Salaries and wages	<u>6,266,268</u>	<u>5,558,209</u>
Director	1,323,600	1,156,311
Finance manager	975,424	942,788
Curator	768,125	682,778
Marketing manager	662,426	588,824
Management emoluments	<u>3,729,575</u>	<u>3,370,701</u>
	<u>9,995,843</u>	<u>8,928,910</u>

22. Governance expenditure

Governance expenditure comprise:

Honorarium fee	<u>699,091</u>	<u>1,004,751</u>
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23. Operating expenses

Operating expenses comprise:

Cleaning	40,967	38,910
Consulting, contractors and special services	940,534	561,876
Donations	4,625	-
Electricity and water	333,476	217,920
Entertainment	55,461	45,193
Generator diesel	94,690	-
Insurance	216,887	166,901
Repairs and maintenance	535,182	724,296
Travel and accommodation - Council	475,600	586,517
Travel and subsistence	459,269	482,090
	<u>3,156,691</u>	<u>2,823,703</u>

24. Marketing expenditure

Marketing expenditure comprise:

Advertising and promotions	342,461	160,123
Public programmes - Other	1,039,810	831,159
Public programmes - Luthuli lecture	284,066	199,895
Public programmes - Luthuli walk	-	296,052
Exhibitions	15,110	-
	<u>1,681,447</u>	<u>1,487,229</u>

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25. Income tax expense

Additional disclosures

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

26. Cash flows from operating activities

Surplus for the year	255,597	1,228,893
Adjustments for:		
Depreciation and amortisation expense	390,365	221,447
Impairment losses and reversal of impairment losses recognised in surplus or deficit	-	99,000
Profit or loss on sale of non-current assets	-	(174,555)
Income from loyalty programmes	(14,446)	-
Donations - non cash	(49,616)	-
Grants transferred to revenue	(440,305)	(13,290)
Change in operating assets and liabilities:		
Adjustments for decrease/(increase) in inventories	3,533	(23,298)
Adjustments for decrease/(increase) in prepayments	23,181	(43,313)
Adjustments for increase in other operating payables	(27,834)	(61,964)
Adjustments for provisions	86,761	(308,790)
Net cash flows from operations	227,236	924,130

27. 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.

28. 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 Accounting authority believes that the entity 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.

Luthuli Museum

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29. Operational commitments

Commitments in respect of operational expenditure:

Approved as at 31 March 2024	Siyajabula Security Services	Morar Inc	Boss Technical Solutions	Ukukhanya Advisory Services	Total
Contract price/(extension)	245,747	-	252,440	183,580	681,767
Paid to date	-	-	-	(120,973)	(120,973)
Total	245,747	-	252,440	62,607	560,794

Approved as at 31 March 2023	Siyajabula Security Services	Morar Inc	Boss Technical Solutions	Ukukhanya Advisory Services	Total
Contract price/(extension)	1,474,843	391,166	430,860	-	2,296,869
Paid to date	(1,120,917)	(376,389)	(243,538)	-	(1,740,844)
Total	353,926	14,777	187,322	-	556,025

30. Financial risk management

30.1 Financial risk factors

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.

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.

30.2 Market Risk

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.

30.2.1 Foreign exchange risk

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.

30.2.2 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.

30.2.3 Fair values

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

Luthuli Museum

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Financial risk management continued...

30.3 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, other receivables and cash and cash equivalents held with banking institutions.

Trade and other receivables

The Luthuli Museum has no significant exposure to credit risk, the credit risk applicable to Luthuli Museum amounted to R0 for the year ended 31 March 2024.

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

30.4 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.

31. Lease rental on operating lease

Operating lease commitments - Mr. M Guma

Due in 12 months	77,264	70,240
Due in 2-3 years	19,765	97,029
	97,029	167,269

Operating lease commitments - Mrs. S Guma

Due in 12 months	51,343	46,675
Due in 2-3 years	56,477	107,820
	107,820	154,495

Luthuli Museum

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32. Prior period errors

Non-cash items or amounts

The comparative information on the Statement of Cash Flows was restated to exclude non-cash items or amounts, namely; grants transferred to revenue and profit on a motor vehicle that was traded in.

The correction of the error results in the following adjustments:

	As previously reported	Correction of error	Restated
Statement of Cash Flows: Extract 2023			
Cash flows from operations			
Receipts			
Government grants and subsidies	17,700,290	(13,290)	17,687,000
Tender deposits	174,555	(174,555)	-
Payments			
Payments to suppliers for goods and services	8,491,881	(450,413)	8,041,468
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment	190,000	(190,000)	-
Purchase of property, plant and equipment	(973,808)	190,001	(783,807)
Purchase of buildings under construction	-	(222,569)	(222,569)

33. Comparative information restated

The Luthuli Museum comparative information has been restated.

Luthuli Museum

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34. Related parties

Relationships

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	The Council Members
Custodian of immovable assets	National Department of Public Works and Infrastructure

Related party balances

National Department of Sport, Arts and Culture		
Operational grant	17,689,000	17,695,970
Conditional grant	440,305	4,320
	18,129,305	17,700,290

Council members fees paid:

Dr. A Luthuli - retired 28/08/2022	-	3,484
Prof. M Mchunu	127,652	124,470
Hon I Mkhize - deceased 30/09/2023	60,617	187,830
Mr. J Matlou	82,570	95,044
Mr. S Dlamini	60,297	99,949
Mr. S Luthuli	25,130	9,847
Mr. S Mabilane	67,779	110,072
Mr. T Tsematse	61,030	121,384
Ms. B Chiliza - resigned 03/09/2022	-	43,170
Ms. S Mthembu	71,980	103,792
Ms. M Nchabeleng	13,332	16,188
Ms. W Oelofse - appointed 21/10/2022	66,690	40,220
South African National Deaf Association *	48,524	49,300
Mr. T Maphanga - appointed 31/10/2023	13,490	-
Ms. S Masango - appointed 09/11/2023	-	-
	699,091	1,004,750
Senior management	3,729,575	3,370,701
	4,428,666	4,375,451

* South African National Deaf Association is not a council member but a deaf association assisting Mr. S Dlamini.

35 Budget information and explanation of differences

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Notes to the Financial Statements

Figures in R

2024

2023

- 35.1** This is a subsidy income received from DSAC.
- 35.2** 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.
- 35.3** Income from book sales.
- 35.4** Sales from branded mugs.
- 35.5** Income from tender deposits.
- 35.6.1** Our grant allocation for the year is not enough for all operational expenses. What we normally do is to top up with the savings. There was no transfer in the current year because we had enough money till the end of the year.
- 35.6.2** Donations received for assets.
- 35.7** 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.
- 35.8** Internal audit contract is still continuing with R120 973 paid and R62 607 still owing on the contract value of R183 580. All Auditor General invoices were paid in full.
- 35.9** General savings on security costs, the security contract expired in December 2023 and it was extended to 30 September 2023.
- 35.10.1** This was a savings on adverts and promotion for the events.
- 35.10.2** a) SHRC event request, payment was done by Luthuli Museum for other activities as the event was decided late.
b) Black History Month catering: Supplier prices were higher than the estimated costs as per motivation analysis.
c) Time of The Writer: The initial catering spec for Time of The Writer was sandwiches for learners and platters for adults. Due to the poor service received from Black History Month event it was decided to switch to plated food.
- 35.10.3** No variance.
- 35.10.4** Only one exhibition performed which was Amasosha KaLuthuli.
- 35.11** This was a general savings on bank charges.
- 35.12** General saving on expenses.
- 35.13** General saving on expenses.
- 35.14** General saving on expenses.
- 35.15** Depreciation expense was lower than expected/budgeted.
- 35.16** Amortisation expense was lower than expected/budgeted.
- 35.17** Savings on donation because there were no donation paid in the 4th quarter.
- 35.18** General saving on expenses.
- 35.19** General saving on expenses.
- 35.20** General saving on expenses.
- 35.21** General saving on expenses.
- 35.22** General saving on expenditure on rental for staff and visitor parking on the Guma Family property.
- 35.23** There were no legal fee costs incurred in the current year.
- 35.24** General saving on expenditure.
- 35.25** General saving on expenditure.
- 35.26** General saving on expenditure.
- 35.27** The grant allocation for the year is not enough for all operational expenses. What we normally do is to top up with the savings. Two positions were vacant towards the end of the year which is HR Practitioner and Project Officer. In the current year, the museum did not do the Fun Walk and Run is costing us R 750 000. Hence why there was this saving.
- 35.28** Average saving on casual wages.
- 35.29** No subscription paid during the year.
- 35.30** Savings because SCM and Graphics Design were the only trainings attended in the current year.
- 35.31** Uniform for garden staff was purchased in the current year. The uniforms for cleaning staff was budgeted for in the current year but not bought. The uniforms will be acquired in May 2024.
- 35.32** General saving on expenditure because some staff members used their personal cellphones for outside calls.
- 35.33** General saving on expenditure.
- 35.34** General saving on expenditure.
- 35.35** Savings as a result that most of the meetings were conducted online and physical meetings were reduced.
- 35.36** Savings due to reduced number of Council meetings in the current year.
- 35.37** This is the PESP Mural Art Project which is a specialized projects for the Artists. The majority of this budget was used in June and August 2023. We now have the balance of R255 375 remaining.

Luthuli Museum

Financial Statements for the year ended 31 March 2024

Statement of Comparison of Budget and Actual Amounts

Statement of Comparison of Budget and Actual Amounts

Figures in R

Statement of financial performance

		Approved budget	Actual amounts on comparable basis	Difference between final budget and actual	Variance percentage
	35				
Subsidy Income	35.1	17,689,000	17,689,000	-	-
PESP Public Art Project	35.2	-	440,305	(440,305)	(100.00)
Sales - Books	35.3	-	9,565	(9,565)	(100.00)
Sales - Mugs	35.4	-	456	(456)	(100.00)
Sales - DVD		1,000	-	1,000	100.00
Tender deposits	35.5	-	29,145	(29,145)	(100.00)
Donations received	35.6.2	50,000	49,756	244	0.49
Transfer from investments	35.6.1	2,925,236		2,925,236	100.00
Income from investments	35.7	-	504,799	(504,799)	(100.00)
Income from loyalty programmes		-	14,446	(14,446)	(100.00)
Total revenue		20,665,236	18,737,472	1,927,764	

Luthuli Museum

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Statement of Comparison of Budget and Actual Amounts

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Expenditure					
Audit fees	35.8	(1,397,234)	(1,294,517)	(102,717)	7.35
Security	35.9	(581,722)	(450,537)	(131,185)	22.55
Advertising		-	-	-	
Adverts and promotions	35.10.1	(343,274)	(342,461)	(813)	0.24
Public programs	35.10.2	(1,040,000)	(1,039,810)	(190)	0.02
Luthuli lecture	35.10.3	(284,066)	(284,066)	-	-
Exhibitions	35.10.4	(100,000)	(15,110)	(84,890)	84.89
Bank charges	35.11	(33,000)	(18,211)	(14,789)	44.82
Cleaning	35.12	(43,931)	(40,967)	(2,964)	6.75
Computer expenses	35.13	(583,000)	(547,390)	(35,610)	6.11
Consulting fees		(61,388)	(45,000)	(16,388)	26.70
Postage	35.14	(10,409)	(3,003)	(7,406)	71.15
Depreciation	35.15	(396,184)	(389,554)	(6,630)	1.67
Amortisation	35.16	(816)	(811)	(5)	0.61
Donations	35.17	(6,061)	(4,625)	(1,436)	23.69
Electricity and water	35.18	(308,634)	(333,476)	24,842	(8.05)
Entertainment	35.19	(55,612)	(55,461)	(151)	0.27
Admin fees - other	35.20	(186,829)	(170,839)	(15,990)	8.56
Insurance	35.21	(221,740)	(216,887)	(4,853)	2.19
Lease rental on operating lease	35.22	(145,609)	(111,847)	(33,762)	23.19
Legal expense	35.23	(173,491)	-	(173,491)	100.00
Motor vehicle expense	35.24	(160,000)	(147,700)	(12,300)	7.69
Printing and stationery	35.25	-	-	-	-
Annual rep and broch		(96,308)	(86,259)	(10,049)	10.43
Stationery		(87,879)	(60,740)	(27,139)	30.88
Repairs and maintenance	35.26	(550,808)	(535,182)	(15,626)	2.84
Employee expense - salaries	35.27	(11,127,698)	(9,989,198)	(1,138,500)	10.23
Employee expense - casual wages	35.28	(10,000)	(6,645)	(3,355)	33.55
Subscriptions	35.29	(985)	-	(985)	100.00
Training	35.30	(180,371)	(76,621)	(103,750)	57.52
Protective clothing	35.31	(21,593)	(4,692)	(16,901)	78.27
Telephone	35.32	(85,240)	(61,617)	(23,623)	27.71
Other communication cost	35.33	(128,272)	(127,394)	(878)	0.68
Travel - local	35.34	(315,337)	(311,569)	(3,768)	1.19
Travel - overseas	35.35	(579,404)	(475,600)	(103,804)	17.92
Honoraria	35.36	(1,244,660)	(699,091)	(545,569)	43.83
Petrol and diesel		(103,681)	(94,690)	(8,991)	8.67
Total expenses		(20,665,236)	(18,041,570)	(2,623,666)	
Surplus for the year		-	695,902	(2,623,666)	
Capital projects					
PESP public art project cost	35.37	(695,680)	(440,305)	(255,375)	37
		(695,680)	(440,305)	(255,375)	
Net surplus for the year		(695,680)	255,597	(3,134,416)	

Luthuli Museum

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Capital additions				
Motor vehicles	-	254,999	(254,999)	(100.00)
Fixtures and fittings	-	298,599	(298,599)	(100.00)
Office equipment	-	52,443	(52,443)	(100.00)
Computer equipment	-	182,249	(182,249)	(100.00)
Works of art - cost	-	46,850	(46,850)	(100.00)
Contents of Luthuli House	-	3,900	(3,900)	(100.00)
Collections of rare books - cost	-	3,740	(3,740)	(100.00)
Collections of manuscripts - cost	-	5,850	(5,850)	(100.00)
Collections of records - cost	-	1,500	(1,500)	(100.00)
	-	850,130	(850,130)	