LUTHULI MUSEUM

Annual Report + 2018/2019

NOKUKHANYA LUTHULI RESOURCE CENTRE

RP33/2019
ISBN: 978-0-621-47870-9

Welcome To Our Annual Report 2018/2019

Annual Report 2018/2019

www.luthulimuseum.org.za
luthulimuseum@luthulimuseum.org.za

Annual Report Contents

2018/2019

CONTENT **PAGE NUMBER**

ORGANISATIONAL STRUCTURE		04
A.	GENERAL INFORMATION	
1.	Chairperson's Statement	06
2.	Strategic Overview	08
B.	REPORT OF THE AUDIT COMMITTEE CHAIRPERSON	09
B.1	INTRODUCTION BY THE HEAD OF THE INSTUTITON	14
C.	REPORT / PROGRAMME / ACTIVITY PERFORMANCE	16
D.	PERFORMANCE AGAINST OBJECTIVES	25
E.	HUMAN RESOURCES	55
F.	AUDITOR GENERAL'S REPORT	64
G.	ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2019	72

ORGANISATIONAL STRUCTURE

Council Members	**(New Council Appointed 1 December 2017)**
Mr Important Mkhize	Chairperson *(Appointed 26 September 2018 To Date)*
Dr Mxolisi Mchunu	Deputy Chairperson
Advocate Motlatjo Ralefatane	Member
Dr Albertinah Luthuli	Member
Mr Zakhele Gumede	Member *(Chairperson 1 Dec 2017 – 6 Sept 2018)*
Mr Tsematse Tsematse	Member *(Appointed 26 September 2018)*
Mr Mfundo Thango	Member *(Resigned 20 June 2018)*
Mr George Kgarume	Member *(Deceased 15 September 2018)*
Mr Mthunzi Luthuli	Member
Ms Salome Mabilane	Member
Mr Brian Xaba	Director *(Ex Officio)* *

Luthuli Museum Staff	
Mr Brian Xaba	Director
Mr Thabane Nkosi	PA To The Director *(Fixed Contract Terminated 31 Mar '19)*
Mr Julanolwazi Ncwane	Finance Manager
Ms Loyiso Gumede	Curator
Vacant	Marketing Manager
Ms Nonhlanhla Mnguni	Finance Officer
Mr Mthunzi Zungu	Research Officer
Vacant	Museum Officer: Design Technician
Mr Clinton Taylor	Education Officer
Mr Thulani Thusi	Heritage Educator
Ms Zinhle Nyembe	Public Relations Officer
Vacant	Maintenance Supervisor
Ms Bajabulisile Mngadi	General Assistant
Ms Sibongile Ngwane	General Assistant / Messenger
Ms Khanyisile Mhlongo	Site Supervisor
Vacant	Groundsman / Gardner
Mr Mgcinamafa Zungu	Museum Assistant *(Partime)*
Ms Nokukhanya Nxaba	Museum Assistant *(Partime)*

Luthuli Museum Visiting Hours

Monday – Saturday	**08h30 – 16h00**
Sunday And Public Holidays	**11h00 – 15h00**

The Luthuli Museum is closed on Good Friday, Christmas Day and New Year's Day

PART A

GENERAL INFORMATION

1. CHAIRPERSON'S STATEMENT

Mr. Important Mkhize
Chairperson - Luthuli Museum Council

CHARTING THE WAY FORWARD

As the newly appointed Chairperson[1] of the Luthuli Museum I hereby present the organization's 2018/2019 Annual Report. In this reporting year the Luthuli Museum unfortunately has acquired a qualified audit, the first in many years of unqualified performance. It is with difficulty that I deliver this Annual Report. The reasons for the qualified audit are detailed in the Audit Report enclosed in this document.

Notwithstanding the audit outcome, I would say that the Museum did achieve its performance objectives despite the challenges encountered during the reporting year. These will be detailed in other sections of this Annual Report.

Some important lessons were learned by the Luthuli Museum from a governance and management perspective in this financial reporting year. Moving forward the organization needs to introspect and understand how its performance this financial year was qualified. Indeed this is not a good way to end a 5 year term considering that the Museum has performed quite well since the commencement of the term in 2015/2016. That being said, it becomes important that the organization does not remain despondent because of this setback but prepare for the years ahead.

In light of the audit outcome and in anticipation of the end of the 5 year term Council has embarked on a review of the organization's Strategic Plan; it is revising its organizational structure in order to realign and adequately capacitate it for effective service delivery.

[1] Mr. I Important Mkhize was appointed Chairperson of the Luthuli Museum Council effective from 26 September 2018. Prior Chairpersons include were Mr Z Gumede from 1 December 2017 - 6 September 2018 and Ms S Mabilane from 6 – 26 September 2019 who acted as interim Chairperson.

Furthermore, it becomes critical that corrective measures are put in place and the Museum's audit improvement plan is closely monitored to ensure that there is no repeat of a qualified audit outcome in the new financial year. A much closer working relationship with the Shareholder and other government structures responsible for compliance reporting is envisaged.

The oversight monitoring of the organization's performance has been strengthened by the improved effectiveness of the Audit and Risk Committee. The role of Internal Audit has been refocused so that such audits take place quarterly instead of biannually. Council resolved to expedite its Human Resources management training and development plan aimed at ensuring that the organization's growth trajectory and requisite skills set remain aligned. The Luthuli Museum needs to prepare itself not only for the inevitable challenges that any organization will face within its operational sector, but also be ready for opportunities that will take the legacy of Chief Albert Luthuli to far reaching heights. It must always be remembered that Chief Albert Luthuli strived for the betterment of society and improvement of the lives of everyone. This is a quest that we must continue to strive for as an organization as we continue to correct and improve on the organization's service delivery mandate.

'Let the Spirit if Luthuli Speak to All'

IMPORTANT MKHIZE
CHAIRPERSON: LUTHULI MUSEUM

Appointment Of Luthuli Museum Council Chairperson
Newly appointed Chairperson of Luthuli Museum Council, Mr.Important Mkhize (front centre) with Luthuli Museum Council members and staff joined by DG DAC Mr. Vusumuzi Mkhize, DDG DAC Mrs Kelebogile Sithibelo and DAC Portfolio Manager, Ms. Phindiwe Nguzo - 21 Sept 2018

2. STRATEGIC OVERVIEW

VISION

"To let the Spirit of Luthuli speak to all"

MISSION STATEMENT

To conserve, uphold, promote and propagate the life, values, philosophies and legacy of the late Chief Albert Luthuli in the struggle against Apartheid oppression, respect for human rights as well as life devotion to non-violent resolutions to world problems.

To bring the institutional values above into practice, the Luthuli Museum commits itself to the following offerings:

To provide a policy towards furthering the interest of the Albert Luthuli Legacy
To produce recommendations to further the interests of museums in South Africa, the Continent and the world.
To produce, document and make accessible knowledge about the Legacy of Albert Luthuli and the liberation-struggle in South Africa and beyond.
To empower and engage people and communities in the developing, collecting and distributing the offering.

VALUES

Conscientious Leadership
Human Rights
Integrity
Equitable Society
Freedom and Human Dignity

Applicable Acts And Other Information

The Luthuli Museum was established by the Minister of Arts and Culture in terms of the Cultural Institutions Act, Act 119 of 1998 as amended. This Annual Report is submitted in compliance with the Constitution of the Republic of South Africa, Act 108 of 1996; the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999); Treasury Regulations; Employment Equity Act; the Labour Relations Act of 1995; the Basic Conditions of Employment Act; the Policy on Preferential Procurement Framework Act, including the King IV Code of Good Corporate Governance.

PART B

REPORT OF THE AUDIT COMMITTEE CHAIRPERSON

LUTHULI MUSEUM

REPORT OF THE AUDIT COMMITEE FOR THE YEAR ENDED 31 MARCH 2019

This report is provided by the Audit Committee in respect to the 2018/19 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.

(1) Audit Committee Members and Attendance

In terms of section 27.1.1 of the Treasury Regulations, the Accounting Authority of a Public Entity must establish an Audit Committee as a sub-committee of the Accounting Authority.

The Audit Committee was established on 13 December 2018, and is responsible for the Audit Committee functions of Luthuli Museum in line with the Audit Committee Charter, the PFMA and King IV principles of Corporate Governance.

The Audit Committee Charter requires that the committee comprise of not less than three (3) members who are not in the employ of the Museum. The Audit Committee comprises of five (5) members, including the Chairperson.

In terms of section 77(b) of the PFMA, the Audit Committee must meet at least twice a year. During the period 13 December 2018 to 31 March 2019, the Audit Committee met three (times) as reflected in the table below:

Member	Gender	Meeting Date		
		19-Dec-18	07-Jan-19	23-Mar-19
Ms B Chiliza (Chairperson)	F	✔	✔	✔
Mr B Mbanjwa	M	✔	✔	✔
Mr M Luthuli	M	✔	✔	⊘
Mr T Tsematse	M	⊘	⊘	✔
Adv J Ralefatane	F	✔	⊘	✔
✔ Attendance ⊘ Non-attendance with apology				

(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.

(3) Efficiency and Effectiveness of the Internal Controls

Luthuli Museum received a qualified audit opinion for the 2018/19 financial year arising from the completeness and the valuation of Heritage Assets which did not comply with GRAP 103 due to inadequate systems and processes to record these assets.

Management has given assurance that the Heritage Assets review is underway to ensure that the recording of all assets is complete and the valuation thereof is performed through the use of subject matter experts.

Management has further given assurance that the Heritage Assets Policy is being reviewed for compliance with GRAP 103 and will be implemented to strengthen the internal control environment. The Audit Committee will continue to monitor this going forward.

Luthuli Museum has anti-corruption measures that curb the frequency and magnitude of fraud and corruption. The Audit Committee is satisfied that the museum maintains adequate prevention of fraud controls and this risk is continually monitored.

The Luthuli Museum forensic audit, fraud prevention and ethics programme includes prevention, detection, investigation and resolution implemented through the Internal Audit Function. Effective implementation of the recommendations and outcomes emanating from the investigations is monitored and reported to Management and the Audit Committee.

The Internal Audit function provides a written assessment on the effectiveness of internal controls to the Audit Committee.

The Audit Committee is aware of the risks surrounding the Information and Communication Technology (ICT) and the effectiveness of the ICT governance structure. Management has provided assurance that the strengthening of controls over ICT is currently underway. The Audit Committee will monitor progress going forward.

(4) Internal Audit Function

During the period under review, the Luthuli Museum appointed a service provider, HTB Consulting, on 26 October 2018, on a three (3) year contract. The Internal Auditors, together with the Audit Committee, then prioritised high risk areas in the Internal Audit Plan, then implemented those audits during the last quarter of the financial year.

The Audit Committee is mindful of the vacuum created by the late appointment of a service provider for the greater part of the financial year.

The Audit Committee expects the internal audit function to be more efficient, responsive to external audit findings and other emerging risks and better able to provide reports of a high quality to Management and 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.

(5) External Audit Function

In terms of PFMA, the Auditor General of South Africa (AGSA) is the appointed external auditor. During the 2018/19 financial year, the AGSA has performed the external audit through the use of an external service provider, whilst maintaining responsibility for the audit.

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

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

The AGSA adopted the International Federation of Accountants' Code of Ethics and International Organisation of Supreme Audit Institutions' Code of Ethics to ensure that the

audits are conducted in an ethical manner and in accordance with the code. These codes require the AGSA to identify threats to independence and put mitigating measures in place.

The Audit Committee among other matters:

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

The Audit Committee has met with the External Auditors to ensure there are no unresolved issues, except for the basis of qualification on the Audit Report.

(6) Risk Management

The Audit Committee is responsible for the oversight of the Risk Management Function. The Council has resolved to review the Risk Function of the Luthuli Museum at the recommendation of the Audit Committee. Post the 2018/19 financial year end, management embarked on a task of identifying operational risks, updating the risk registers and implementing mitigating controls.

Management has assured the Audit Committee that the strategic risk review will be completed before the first draft of the Strategic Plan is due for submission.

(7) Fraud and Irregular Activities

During the year under review investigations were conducted by the museum on matters that resulted in irregular expenditure. Findings of such investigations are still to be reported to the Audit Committee. The Audit Committee will maintain its oversight role to ensure that responsible officials are subjected to disciplinary processes relating to breaches of policies and other relevant legislature. Should the investigations reflect any potential fraud or corruption, the Committee will ensure that those who are responsible are held to account in the criminal or civil courts.

(8) Evaluation of the Finance Function

The Finance Function has been unable to deliver quality financial reports in a timely manner to enable the Audit Committee to have effective oversight over the financial and governance structures.

Management has assured the committee that the Finance Function will be enhanced further through appointment of additional relevant skills and on the job training. The Finance Function is expected to improve going forward.

The Audit Committee will continue to monitor the quality of financial reporting and recommend improvements where necessary.

(9) Performance Management

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 Internal Audit.

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

(10) Evaluation of the Annual Financial Statements

The Audit Committee has reviewed the Annual Financial Statements (AFS) and focused on the following:

a) Confirmed the going concern as a basis of preparation of the AFS;
b) Reviewed significant financial reporting judgements and estimates contained in the AFS;
c) Reviewed and discussed with the AGSA the audited AFS;
d) Reviewed the AGSA's Management and Audit Reports;
e) Reviewed significant adjustments resulting from the audit;

Except for matters identified by the External Auditors in the Auditor's Report, the Audit Committee is of the view 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 that date and the results of operations and cash flows for the year ended 31 March 2019.

(11) External Audit Report

The Audit Committee concurs with, and accepts the conclusion and audit opinion of the External Auditors on the AFS. The Committee is of the view that the AFS be accepted and read together with the report of the External Auditors.

(12) Going Concern

The going concern assumption is a fundamental principle in the preparing of AFS. 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.

On behalf of the Audit Committee

Babongile Chiliza

Chairperson: Audit Committee
23 August 2019

PART B1

INTRODUCTION BY THE HEAD OF THE INSTITUTION

INTRODUCTION BY THE HEAD OF THE INSTITUTION

Mr. Brian Xaba
Director - Luthuli Museum

As the Accounting Officer, I hereby present the 2018/2019 Annual Report of the Luthuli Museum. Unfortunately this reporting year the Museum has received a qualified audit with findings. The basis of the qualified audit as per the Auditor General's report is that:

'The Museum did not recognise all heritage assets in accordance with GRAP 103, Heritage assets due to inadequate systems and processes to record these assets.'

The last time the Luthuli Museum received a qualified audit was in 2007, a difficult year for the organisation indeed. That being said, we need to look where things went wrong so that we avoid a qualification again. This reporting year audit was a revealing one for the Museum and requires that we redouble our efforts in terms of the audit improvement plan and ensure that all planned actions are followed through.

This reporting year becomes important because of the end of the 5 year term (2015 – 2020) and the beginning of a new term (2020 – 2025) under a new government administration. Reflecting on the past 5 year term the Museum has achieved some significant milestones despite the unforeseen and unavoidable challenges encountered.

Much strides and gains were made by the organisation in terms of its profile; programming; financial sustainability; development of collections; infrastructure and new partnerships. The Luthuli Museum today remains poised and prepared for the new planning cycle which holds promise for much greater achievements and improvement in operational efficiency and service delivery. The recent qualified audit outcome becomes a wakeup call for the organisation. Some important decisions need to be made by management to avoid a recurrence of a negative audit outcome. Within the forthcoming 5 years the Luthuli Museum will mark 20 years since its establishment. This beckons on the Museum to reflect earnestly on how far it comes and how far it wants to go as an organisation charged with the responsibility to protect and promote the legacy of Chief Albert Luthuli.

The 'Spirit of Luthuli' shall continue to live and speak to all.

BRIAN XABA
HEAD OF THE INSTITUTION: LUTHULI MUSEUM

PART C

REPORT / PROGRAMME / ACTIVITY PERFORMANCE

DIRECTOR'S REPORT

This section provides a general overview of the Museum's achievements and challenges during the financial year reporting.

During this reporting year the Museum has initiated a number of **projects** critical to its sustained operations and profiling the legacy of Chief Albert Luthuli over time. The first one relates to the improvement of the Museum's Information Technology (IT) capacity, namely, upgrading the file server; replacement of computer hardware; mail management migration; fibre optic connection for improved internet connectivity and communication (e.g. voice over IP), etc. The Museum has enlisted the services of the State Information Technology Agency (SITA) on this project through a formal Business Agreement signed between the parties. The project will remain an ongoing one considering how critical IT is in operational efficiency and effectiveness. Already the Museum has concluded an IT Risk Assessment workshop assisted by the Provincial Treasury which has developed an IT Risk Register for the organisation. An IT Strategy will be concluded by SITA in the next financial year.

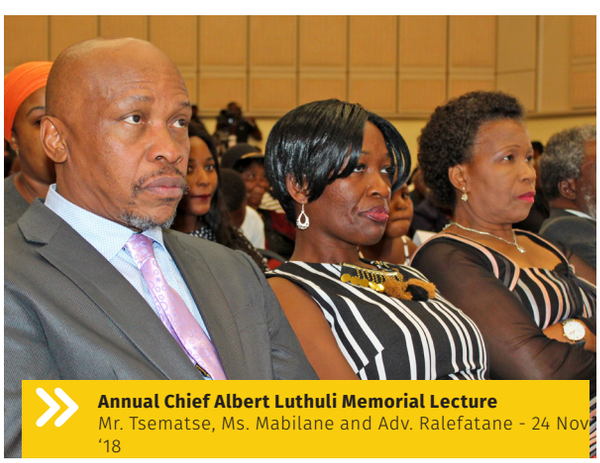
Other projects underway and some concluded include the Chief Albert Luthuli Research Chair, a partnership with the University of South Africa (UNISA) aimed at applied research addressing current day societal challenges and producing new knowledge on Chief Albert Luthuli; the Luthuli Global Footprints Project with special focus on identification and development of a network places, namesake, events, etc. related to the legacy of Chief Albert Luthuli; GRAP 103 focusing on Heritage Assets and ensuring the organisation's compliance in this area. Challenges experienced by the Museum in previous years with respect to infrastructure projects were addressed with the employment of a Projects Officer to oversee this area of responsibility. Repairs and maintenance becomes an ongoing concern for the Museum as an improved and efficient working system with the Department of Public Works remains a work in progress.

The Museum in this reporting year contracted an employee wellness service provider to provide support for staff at work and outside of work. Oddly, staff never fully utilised this service to its benefit. Further inquiry by the service provider concluded that Museum staff needs to be further inducted about the role of a wellness programme in an organisation as there seemingly was a general misconception about its role. The Museum has noted these findings and plans to address them in the next financial year.

The establishment of the Chief Albert Luthuli Research Chair indeed is a boost in enhancing the Museum's research capacity in the long term. The **Curatorial Department** continues to create platforms for public conversation and debate through dialogues such as the Chief Albert Luthuli Memorial Lecture and dialogues programme themed ***"Luthuli In Conversation".*** The dialogue series is designed to begin to address gaps in the life of Chief Albert Luthuli through recording encounters of people that surrounded him. The inception of the dialogues is also a strategy to enhance the Luthuli archive through oral history and collection of artefacts.

The dialogues programme is a partnership with the KwaZulu-Natal Department of Arts and Culture Oral History Unit which documents the series for archival and reproduction purposes. The first dialogue of the series was the ***Chief Albert Luthuli in Conversation with one of his confidants, Mr 'MB' Masabalala Yengwa***. The inaugural dialogue was held at the Durban Local History Museum in December 2018. Other Conversations identified include but not limited to; the Luthuli Detachment; Prof BW Vilakazi Dialogue; Goolam Suleman and EV Mahommed.

Masabalala Yengwa & Chief Albert Luthuli
at the airport



Annual Chief Albert Luthuli Memorial Lecture
Mr. Tsematse, Ms. Mabilane and Adv. Ralefatane - 24 Nov '18

The ***Annual Chief Albert Luthuli Memorial Lecture*** hosted in partnership with the Department of Arts and Culture and the University of KwaZulu-Natal proved to be yet another success. The guest speaker for the lecture was the Chief Justice of the Republic of South Africa, Chief Justice Mogoeng Mogoeng.

The theme for the lecture was the topical issue of ***"Land in South Africa"***. The Lecture was well attended by the public. The lecture was broadcast live on SABC Channel 404 and on social media ensuring international reach.

The Chief Albert Luthuli In Conversation with Masabalala Yengwa dialogue also had a positive outcome in terms of donations to the Museum. The son of Mr MB Yengwa, Mphiwa Yengwa made a donation of photographs which comprised of his parents' wedding and a traditional ceremony with chiefs.

The **Collections Department** also received a generous donation from Dr. Gcina Mhlophe. Her organisation, the ***Gcinamasiko Heritage Foundation*** has partnered with the Museum for various educational projects during the year. It was during one of these programmes that she donated a book titled ***'Albertina Sisulu'***. Dr. Mhlophe continues to promote the culture of reading and writing with the Museum.

The artefacts found during the ground excavation works for the Nokukhanya Luthuli Resource Centre have added to the Museum collections. A special project to document, conserve and develop a story on these finds is in the pipeline. This promises to be one of the exciting projects for the organisation considering that the Museum does not have much original artefacts related to the legacy of Chief Albert Luthuli.

The Collections department has faced challenges this year with the absence of a Collections Officer and coordinated collections management software system. The Museum is investigating on sustainable collections management systems and training of personnel. The Museum also has not digitized its collection for the past year.

In the 2018/2019 Financial the Museum held two **exhibitions**, a travelling exhibition in and a temporary exhibition.

The ***'Say It By Wearing It'*** travelling exhibition was staged during youth month in June in partnership with the KwaZulu-Natal Department of Arts and Culture – Museum Service Department. The exhibition portrayed a different form of protest against an unjust apartheid system which was non-violent. It further enhanced the values of Chief Albert Luthuli who devoted his life to non-violent resolutions to world problems.

The ***'Purpose Art'*** exhibition was temporary exhibition installed during the *'16 Days of Activism Against Women and Child Abuse'* in collaboration with the Artbook Inc. The aim of the exhibition was to create an awareness of the theme but also portray other forms of abuse that is often not spoken of. Both exhibitions received good reviews and sparked conversations and debates amongst patrons. Upcoming curatorial projects include the improvement updating of the Museum site narrative and the digitization of archival material in order to provide access to archival material to the public and book publishing.

The Artbook Inc.
08 Dec '18

The Artbook Inc.
08 Dec '18

The **Education Department** has over-achieved in terms of targets in this financial year. A notable increase is identified in community and youth outreach programmes. The Museum over-achieved by 9 programs and this is due to the request from public organisations and institutions. The Museum has become the centre for driving community projects.

The Museum started supporting the Chief Albert Luthuli Chess Club in facilitating the *'Chess In Schools'* programme. Chess enables the Museum access to wider range of schools which contributes to social cohesion. Schools which would not have traditionally come to the Museum, come because of the chess programs. They are then exposed to the exhibitions of the Museum and we also then invite them to participate in other programs at the Museum such as Spelling Bee, Black History Month and Creative Writing workshops. It also creates local employment for the chess club as they get paid to facilitate the workshops.

The Department continues to implement its quarterly holiday programs. The Arts and Culture programme is also gaining momentum in terms of participation and proposals to conduct more programmes. The annual Durban International Film Festival, Time Of The Writer and Poetry Africa created an opportunity for the local community of Groutville and iLembe District engage and share knowledge and skills with international artists, writers, musicians and poets.

The Arts In Schools program, which is now running into its second year, has experienced an increased demand from local primary schools in the area. The Arts In Schools was piloted at the Dr. BW Vilakazi Primary School and plans are underway to roll it out to three other schools in the new financial year. The program also creates local employment as the facilitators are local artists who are reimbursed to run the project.

Unfortunately some of programs were interrupted during the year due to the social issues mentioned above. The resulting impact was that the Museum had to be closed on certain days; planned programs postponed or cancelled; and visitors turned away. This impacted negatively on the Museum visitor numbers.

Trinityhouse School Visit
At The Chief Albert Luthuli Grave - 17 Sept 2018

Chief Albert Luthuli Chess Club
05 May '18

MUSEUM TOUR HIGHLIGHTS

The Museum attracts local, provincial, national and international visitors as this is the footprint of Chief Albert Luthuli. The following are amongst the highlights of tours conducted during the year.

- Mr Shaun Thompson, the former world surfing champion.
- Mr Sello Maake Ka-Ncube, former actor on the soap Generations on SABC 1 and The Queen on Mzanzi Magic.
- Partnership with the United States Consulate General Ms Sherry Zalika Sykes was strengthened during her visit in June when the two institutions held a tree planting ceremony in honour of Chief Albert Luthuli and JF Kennedy.

Shaun Thompson Visit
L-R Dr Albertina Luthuli, Mrs Veli Luthuli, Mr Shaun Thompson & Mr Thulani Thusi - 21 Jun '18

The Museum also hosted tour groups amongst which were the IEC delegation which comprised of members from various African countries. The United Congregational Church of Southern Africa delegation which comprised of American based scholars. What better way to market the museum to a delegation from 5 FM. The Museum continues to host busloads of school groups on a monthly basis.

Sello Maake Ka-Ncube Visit
21 Jun '18

Bench Unveiling
L- R U.S. Consul General - Ms. Sherry Zalika Sykes, Dr Albertina Luthuli, Mr. Felix Jabu Salazar, Mr Important Mkhize, Mr Brian Xaba and Dr Mxolisi Mchunu - 12 Oct 2018

Marketing events and campaigns for this reporting year include the Luthuli Walk and Race; the Night at the Museum; Chief Albert Luthuli Soccer Tournaments (Under 15 and Stakeholders tournament); Live Music Jazz Concerts and a community partnership project called the Noble Race, which was launched at the Museum. These events and campaigns continued to profile the Museum and ensure that it remains visible in the public eye.

The appointment of a marketing agency for a period of 12 months to market the Museum somehow did not fully yield the desired results. This was the first time the Museum adopted such an approach but unfortunately its effectiveness was not fully realised and this was due to a number of factors. Key among those was costs and the lack of effective oversight and coordination of the agency's work.

There were some successes and lessons learnt in this regard which the Museum has put into good use. Overall the Museum performed fairly well during this financial reporting year. A qualified audit outcome is indeed a disappointment for the organisation as a whole. The Museum has already started with an improvement plan regarding the heritage assets; the policy on the management of heritage assets and also the appraisal by and independent appraiser. This plan will be particularly monitoredto ensure that there is timely intervention should there be a need.

Annual Visitors Stats

YEAR	2015 / 2016	2016 / 2017	2017/2018	2018/2019
VISITORS	35,945	36, 252	35,726	32, 763

As much as the 2018/2019 was a **challenging year** for the Museum, the organisation maintained its focus on ensuring that it fulfils its mandate of service delivery in the name of Chief Albert Luthuli. There were issues of safety and security which related to the building contractor's labour relations matters and this had a negative impact on the project completion schedule; the dismissed Museum staff members and also the challenges of the Museum Council which eventually necessitated the intervention of the Minister of Arts and Culture. The oversight role of the Audit and Risk Committee was rendered not fully effective as it was only established in the later part of the 3rd quarter of 2018 and its first meeting took place in the month of December 2018. The Internal Auditors we only appointed in November 2018 and started the internal audit only in January 2019. These challenges were somehow resolved and the Museum is gradually coming on course in terms of stability.

Financially we remain sound but this should not dull the organisation into a state of complacency considering looming economic challenges in the country. Plans on securing alternative funding streams need to be expedited to ensure that the organisation continues to fulfil its mandate. Income generation plans identified include but not limited to; a visitor cover charge, establishing a promotional that will sell for examples, books and Museum branded items; organising fundraising for events and programmes, etc. This is not much but will be a start.

The grant funding received from the Department of Arts and Culture on infrastructure development was well used considering that the Nokukhanya Luthuli Resource Centre building (for improved operational facilities) is complete; the asbestos roofing has been replaced (health and safety compliance) and the building suitably renovated. The Resource Centre building is not yet occupied as the Museum is finalising compliance matters related to ensure the issuing of the certificate of occupation by the Municipality. In the forthcoming year the Museum will definitely utilise the grant funding allocated the GRAP 103 exercise. The Museum has recently applied to National Treasury for retention of a surplus of R 6,712,000.00, of which R6 157 000, 00 is committed towards the refurbishment of the newly completed Nokukhanya Luthuli Resource Centre building. This will ensure that the Centre is adequately resourced to optimally achieve its objectives.

From a **Supply Chain Management** side the Museum has had audit findings which evidenced the urgent need to capacitate this area of responsibility. Compliance with SCM process and legislation is critical to an organisation's credibility and ultimately financial viability. The continued growth of the Museum's scope of operations equally with its spend on goods and services has necessitated that the finance department is capacitated and an SCM Officer appointed to ensure continued compliance. An audit improvement plan has been developed by the Museum with important. The improvement plan includes the irregular expenditure investigation that has already been instituted by the Museum covering both the prior and current reporting year. The matter of contract management and records management remains an ongoing challenge for the organisation because of the overlap between financial years. Processes are currently underway to correct this to prevent further audit findings.

The Museum is embarking on an important **human resource management** exercise intended on ensuring that its human capital is well resourced and capable to meet head on the challenges and opportunities presented in the new term. Job evaluations; skills audits; competency assessments; staff satisfactory surveys; customer relations surveys; etc. are planned for the organisation. Overall this exercise is intended to identify the skills gap and this implement the necessary training and development programmes. A revised organizational structure for the organisation is 80% completed and is awaiting further inputs from Council Committees and final approval by the Museum Council.

The Museum in this reporting year contracted an employee wellness service provider to provide support for staff at work and outside of work. Oddly, staff never fully utilised this service to its benefit. Further inquiry by the service provider concluded that Museum staff needs to be further inducted about the role of a wellness programme in an organisation as there seemingly was a general misconception about its role. The Museum has noted these findings and plans to address them in the next financial year.

Much as 2018/2019 was a difficult year for the Museum, it is important to thank the Museum staff; Management; Council and its Committees for the continued support and guidance ensuring that the organization remains on course in terms of its mandate. The Audit and Risk Committee's dedication and diligence in its oversight role within the limited time it had, is also much appreciated.

Income And Staff Costs

	2015 / 2016	2016 / 2017	2017/2018	2018/2019
STATE GRANT	11,561,000	R9, 560,000	R13,615, 000	R14 ,829, 000

Chief Albert Luthuli Memorial Lecture
L-R Ms. Mabilane, Dr Mchunu and Adv. Ralefatane - 24 Nov '18

Luthuli Museum Staff At The Chief Albert Luthuli Memorial Lecture
L- R Ms. K. Mhlongo, Ms. Z. Nyembe, Mr. M. Zungu, Ms. N. Mnguni and Ms. S. Ngwane - 24 Nov 2018

Luthuli Museum Staff At The Chief Albert Luthuli Memorial Lecture
L- R Ms L. Gumede, Mr. EM. Zungu and Mr. MB. Zungu - 24 Nov 2018

PART D

PERFORMANCE AGAINST OBJECTIVES

PROGRAMME 1: ADMINISTRATION

Sub Programme 1 (A)

I. GOVERNANCE

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
1. Promote good governance and efficient management of the museum in line with the applicable legislation, policies; procedures; sectoral best practice standards & strategic vision.	1. Achieved museum financial sustainability & accountability in line with the principle of good governance & applicable compliance legislation.	▪ 4 Museum Council meetings achieved. Council meetings took place on the 23/04/17; 9 July 2017; 17.09.17 (Special Council); 12.11.17 (Scheduled Council Meeting) and 29.11.17 (End of Term Council normal meeting meetings took place on 24/02/18 & Special Council Meeting on 20/01/18. Committees' meetings took place prior to Council's.	▪ 4x Council meetings and Committee meetings per year	4 x Council meetings and committee meetings achieved. Council Meetings took place on; 26 May 2018, 31 August 2018 and Special Council meeting on 12 September 2018, 28 Oct 18 23 Feb 2019. FINCOM 21 Feb 2019, HR 16 Feb 2019, A&R 07 Jan 2019, M&R 15 Feb 2019	No Deviation	_
		▪ 4 Quarterly Reports Achieved. All quarter reports were submitted to the DAC accordingly.	▪ 4x quarterly reports to the DAC	4 x Quarterly Reports to DAC achieved.	No Deviation	_
		▪ 0 Achieved. 12 x monthly Reports from Managers	▪ 12 x monthly Reports from Managers	18 x monthly Reports from Managers	No Deviation	_

		▪ 1 Annual Report achieved and submitted accordingly.	▪ 1x Annual Report	1 x Annual Report achieved	No Deviation	–
		▪ Not achieved. 2x Draft Strategic Plans and 1x final Strategic Plan submitted to DAC	▪ 2x Draft Strategic Plans and 1x final Strategic Plan submitted to DAC	1 x Draft Strategic Plan submitted and 0 x Final Strategic Plan	Deviation	Entities received communique / circular from DME to submit Strategic Plans after the 2019 National Elections
		▪ 1 Internal Audit achieved. The audit commenced on 26 February 2018.	▪ 1x Internal Audit	1 x Internal Audit	No Deviation	An internal audit was conducted in the fourth quarter. By error this was not captured on the 4th quarter report

Sub Programme 1 (B)

SUPPORT SERVICES

Financial Management

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
1. Ensure effective; efficient and sustainable financial management and reporting of the museum in line with applicable compliance legislation	1. Legislative compliance with financial prescripts and supply chain management framework	▪ 12 recons achieved. Financial recons verified and signed by AO	▪ 12x monthly financial recons verified and signed by Accounting Officer	12 x Monthly financial recons verified and signed by Accounting Officer	No Deviation	–
		▪ 4 Quarterly finance reports Achieved. Quarterly finance reports signed and submitted to the DAC	▪ 4x quarterly finance reports signed & submitted to DAC	4 x Quarterly Finance reports signed and submitted to DAC	No Deviation	–
		▪ 1x Unaudited AFS submitted to AGSA and NT by the 30 May 2018	▪ 1x unaudited AFS sent to AGSA & NT on prescribed date	1 x Unaudited AFS sent to AGSA and NT on prescribed date	No Deviation	–
		▪ 1x Audited AFS Submitted to NT	▪ 1x Audited AFS submitted to NT	1x Audited AFS submitted to NT (TBV)		
		▪ 1x Auditors Report 2016/2017 submitted to the DAC on the prescribed date	▪ 1x Auditors Report submitted to DAC on set date	1 x Auditors Report submitted to DAC on set date	No Deviation	–
		▪ 1 Asset counting and Report Achieved. Asset counting implemented by the Finance Manager and the Curator on 4th quarter reporting	▪ 1x asset counting & report completed	0 x Asset counting & report completed	Deviation	The Asset counting commenced in March 2019 but was concluded on 30 April 2019
		▪ 1 Midyear Virements	▪ 1x midyear Virements	1 x Midyear Virements implemented as per PFMA	No Deviation	Mid year virements were impletmented on January

		update achieved and implemented as per PFMA Sect. 49 (2b)	implemented as per PFMA Sect. 49 (2b)	Sect. 49 (2b)		2019. By error this was not captured in the 4th Quarter report.
		▪ 1 Annual cost of living adjustments implemented accordingly as approved by Accounting Authority	▪ 1x annual cost of living adjustment implemented	1 x Annual cost of living adjustments implemented	No Deviation	–
		▪ 1 ENE template submitted to NT and the DAC by the Finance Manager accordingly	▪ 1x ENE submitted to NT and DAC	1 x ENE submitted to NT and DAC	No Deviation	–
		▪ 1 Audit Action Plan achieved and reviewed by Council and Audit Committee 24/02/18 and 22/02/18 respectively	▪ 1x audit action plan implemented	1 x Audit action plan implemented	No Deviation	–
		▪ Audit and Risk Committee Meetings attendance achieved	▪ Audit and Risk Committee meetings attended	3 x Audit and Risk Committee meetings attended	No Deviation	–

Sub Programme 1 (B)

SUPPORT SERVICES

Human Resources Management

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2017/2018	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
2. Ensure effective; efficient and sustainable financial management and reporting of the museum in line with applicable compliance legislation	2. Legislative compliance with financial prescripts and supply chain management framework	▪ Only 3 policies partially achieved, namely, Language Policy; Collections Policy and Procedure; Conservation Management and Guidelines.	▪ 5x policies amended and approved by Council	0 x policies amended and approved by Council	Deviation	3 policies had to be further reviewed (Leave, SCM & Performance Information). The polices were submitted to the internal auditors. These have been submitted to internal auditors for review.
		▪ 12 Performance Agreements signed. The agreements were not signed in April but June 2017 of the financial year. Only 11 were signed as 4 staff members' suspended did not sign the agreements.	▪ 15x performance agreements signed	10x performance agreements signed	Deviation (Partially Achieved)	4 Staff members dismissed. Matter is pending CCMA outcome
		▪ 0 Achieved. training of staff members	▪ 1x training of staff members	3 x training of staff members conducted (Social Cohesion, Risk Management)	No Deviation	KZN Treasury conducted two risk trainings for the museum (Performance Risk and ICT Risk) and DAC conducted a workshop on Social Cohesion. By error the Social Cohesion Workshop was not reported on the quarterly report
		▪ 0 Achieved. No workshop with staff took place on policies and procedures during this reporting year	▪ 1 x policies training workshop	1 x policies training workshop conducted (Performance Management.)	No Deviation	This training was conducted in the 2nd quarter (08 Jun 18) but

						was not reported on in the quarter report
		–	▪ 1 x Training on Digitization	0 x Training on Digitization	Deviation	Personnel training on the digitization software did not take place due to work overload.
		▪ 0 Achieved. 2x performance assessment for staff. Only 1x occurred	▪ 2x performance assessment for staff	0 x performance assessment for staff	Deviation	The museum is still addressing the backlog for 2017/2018 assessment.
		▪ 0 Achieved. 1x safety officer training	▪ 1x safety officer training	0 x Safety Officer Training	Deviation	The museum did not appoint a health and safety officer therefore training could not commence

Sub Programme 1 (B)

SUPPORT SERVICES

Information Communication Technology

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
1. Provide effective leadership in the management of museum to achieve its strategic goals & performance objectives	Protected, preserved Museum physical assets & resources in line with applicable legislative prescripts	▪ Achieved. 1x ICT Governance Framework and policies approved and signed off by Museum Council	▪ 4x Reports on ICT staff problems & interventions	12 x reports on ICT Staff problems & Interventions completed	No Deviation	–
		▪ Achieved. 1x ICT SLA signed with the service provider	▪ 1x ICT SLA signed with service provider	1 x ICT SLA signed with Service Provider	No Deviation	–
		▪ 0 Achieved. ICT security and administration procedural plan not implemented	▪ 4x Monitoring and Evaluation Reports on implemented ICT Governance Framework	0 x Monitoring and Evaluation Reports on implemented ICT Governance Framework	Deviation	The museum still needs to develop and ICT strategy in order to monitor and evaluate the ICT Governance Framework

Sub Programme 1 (B)						
SUPPORT SERVICES						
Legal Services						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
2. Provide effective leadership in the management of museum to achieve its strategic goals & performance objectives	Protected, preserved museum physical assets & resources in line with applicable legislative prescripts	▪ 1x Review of SLAs with service providers achieved	▪ 1x review of all SLAs with service providers	1x review of all SLAs with service providers	No Deviation	–
		▪ 1x Renewal of lease agreements for staff parking and offsite storage achieved	▪ 1x renewal of lease agreements for staff parking and offsite storage	1x renewal of lease agreements for staff parking and offsite storage	No Deviation	–
		▪ 1x Review and signing of MOUs with partners organisations on public programmes achieved	▪ 1x review & sign of MOUs with partner organisations for public programmes	0 x review & sign of MOUs with partner organisations for public programmes	Deviation	Capacity challenges

Sub Programme 1 (B)

SUPPORT SERVICES

Safety and Security Services

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
3. Provide effective leadership in the management of museum to achieve its strategic goals & performance objectives	Secured and hospitable campus for staff and visitors	▪ 12x Safety and Security reports submitted accordingly	▪ 4x safety and security reports submitted	3 x safety and security reports submitted	Deviation Partially achieved	The 4th quarter reports were not compiled as the responsible staff member had resigned
		▪ 4x RAMP Reports submitted accordingly	▪ 4x RAMP Reports submitted	4 x RAMP Reports completed and submitted	No Deviation	_
		▪ 1x Annual service on the backup power generator achieved	—	—	—	—
		▪ 1x Health and Safety inspection implemented by the Department of Public Works	—	—	—	—
		▪ 1x Service of CCTV surveillance system implemented	—	—	—	—

Sub Programme 1 (B)						
SUPPORT SERVICES						
Supply Chain Management						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
4. Legislative compliance with financial prescripts and supply chain management framework	Compliance with PFMA and National Treasury Regulations and Practice Notes	▪ 1x New Security Company called MNR appointed and commenced work by 1 April 2017	▪ Ix Appointment internal audit firm on a 3 year contract	I x Appointment internal audit firm on a 3 year contract	No Deviation	–
		▪ 1x Building contractor called MVY Construction was appointed on 1 October 2017 for the Nokukhanya Luthuli Resource Centre Project –	▪ 1x Appointment of building contractor to underpin outbuilding and replace asbestos roofing	1 x Appointment of building contractor to underpin outbuilding and replace asbestos roofing	No Deviation	–

Sub Programme 1 (B)

SUPPORT SERVICES

Design Development

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
5. Application of innovative design approaches to support museum strategic objectives	Applied technological innovation & design for timely production of promotional material and displays	▪ 0 Achieved. No Museum Newsletters designed and published	▪ 4x museum newsletters designed and published	0 x museum newsletters designed and published	Deviation	The museum has been experiencing challenges with design capacity. The Design Technician is one of the staff dismissed. Matter is still at the CCMA
		▪ Achieved. 1x Annual Report produced and deposited accordingly	▪ 1x Annual Report produced and deposited accordingly	1x Annual Report produced and deposited accordingly	No Deviation	–
		▪ Partially Achieved. 1x Temporary exhibition titled *'The Soldiers of Luthuli'* was designed and installed	▪ 2x temporary exhibition designed & installed	1 x temporary exhibition designed & installed Titled "Say It By Wearing It" Exhibition	Deviations Partially Achieved	The museum has been experiencing challenges with design capacity
		▪ 0 Achieved as there was no permanent exhibition designed and installed	▪ 3x magazine adverts designed and placed in publications	1 x magazine adverts designed and placed in publications	Deviation	The museum has been experiencing challenges with design capacity. The Design Technician is one of the staff dismissed. Matter is still at the CCMA
		▪ Achieved. 2x Magazine adverts placed in publications *'Pan African Parliament* and *the Fast Finder'*	–	–	–	–
		▪ Partially achieved. Only 1x certificate produced.	▪ 4x museum learner certificates produced	4 x museum learner certificates produced	No Deviation	–

Sub Programme 1 (C)

FACILITIES MANAGEMENT AND DEVELOPMENT

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
6. Protection & sustainability of Museum physical assets through an efficient repair & maintenance programme	Implemented Repair and Maintenance Programme (RAMP)	▪ 0 Achieved. RAMP implementation and monitoring reports (building; electrical; mechanical)	▪ 12x RAMP implementation and monitoring reports (building; electrical; mechanical)	12 x RAMP implementation and monitoring reports (building; electrical; mechanical)	No Deviation	_
		▪ 4x Quarterly inventories on equipment and consumables achieved	▪ 4x quarterly inventories on equipment and consumables	4 x quarterly inventories on equipment and consumables reports achieved	No Deviation	_
		▪ 12x Cleaning checklists and inspection reports compiled	_	_	_	_
	Implemented User Asset Management Plan (UAMP)	▪ 0 Achieved. Maintenance of solar power system and batteries	▪ 4x UAMP reports submitted to the DAC	1 x UAMP reports submitted to the DAC	Deviation (Partial Achievement)	_
		▪ 0 Achieved. Replacement of asbestos roofing in museum outbuilding	_	_	_	_
		▪ 0 Achieved. electrical & IT network cabling	_	_	_	_
		▪ 0 Achieved. Admin building emergency	_			_

		door replacement ▪ 0 Achieved. Admin building cracks and floor levelling ▪ Achieved. 2x Automated sensor doors installed and operational for access and exit sides ▪ 0 Achieved. Museum main building access security gate replacement with 'Trellidoor' roller gate ▪ 0 Achieved. 2x feasibility studies for the upgrade of the 'accident site' monument and the integration of memorial sites related to Chief Albert Luthuli	– – – – –	– – – – –	– – – – –	– – – – –

IEC Inter Africa Conference Delegation
01 Aug '18

"An Evolutionary Review On Black Education" Book Launch
Author Mr. Nthebe Tsholofelo Modise Molope (centre) Standing With Delegates - 03 Dec 2018

Tree Planting
L- R Mr Zakhele Gumede, Mrs. Veli Luthuli, Dr Albertina Luthuli and U.S. Consul General - Ms. Sherry Zalika Sykes - 08 June 2018

Noble Race Jazz Concert
Performance by a live jazz band at the Noble Race - 07 June 2018

Sub Programme A						
COLLECTIONS MANAGEMENT						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
1. Globally map; accession and document collection and heritage material on Chief Albert Luthuli	1.1 Increased Museum collections through fieldwork research; general research and acquisitions	▪ Partially Achieved. A total of 55x artefacts collected but not documented accordingly	▪ 20x artefacts & documents collected	18 x Artefacts and documents collected. Including; 1. Spearhead and 2. Black iron found on site; 3. Gift portrait of Chief Albert Luthuli by Councillor Sdudla Mhlongo; 4. Mary Benson Papers donated by Ms Pam Didcott; 5. Programme on the univeiling of KDM Nokukhnaya Luthuli House; 6. Newspaper with Luthuli Museum Council trip to Ghana 7. Book: donated by Dr Gcina Mhlophe "Albertina Sisulu" 8. Brochure: donated by Mr Tshematshe "Umrabulo – special edition: A tribute to Chief Albert Luthuli. 9. Book: Purchase -"Zulu Beadwork" 10. Book: Purchase – "The Keiskamma art Project" 11. Book: Purchase – Art, Craft, Tradition 12. Document: Interview with Comrade Chris Hani (copy) 13. Wedding Photograph of	Partially achieved	Lack of capacity in the curatorial department from May 2018 to October 2018

				MB Yengwa and Wife 14. Photograph of MB Yengwa and Chief 15. Digital Image of Nokukhanya Luthuli taken at the ANC Women's League relaunch at Curries Fontain 16. Newspaper article published in the Sunday Tribune "Chief Luthuli Museum in financial crisis". 17. Newspaper article by Reuters African News Agency published on 17 February 2019 in the Sunday Tribune newspaper "I desearve a Nobel Peace Prize - Trump" 18. Newpaper article by Martle Ryan published on 17 February 2019 in the Sunday Tribune newspaper "Building bridges wherever we went"		
	1.2 Accurately digitised and documented museum collection	▪ 0 Achieved. 40x artefacts & documents digitally accessioned	▪ 20x artefacts & documents digitally accessioned on Past Perfect System	0 x artefacts & documents digitally accessioned	Deviation	Capacity challenges and challenges with online system
		▪ 0 Achieved. 40x artefacts & documents uploaded on the Online Catalogue	▪ 20x artefacts & documents Digitally uploaded into museum Online Catalogue	0 x artefacts & documents uploaded on the Online Catalogue	Deviation	Capacity challenges and challenges with online system

2. Preserve, protect and maintain museum collections & heritage material in line with the best collection management and preservation standards, policies and ethical practice	2.1 Performance monitoring of preservation and conservation policies	▪ 0 Achieved. 2x reports on the implementation of the preservation and conservation policies ▪ 0 Achieved. 2x reports on donor agreements managed in line with copyright law	▪ 2x reports on the implementation of the preservation & conservation policies 2 x Reports on museum newly acquired collections	1 x reports on the implementation of the preservation & conservation policies 2 x Reports on museum newly acquired collections	Partially Achieved –	Lack of capacity in the Curatorial Department from May 2018 to October 2018
	2.2 Maintained collections filing system	▪ 0 Achieved. 2x reports on the museum institutional memory file	▪ 2x Reports on collections management	2 x Reports on collections management	Achieved	–
	2.3 Maintained collections to acceptable international standards	▪ 0 Achieved. 12x collections room access control register inspection reports ▪ Achieved. 12x Fumigation maintained every month by external service provider – RENTOKIL ▪ 0 Achieved. 4x collections rooms maintenance status reports ▪ 0 Achieved. 12x RH and temperature control reports for collections room and historic house exhibit	— — —	— — —		

Sub Programme B						
RESEARCH & EXHIBITIONS						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
1. Broaden and deepen the national and international appreciation of the life; times and legacy of Chief Albert Luthuli	1.1 Conceptualised; implemented and accurately verified museum exhibitions	▪ 0 Achieved. 1x travelling exhibition installed	▪ 1x travelling exhibition installed	1 x travelling exhibition installed "Say it By Wearing It"	No Deviation	–
		▪ Achieved. 1x Exhibition installed.	▪ 1x temporary exhibition installed	1 x temporary exhibition installed "Purpose Exhibition" (Art Exhibition)	No Deviation	–
		▪ 0 Achieved. 1x permanent exhibition installed	–	–	–	–
	1.2 Produced; managed and promoted new knowledge on Chief Albert Luthuli	▪ 0 Achieved. 2x conference / seminar papers presented	▪ 2x conference / seminar papers presented	0 x conference / seminar papers presented	Deviation	Lack of capacity in the curatorial department from May 2018 to October 2018
		▪ 0 Achieved. 1x publication on Chief Albert Luthuli	▪ 1x publication on Chief Albert Luthuli	0 x publication on Chief Albert Luthuli	Deviation	The Museum could not print the publication as the book further research and addition of more chapters on Chief Albert Luthuli

	1.3 Accurately researched; verified and managed museum collections and artefacts	▪ 0 Achieved. 40x artefacts and documents not researched and verified	▪ 20 x artefacts & documents researched and verified	18 x Artefacts and documents researched and verified	Deviation Partially Achieved	The 18 artefacts researched and verified were the ones collected.

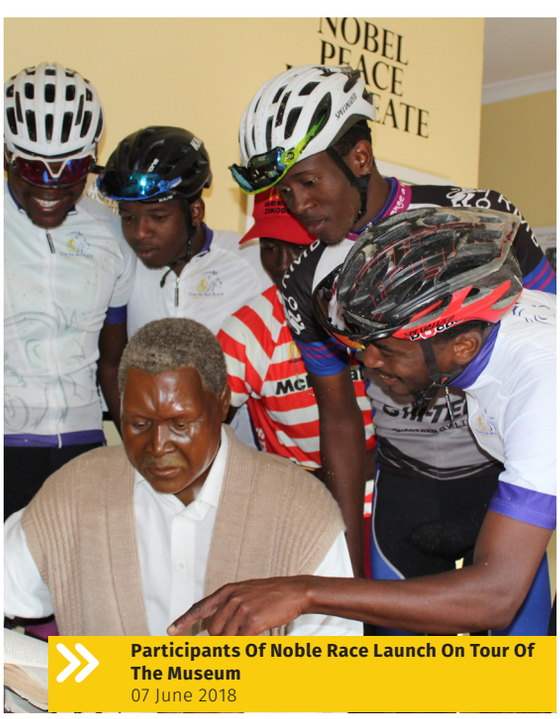
Sub Programme C						
EDUCATION						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
2. Broaden and deepen the national and international appreciation of the life; times and legacy of Chief Albert Luthuli	2.1 Conceptualised; & implemented Chief Albert Luthuli Education Fund	▪ 0 Achieved. 1x Chief Albert Luthuli Education Fund established	▪ 1x Chief Albert Luthuli Education Fund established	0 x Chief Albert Luthuli Education Fund established	Deviation	Lack of capacity in the curatorial department from May 2018 to October 2018. The fund will be established in 2019/2020
	2.2 Convened public seminar / colloquium or dialogue promoting public discourse	▪ 0 Achieved. 1x themed public seminar / colloquium / dialogue organised	▪ 1x themed public seminar / colloquium / dialogue organised	2 x themed public seminar / colloquium / dialogue organised. 1.Chief Albert Luthuli memorial Lecture 2. MB Yengwa Dialogue	No Deviation	–

	1.3 Accurately researched; verified and managed museum collections and artefacts	▪ 0 Achieved. 40x artefacts and documents not researched and verified	▪ 20 x artefacts & documents researched and verified	18 x Artefacts and documents researched and verified	Deviation Partially Achieved	The 18 artefacts researched and verified were the ones collected.

Sub Programme C						
EDUCATION						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
2. Broaden and deepen the national and international appreciation of the life; times and legacy of Chief Albert Luthuli	2.1 Conceptualised; & implemented Chief Albert Luthuli Education Fund	▪ 0 Achieved. 1x Chief Albert Luthuli Education Fund established	▪ 1x Chief Albert Luthuli Education Fund established	0 x Chief Albert Luthuli Education Fund established	Deviation	Lack of capacity in the curatorial department from May 2018 to October 2018. The fund will be established in 2019/2020
	2.2 Convened public seminar / colloquium or dialogue promoting public discourse	▪ 0 Achieved. 1x themed public seminar / colloquium / dialogue organised	▪ 1x themed public seminar / colloquium / dialogue organised	2 x themed public seminar / colloquium / dialogue organised. 1.Chief Albert Luthuli memorial Lecture 2. MB Yengwa Dialogue	No Deviation	–

Chief Albert Luthuli Memorial Lecture
Chief Justice Mogoeng Mogoeng Receiving Of Chief Albert Luthuli Painting, While Dr. Albertina Luthuli Looks On - 24 Nov 2018

Moot Court Competition
27 June 2018



Participants Of Noble Race Launch On Tour Of The Museum
07 June 2018

Luthuli Legacy Walk
L- R Mrs. Veli Luthuli, Ms. Salome Mabilane, Ms. Ela Gandhi, Mr. Mthunzi Luthuli, Dr Albertina Luthuli and Mr. Imtiaz Cajee - 21 July 2018

PROGRAMME 3: PUBLIC ENGAGEMENT

Sub Programme A

MARKETING

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
1. Increase the profile & awareness of the Luthuli Museum through print; electronic med; marketing strategies and product development	1.1 Implemented; sustained and strategically focused marketing campaigns	▪ Partially Achieved. Only 2x media campaigns implemented with the public lecture on 'Banishment under Apartheid' and also the Chief Albert Luthuli 2017 Memorial Lecture	▪ 4x marketing & promotions campaigns reports	4x marketing & promotions campaigns reports	No Deviation	–
		▪ Achieved. 12x Surveys based on the Museum visitors' book	▪ 4x museum visitors satisfactory surveys	12 x museum visitors satisfactory surveys	No Deviation	–
		▪ 2x corporate branding campaigns achieved. Staff wear corporate T-shirts on events day and Fridays	—	—	—	
		▪ 0 Achieved. 1x museum 5 minute promotional video	—	—	—	
		▪ Achieved. A new set of 2x brochures was printed as new stock	—	—	—	
		▪ Partially achieved. 1x Report compiled by Education Officer	▪ 4 x print and electronic media reports	4 x print and electronic media reports achieved	No Deviation	–

		▪ Partially Achieved. 2x Listing in the North Coast Courier Fast Finder publication and also Braby's Directory.	▪ 3x listing in local; regional; national & international directories	3 x listing in local; regional; national & international directories achieved	No Deviation	
		▪ Achieved. Advertising done in the 3x publications , namely, *Pan African Parliament; New Agenda* and the *Fast Finder*	▪ 3x museum advertising in publicity magazines	3 x museum advertising in publicity magazines achieved	No Deviation	
		▪ Partially Achieved. Museum only participated in 2x events, namely the 'Lions Show' and the 'ILembe Choral Music Festival'	▪ 4x participation in promotional fairs / tourism events / festivals	3 x participation in promotional fairs / tourism events / festivals . Lion Show expo . Gcinamasiko Book Art Festival . Africa Ignite (WOWZULU Luthuli Walk	Deviation (Partially Achieved)	The museums over extended their staff on other programmes and projects.
		▪ Partially Achieved. Only 4x media release implemented out of the target of 20	▪ 20x media releases promoting public programmes & profiling events	13 x media releases promoting public programmes & profiling events	Deviation (Partially Achieved)	The museums over extended its staff on other programmes and projects.
1. Increase the profile and awareness of the museum through print; electronic media; marketing strategies and product development	1.2 Effectively managed museum promotional shop operations and outputs	▪ 0 Achieved. 48x shop sales recon report not achieved	▪ 16x shop sales recon report not achieved	0 x shop sales recon report not achieved	Deviation	Promotional shop closed. Shop to be functional in the new financial year
		▪ 0 Achieved. 4x shop quarterly reports	▪ 4x shop quarter reports	0 x shop quarter reports	Deviation	Promotional shop closed. Shop to be functional in the new financial year
		▪ 0 Achieved. 2x shop controls; monitoring; sales; financial recon status report	–	–	–	–
		▪ 0 Achieved. 2x shop stock control & purchase report	▪ 2x shop stock control & purchase report	0 x shop stock control & purchase report	Deviation	Promotional shop closed. Shop to be functional in the new financial year

Sub Programme B						
SOCIAL MEDIA						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
1. Manage the museum website and associated social media as an important portals to inform; educate and profile the museum	1.1 Increased and sustained social media presence	▪ 0 Achieved. 12x Social media committee meetings & reports	▪ 4x social media committee meetings & reports	4x social media committee meetings & reports	No Deviation	–
		▪ Achieved, 12x WSI Reports submitted monthly	▪ 12x website and online catalogue monitoring and reports	12 x website and online catalogue monitoring and reports	No Deviation	–
		▪ Achieved. 144x uploads implemented by Education Officer and the Public Relations Officer	▪ 40x Facebook uploads	167 x Facebook uploads	No Deviation	–
		▪ Achieved. 4x WSI Reports	–	–	–	–
		▪ 0 Achieved. 4x Museum online catalogue upload & monitoring reports	–	–	–	–

Sub Programme C

EDUCATION & TOURS

Strategic Objective	Performance Indicators	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
1. Organise an annual calendar of dynamic educational programmes; tours and public events	1.1 Managed and increased public access to educational programmes	▪ Partially Achieved. Only 4x sessions implemented in the year	▪ 12x Community and youth outreach programmes	19 x Community and youth outreach programmes achieved	No Deviation	–
		▪ Achieved. 4x holiday programmes took place school holidays	▪ 5x children holiday programmes	5 x children holiday programmes achieved	No Deviation	–
		▪ Achieved. 3x festivals took place, namely, DIFF; Time of the Write and Poetry Festival which the Museum participated in	▪ 3x arts and culture festivals	3 x arts and culture festivals	No Deviation	–
		▪ Achieved. The 18x programmes included the Chess Tournaments and Training; Chief Albert Luthuli Oral History Competition; International Museums Day; Youth Month Commemoration; Music Business Workshop; Essay Writing Competition; Black History Month documentary screenings and dialogues.	▪ 18x educational programmes and commemorative days	18 x educational programmes and commemorative days	No Deviation	–

Sub Programme D						
PUBLIC RELATIONS AND PROGRAMME						
Strategic Objective	**Performance Indicators**	**Actual Achievement 2017/2018**	**Planned Target 2018/2019**	**Actual Achievement 2018/2019**	**Deviation from planned target to Actual Achievement for 2018/2019**	**Comment on deviations**
1. Enhance the status of the Luthuli Museum through community outreach programmes	1.1 Implemented public relations and outreach programmes	▪ Partially Achieved. 5x programmes implemented i.e. *Careers EXPO; Objects, Culture and Stories Workshop; Basic Introduction to Museums Internship Programme; Mama Nokukhanya Dialogue; Night at the Museum*	▪ 8x youth / learner or community capacity building programme	8 x youth / learner or community capacity building programme	No Deviation	–
		▪ 0 achieved. 2x museum youth clubs established & programmed	—	—		
		▪ Partially Achieved. Only 1x programme implemented, i.e. the Robben Island Spring Club attended	▪ 2x youth camps attended	0 x youth camps attended	Deviation	The organiser of the youth camps did not convene the programme in this financial year.
	1.2 Informed museum stakeholders and interest groups	▪ Not Achieved. 4x Quarterly newsletter printed and distributed	▪ 4x quarterly newsletter printed and distributed	0 x quarterly newsletter printed and distributed	Deviation	Challenge with capacity in the design department. The Design technician is one of the staff dismissed. Matter still at CCMA

	1.3 Developed and sustained Luthuli Museum strategic partnerships	▪ Achieved. 10 Partnership established with the Durban Natural Science Museum; Tshelenkosi Senior Secondary School; the Jacob Zuma Open Chess Tournament; ILembe Choral Music Competition; the ISupport Music Productions; UKZN; UKHOZI FM and CIDA	▪ 8x partnerships established	8x partnerships established	No Deviation	–

PART E

HUMAN RESOURCES

HUMAN RESOURCES

1. Personnel Expenditure

The total staff complement of the Luthuli Museum is: **17**

Table 1: Personnel Costs For The Financial Year Under Review

Total Budget	Total Staff Expenditure	Training Expenditure	Pension Fund Contribution	Staff Expenditure As A % Of Budget	Average Personnel Cost Per Employee
14,829	**6,288**	**154**	**639**	**42.4%**	**419**

Table 2: Amount And % Of Key Personnel Costs

Salaries (basic)		Casual Wage		Housing Allowance		Medical Aid	
Amount	Salary As A % Cost Of Personnel cost	Amount	As A % of Personnel Cost	Amount	As A % Of Personnel Cost	Amount	As A % Of Personnel Cost
5,029	**79.9%**	**70**	**1.1%**	**22**	**0.3%**	**374**	**5.9%**

2. Employment And Vacancies

Table 3: Employment And Vacancies For The Financial Year Under Review

Number Of Posts	Number Of Posts Filled	Vacant Posts As Of 31 March 2019	Vacancy Rate %
17	15	2	11.7%

3. Employment Changes

Table 4: Annual Turnover Rates By Salary Levels For The Period Under Review

Number Of Employees As At April 2018	Appointments	Terminations And Resignations	Turnover Rate	Number Of Employees At 31 March 2019
13	2	Nil	11.7%	15

4. Employment Equity

The Luthuli Museum has to comply with the Employment Equity Act because it is a public institution. The Museum is registered with the Department of Labour as such.

Table 5: Total Number Of Employees

Description	Total	African		Coloureds		Indians		Whites	
		M	F	M	F	M	F	M	F
Senior Management	1	1							
Middle Management	2	1	1						
High Level Specialists									
Supervisor And High Level Skilled / Clerical	6	2	2	1					1
Craft And Related Trades	6	3	3						
TOTAL	15	7	6	1					1

Table 6: Recruitment, Promotion And Termination

Type	Number	Africans	Coloureds	Indians	Whites	% Total
Death	0	0	0	0	0	0
Resignation	2	2	0	0	0	13,3%
Expiry Of Contract	1	1	0	0	0	6,6%
Dismissal – Operational Changes	0	0	0	0	0	0
Promotion	0	0	0	0	0	0
Discharged Due To Ill Health	0	0	0	0	0	0
Retirement	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	3	3	0	0	0	20%
Number Of Employees Who Left As A % Of Th Total Employment	20%	20%	0	0	0	0

Table 7: Disciplinary Action

Description	Total	African		Coloureds		Indians		Whites	
		M	F	M	F	M	F	M	F
Senior Management	0	0	0	0	0	0	0	0	0
Middle Management	0	0	0	0	0	0	0	0	0
High Level Specialists	0	0	0	0	0	0	0	0	0
Supervisor And High Level Skilled / Clerical	0	0	0	0	0	0	0	0	0
Craft And Related Trades	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

Table 7.1 Outcomes Of Disciplinary Hearings

Description	Number
Correctional Counselling	0
Verbal Warnings	0
Written Warnings	0
Final Written Warning	0
Suspension Without Pay	0
Fine	0
Demotion	0
Dismissal	0
Not Guilty	0
Case Withdrawn	0
Total	0

Table 8: Skills Development

Description	Total	African		Coloureds		Indians		Whites	
		M	F	M	F	M	F	M	F
Senior Management	2	2	0	0	0	0	0	0	0
Middle Management	2	1	1	0	0	0	0	0	0
High Level Specialists	0	0	0	0	0	0	0	0	0
Supervisor And High Level Skilled / Clerical	5	2	2	1	0	0	0	0	0
Craft And Related Trades	0	0	0	0	0	0	0	0	0
TOTAL	9	5	3	1	0	0	0	0	0

5. Utilisation Of Leave

Annual leave is not accumulated, it is forfeited if it is not utilised within the specified period

6. Injury On Duty

In this financial year there were no injuries on duty reported.

7. Utilisation Of Consultants

The Museum utilised the services of HR Torque for the human resource management services like, recruitment of the Museum Assistants, Projects Officers and Office Manager; performance assessments; pre job evaluation survey and payroll; Virtuenet for IT Hosting and Support; WSI Design for Website hosting and support; GTI Marketing for Online Catalogue Hosting and Support; UKUZA QS and Project Management for the Resource Centre Building (project management *pro bono*); Black Balance Project Management for the Resource Centre Project (Architectural Services *pro bono*)

PART F

AUDITOR GENERAL'S REPORT

Luthuli Museum

Audit report for the year ending

31 March 2019

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on Luthuli Museum

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Luthuli Museum set out on pages **72** to **91**, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Luthuli Museum as at 31 March 2019, and financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion

Heritage assets

3. The museum did not recognise all heritage assets in accordance with GRAP 103, *Heritage assets* due to inadequate systems and processes to record these assets. I was unable to determine the full extent of the misstatement as it was impractical to do so. Consequently, heritage assets stated at R5,14 million in note 20 to the financial statements was misstated by an unquantifiable amount.

Context for the opinion

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

5. I am independent of the entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Material underspending of conditional grant

8. As disclosed in note 29 to the financial statements, the entity materially underspent on the grant received from the National Department of Arts and Culture by an amount of R434 000.

Responsibilities of the board of directors which constitutes the accounting authority for the financial statements

9. The board of directors, which constitutes 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 board of directors, which constitutes the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2019:

Programmes	Pages In The Annual Performance Report
Programme 2 – business development	**40 – 47**
Programme 3 – public engagement	**49 – 54**

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

17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the programmes tabulated in paragraph 15 of this report.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report on pages **25** to **54** sets out information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a significant number of targets.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2 – business development and programme 3 – public engagement. As management subsequently corrected these misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

22. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

23. The annual financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatement resulted in the financial statements receiving a qualified opinion.

Expenditure management

24. The entity did not take effective and appropriate steps to prevent irregular expenditure amounting to R9,74 million as disclosed in note 30 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. All of the irregular expenditure incurred was caused by non-compliance with supply chain management legislation.

Strategic planning

25. The accounting authority did not submit its 2018-19 strategic plan for approval by the executive authority, as required by treasury regulation 30.1.1.

Procurement and contract management

26. Sufficient appropriate audit evidence could not be obtained that bid documentation for procurement of commodities designated for local content and production, met the stipulated minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2).

Other information

27. The board of directors which constitute the accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

29. In connection with my audit, my responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes 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, and 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, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.

32. Leadership did not adequately exercise oversight responsibility over the preparation and review of the financial statements resulting in material misstatements to the financial statements.

33. Management did not adequately review and monitor compliance with applicable laws and regulations.

Auditor- General

Pietermaritzburg

21 August 2019

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

Luthuli Museum

ANNUAL FINANCIAL STATEMENTS

For The Year Ending 31 March 2019

LUTHULI MUSEUM

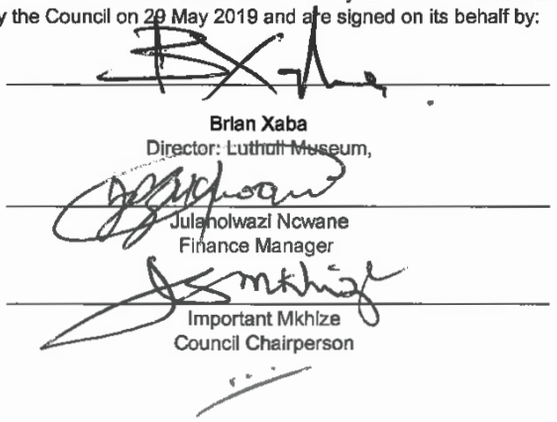
FINANCIAL STATEMENTS
for the year ending 31 March 2019

Contents

Approval of the Annual Financial Ftatements	1
Council members	2
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes in Net Assets	5
Cash Flow Statement	6
Notes to the Annual Financial Statements	7-18

(a) Approval of the annual financial statements

The Annual Financial Statements for the year ended 31 March 2019, set out on pages **three to twenty two, were approved** by the Council on 29 May 2019 and are signed on its behalf by:



Brian Xaba
Director: Luthuli Museum,

Julanolwazi Ncwane
Finance Manager

Important Mkhize
Council Chairperson

Luthuli Museum Annual Financial Statements For The Year Ending On 31 March 2019

Director

Mr Brian Xaba

Museum Council

Mr Important Mkhize	Chairperson
Dr Mxolisi Mchunu	Deputy Chairperson
Dr Albertinah Luthuli	Member
Mr Mthunzi Luthuli	Member
Ms Salome Mabilane	Member
Advocate Josephine Ralefatane	Member
Mr Zakhele Gumede	Member
Mr Tsematse Tsematse	Member

Secretary

Mr Thabani Nkosi

Audit Committee

Ms Babongile Chiliza	Chairperson
Mr Mthunzi Luthuli	Member
Advocate Motjatjo Josephine Ralefatane	Member
Mr Tsematse Tsematse	Member
Mr Bheki Mbanjwa	Member

LUTHULI MUSEUM
STATEMENT OF FINANCIAL POSITION

as at 31 March 2019		2018/19 R'000	2017/18 Restated * R'000
Assets			
Non-current Assets		**6 138**	6 191
Property, plant and equipment	*16*	**975**	1013
Intangibles	*19*	**19**	35
Heritage Assets	20	**5 144**	5 143
Current Assets		**17 333**	16 161
Loans and receivables Prepaid	*11.1*	**9**	43
Expenses	*11.2*	**16**	-
Cash and cash equivalents	*12*	**8 426**	15 515
Inventory	*18*	**38**	43
Work in progress	*33*	**8844**	560
Total Assets		**23 471**	22 352
Funds And Liabilities			
Funds And Reserves			
Accumulated surplus		**16 930**	8 636 *
Revaluation Reserve	*20.4*	**4 818**	4 818
		21 748	13 454
Current Liabilities		**1 723**	8 898
Accounts Payable	*13*	**286**	429 *
Accruals	*13.1*	**26**	174 *
Provisions	*14*	**832**	818
Unspent Conditional Grant	*28.2*	**145**	7 037 *
Conditional GRAP 103	*29*	**434**	440
Total Funds And Liabilities		**23 471**	22 352

LUTHULI MUSEUM
STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2019

		2018/19	2017/18 Restated
		R'000	R'000
Revenue			
NON EXCHANGE REVENUE			
Government and other grants	2	**14 828**	13 615
Conditional Grant Transferred	28.3	**6 892**	560
Conditional Grant GRAP 103	29.1	**6**	-
Income from investments	10	**677**	754
		22 403	14 929
Revenue			
EXCHANGE REVENUE			
Sales of DVD's	4	**-**	1
Other Income	3	**11**	-
		11	1
Total Income		**22 414**	14 930
Expenditure			
Admin expenses	5	**1 322**	1 150
Staff Costs	6	**6 134**	5 494
Marketing	7	**2 181**	1 376
Audit fees	8	**749**	794
Operating expenses	9	**3 734**	3 643 *
		14 120	12 457
Surplus For The Year		**8 294**	2 473

LUTHULI MUSEUM

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2019

	NOTES	Accumulated Surplus	Total Net Assets	
		R '000	R'000 Restated	
Balance As At 1 April 2017		8 800	8 800	*
Prior Year Error	34	(880)	(880)	
		7 920	7 920	
Deficit		(2 257)	(2 257)	
Balance as at 31 March 2018		5 663	5 663	
Prior Year Error Accumulated	34	500	500	
Surplus Restated Surplus for		6 163	6 163	
the year		2 652	2 652	
Prior Year Error	34	(179)	(179)	
Balance as at 1 April 2018		8 636	8 636	*
		8 294	8 294	
Surplus for the year				
Balance as at 31 March 2019		16 930	16 930	

LUTHULI MUSEUM

CASH FLOW STATEMENT as at 31 March 2019

	NOTES	2018/19 R'000	2017/18 R'000
Cash Flow From Operating Activities			
Cash Receipts		**15 522**	14 930
Transfers and subsidies		**14 828**	13 615
Conditional Grant Transferred		**-**	560
Conditional Grant Transferred-GRAP103		**6**	-
Income from investments		**677**	754
Sale of DVD's		**-**	1
Other operating income		**11**	-
Cash payments		**-14 242**	-11 814
Compensation of employees		**-6 120**	-5 157
Goods and services		**-8 122**	-6 657
Net Cash Generated From Operating Activities	15	**1 280**	3116
Cash Outflow From Investing Activities			
Acquisition of :			
Property, plant and equipment	16/33	**-8365**	-38
Heritage Assets	19	**-1**	-15
Net Cash Flows From Investing Activities		**-8366**	-53
Net(decrease) in cash and cash equivalents		**-7 089**	3 063
Cash and cash equivalents at beginning of year		**15 515**	12 452
Cash And Cash Equivalents At The End Of The Year Ended On 31 March 2019	12	**8 426**	15 515

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

1 Accounting policies

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999
These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.
In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

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

Presentation currency
These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption
These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Comparative figures
Current year comparatives (Budget)

Budget information in accordance with GRAP 1 and 24, has been complied with, and the detailed budget will be attached to the Annual Financial Statements .
Prior year comparatives
When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/ or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.
Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:
Provisions
Provisions are measured as at the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in the future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. The measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of ecah of those potential outcomes based on the probability that the outcome will materialise in the future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Depreciation and amortisation Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Estimates
Estimates Estimates are informed by historical experience, information currently available management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

Impairments of non-financial assets

In testing for, and determining the value in use of non-financial assets, management is requireed to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash generating assets). For non-cash generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

1.5 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when: □ it is probable that future economic benefits or service potential associated with the item will flow to the entity; and □ the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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

Item	Depreciation method	Average useful life
Furniture and fixture	Straight line	6 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years
Motor Vehicles	Straight line	4 years
Leasehold improvements	Straight line	5 years (lease period)

The depreciable amount of an asset is allocated on a systematic basis over its useful life.
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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

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

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

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.7 **Intangible assets**

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

1.8 An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.11 **Heritage assets**

Heritage assets are assets that are in the form of documents,photographs,books,audio-visuals,paintings and other artefacts, and are held indefinitely for the benefit of present and future generations. Heritage assets are recognised as an asset if, and only if: (a) it is probable that future economic benefits or service potential association with the asset will flow to the entity, and (b) the cost or fair value of the asset can be measured reliably.

Subsequent measurement
In accordance GRAP 103,an entity should choose either the cost model or revaluation model for subsequent measurement of an entire class of heritage ssets

Luthuli Museum has elected the cost model and shall apply the policy to an entire class of heritage assets. Heritage Assets will be carried at cost less accumulated impairment. In the event that cost is not easily determined,a deemed cost will be acquired through obtaining a fair market value. The Heritage asset will then be subsequently carried at cost less accumulated Impairment.

A heritage asset shall not be depreciated but Luthuli Museum shall assess at each reporting date whether there is an indication that it may be impaired.If any such indications exist Luthuli Museum shall estimate the impairment amount of the heritage asset in accordance with the Standards of GRAP on impairment of Cash-generating assets or Impairment of non-cash generating Assets.
In making a decision whether the asset should be impaired,Luthuli Museum should assess whether the asset is physically damage or the asset has deteriorated.

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the

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.

A financial asset is:
- cash;
- a residual interest of another entity; or
- a contractual right to:
- receive cash or another financial asset from another entity; or
-exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.
Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an 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 unitised 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.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
the entity designates at fair value at initial recognition; or are held for trading.

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

Financial instruments at fair value comprise financial assets or financial liabilities that are:
derivatives;
combined instruments that are designated at fair value;
instruments held for trading. A financial instrument 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.

1.14 Leases

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

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

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

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The entity does not enter into finance leases that attract finance charges.

Operating leases - lessee
Operating lease payments are recognised as an expense in the Statement of Financial Performance.

1.15 Employee benefits

Short-term employee benefits
Short-term employee benefits encompass all those benefits that become payable in the short term, i.e. within a financial year or within 12 month the financial year.
Therefore, short-term employee benefits include remuneration, compensated absences and bonuses.

Short-term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accummulating benefits, which are recognised when the specific event occurs. These short-term employee benefits are measured at their undiscounted costs in the period the employee renders the related service or the specific event occurs.

Post employment benefits
The entity operates a defined contribution plan in the form of a provident fund scheme, covering all qualifying employees. The assets of the scheme are held separately from those of the entity and are administered by the scheme's trustees. The entity's contributions to the defined contribution fund are included in the staff costs and charged to the Statement of Financial Performance during the year to which they relate.

1.16 Provisions and contingencies

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating deficits.

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

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

A financial guarantee contract is a contract that requires the issuer to make specified
payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

financial difficulty of the debtor;
defaults or delinquencies in interest and capital repayments by the debtor;

breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, 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, an entity recognises the obligation at the higher of:

the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
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.

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

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.

1.17 Revenue from exchange transactions
ss 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 contrib

An exchange transaction is one in which the municipality 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.

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

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.

1.18 Measurement
Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.
Revenue from non-exchange transactions
Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue 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.

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.

Revenue from non-exchange transactions (continued)
Government grants

Government grants are recognised as revenue when:
 it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,

 the amount of the revenue can be measured reliably, and
 to the extent that there has been compliance with any restrictions associated with the grant.
The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence.
Certain grants payable by one level of government to another are subject to the availability of funds.
Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
An announcement at the beginning of a financial year that grants may be available for
qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow.

Revenue is then only recognised once evidence of the probability of the flow becomes available.Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

 it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;

 the amount of the revenue can be measured reliably; and

 to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.19 Translation of foreign currencies
Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency
and the foreign currency at the date of the transaction.

At each reporting date:
oreign currency monetary items are translated using the closing rate;
 non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
 non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated
on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets.
When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.20 Unauthorised expenditure
Unauthorised expenditure means:
overspending of a vote or a main division within a vote; and expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

1.21

Fruitless and wasteful expenditure
Fruitless 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.

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

1.23 Irregular expenditure
Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in
(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being In such an instance,
no further action is also required with the exception of updating the note to the financial statements.

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

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

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.

1.17 Revenue from exchange transactions
ss 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 contribu

An exchange transaction is one in which the municipality 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.

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

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.

1.18 Measurement
Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.
Revenue from non-exchange transactions
Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue 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.

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.

Revenue from non-exchange transactions (continued)
Government grants

Government grants are recognised as revenue when:
 it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,

 the amount of the revenue can be measured reliably, and
 to the extent that there has been compliance with any restrictions associated with the grant.
The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence.
Certain grants payable by one level of government to another are subject to the availability of funds.
Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
An announcement at the beginning of a financial year that grants may be available for
qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow.

Revenue is then only recognised once evidence of the probability of the flow becomes available.Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

 it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;

 the amount of the revenue can be measured reliably; and

 to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.19 Translation of foreign currencies
Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency
and the foreign currency at the date of the transaction.

At each reporting date:
oreign currency monetary items are translated using the closing rate;
 non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
 non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated
on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets.
When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.20 Unauthorised expenditure
Unauthorised expenditure means:
overspending of a vote or a main division within a vote; and expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

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

1.21 Fruitless and wasteful expenditure
Fruitless 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.

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

1.23 Irregular expenditure
Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in
(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being In such an instance,
no further action is also required with the exception of updating the note to the financial statements.

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

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded

appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person,
a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.24 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.

An asset arising from development is recognised when:
it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

1.25 Budget information
Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2017/04/01 to 2018/03/31.
The budget for the economic entity includes all the entities approved budgets under its control.
The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.26 Related parties
A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions..

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

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

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);and

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Surplus and Deficit

Gains and losses
Gains and losses arising from fair value adjustments on investments and loans, and from the disposal of assets, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the excepртional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

1.30 Recovery of Unauthorised, Irregular, Fruitless and Wasteful expenditure
The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible official is probable. The recovery of unauthorised, irregular, fruitless and wasteful expenditure is treated as other income.

1.31 New standards and interpretations

1.31.1
Standards and interpretations issued, but not yet effective
The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- GRAP 20: Related parties	01-Apr-16	The impact of the amendments is not material
- GRAP 108: Statutory receivables	01-Apr-16	The impact of the amendments is not material
- IGRAP 17: Services concesion arrangements where a grantor controls a significant residual interest in an asset	01-Apr-16	The impact of the amendments is not material
- Directive 12: The selection of an appropriate reporting framework by public entities	01-Apr-16	The impact of the amendments is not material

1.32 Capital Work in Progress

Capital work in progress is stated at historical cost. Depreciation only commences when the asset is available for use.

1.33 Fruitless and wasteful expenditure
Fruitless 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.

1.34 Related Parties
1.33.1 Department of Arts and Culture

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019
Grants received for the financial year amounted to R 14,829,000 and for the year 2019/2020 will amount to R14,647,000.00.

1.34.2 Department of Public Works
The Department of Public Works is the legal owner of the Land and Building occupied by The Luthuli Museum. The Department of Public Works is responsible for all major capital repairs to the buildings.All expenditure less than this amount is done by The Museum.

1.34.3 Council
The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has various sub-committees such as Finance, Audit, Human Resources and Curatorial that guide and assist management which is appointed by Council.

		2019 R'000	2018 R'000
2	**NON EXCHANGE REVENUE**		
	National Departments-Operational Grant	**14 828**	13 615
		14 828	13 615
3	**EXCHANGE REVENUE**		
	Donations Received	**1**	-
	Tender deposits	**7**	-
	Book sales	**3**	-
		11	-
4	**DvD Sales**	**-**	1
5	**Administrative expenses**		
	Computer expenses	**143**	140
	Courier and Postage	**9**	49
	Fees for services:		
	- HR-Administrative Costs	**155**	180
	-Council and Sub-Committee-Honorarium	**562**	354
	Stationery and printing	**92**	88
	Communication costs	**148**	164
	Bank charges	**42**	31
	Training and staff development	**154**	115
	Rental Parking	**17**	29
	Total	**1 322**	1 150
6	**Staff costs**		
	Salaries and Wages	**3 683**	3 602
	-Basic salaries	**3 495**	3 359
	-Leave provision	**188**	69
	-Performance bonus provision	**-**	174
	Senior Management Emoluments	**2 451**	1 892
	Director	**1 068**	1 007
	Finance Manager	**776**	672
	Curator	**607**	177
	Marketing Manager	**-**	36
	Total	**6 134**	5 494
7	**Marketing costs**		
	Advertising and Promotions	**553**	64
	Exhibitions	**2**	11
	Public Programmes	**1 626**	1 301
	Total	**2 181**	1 376
8	**Audit fees**	**749**	794
	Statutory	**628**	550
	Internal Audit	**121**	244
9	**Other operating expenses**	**1 208**	1 518
	Consultants, contractors and special services	**993**	1311
	Entertainment and Refreshments	**30**	32
	Insurance	**184**	175
	Subscriptions	**1**	-
	Other expenses	**2 526**	2 125
	-Machinery & Equipment	**290**	236
	-Other maintenance, repairs and running costs	**33**	39
	Depreciation -Assets carried at cost	**120**	-71
	Amortisation	**16**	-16
	Municipal services	**235**	191
	Travel and subsistence	**1 832**	1 740
	Interest	**-**	6
	Total	**3 734**	3 643
10	**Finance Income**		
	-Short-term investments	**677**	754
	Total	**677**	754

Luthuli Museum have funds invested with First National Bank at the Prime Lending Rate of 10.25% per annum.

		2019 R'000	2018 R'000
11	**11.1 Loans and receivables**		
	Accrued income(interest)	**-**	30
	Staff debtors	**9**	13
	Total	**9**	43

Staff debtor relate to the staff members that was injured on duty.Museum assisted her with the payment of the hospital bill.The employee is making payments on a monthly basis until the debt is fully paid.

		2019 R'000	2018 R'000
	11.2 Prepaid Expense		
	Expenses paid in-advance	**16**	-
		16	-
12	**Cash and cash equivalents**		
	Cash and balances with banks	**1 112**	2016
	Short-term deposit/investments	**7 314**	13 499
	Total	**8 426**	15 515
13	**Accounts Payable**		
	Creditors	**286**	429 *
	Total	**286**	429

* :Restated

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

13.1 Accruals

accrued expense	26	174
	26	174

14 Provisions

Opening balance	818	576
Utilisation of provisions during the year	-	-
Unused amounts reversed during the year	-818	-576
Provisions made during the year-Leave Provision	832	644
-Performance Bonuses	-	174
Less: current portion of provisions	-	-
Closing balance	832	818
Analysis for reporting purposes:		818
Non-current provisions	-	-
Current provisions	832	818

14.1 Provisions
This provision is for the estimation of the value of the leave pay and performance bonuses that would become payable at the termination date of any employment contract. The event of the full provision being fully payable at any one time is unlikely.

15 Reconciliation of surplus for the year to cash

Surplus for the year	8 294	2 473
Non-cash movements/working capital:	-7 014	643
Depreciation	120	-71
Amortisation	16	-16
Increase/ (decrease) in receivables	18	-22
(Increase)/decrease in provisions	220	243
Decrease/Increase in inventory	5	7
Decrease/(increase) in payables	291	209
Decrease/(increase) in the unspent conditional grants	-7 684	249
Other non Cash Item	-	44
Cash (utilised in) operations	1 280	3 116

16 Property,plant and equipment

	2019 Cost R'000	2019 Accummulated Depreciation & Impairment R'000	2019 Carrying Value R'000	2018 Cost R'000	2018 Accummulated Depreciation & Impairment R'000	2018 Carrying Value R'000
Vehicles	487	-314	173	487	-293	194
Furniture & Fittings	1 013	-735	278	1008	-794	214
Office Equipment	490	-327	163	436	-301	135
Compter Equipment	831	-470	361	809	-339	470
	2 821	-1 846	975	2740	-1727	1013

16.1Reconciliation of Property,Plant and Equipment-2019	CarryingValue Opening Balance	Additions	Disposals	Transfers	Depreciation	Imapirment(Loss)/ Reversalof	Revaluation	Discontinued Operations	Carrying Value Closing
Vehicles	193				-22				173
Furniture & Fittings	214	5			59				278
Office Equipment	135	54			-26				163
Compter Equipment	471	22			-132				361
	1013	81			-121				975

16.2Reconciliation of Property,Plant and Equipment-2018	CarryingValue Opening Balance	Additions	Disposals	Transfers	Depreciation	Imapirment(Loss)/ Reversalof	Revaluation	Discontinued Operations	Carrying Value Closing
Vehicles	171				22				193
Furniture & Fittings	310				-96				214
Office Equipment	129	13			-7				135
Compter Equipment	292	25			152				471
	902	38			71				1013

17 Change in estimate
Property,plant and equipment
In terms of the requirements of GRAP17,the useful lives of all items were reviewed by management at year end.The remaining useful life expectation of some property,plant and equipment differed from previous estimates.This resulted in a

18 Inventory

	2019 R'000	2018 R'000
Goolum Suleman Books	36	41
Dvd's	2	2
	38	43

19 Intangible Assets

	2019 Cost R'000	2019 Ammortisation R'000	2019 Carrying Value R'000	2018 Cost R'000	2018 Ammortisation R'000	2018 Carrying Value R'000
Computer Software	54	(35)	19	54	-19	35
	54	-35	19	54	-19	35

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019 continue

19.1 Reconciliation of Intangible Assets-2019	CarryingValue Opening Balance	Additions	Disposals	Transfers	Ammortisation R'000	Imapirment(Loss)/ Reversalof	Revaluation	Discontinued Operations	Carrying Value Closing
Computer Software	35				-16				19
	35				-16				19

19.2 Reconciliation of Intangible Assets-2018	CarryingValue Opening Balance	Additions	Disposals	Transfers	Ammortisation R'000	Imapirment(Loss)/ Reversalof	Revaluation	Discontinued Operations	Carrying Value Closing
Computer Software	19				16				35
	19	-			16				35

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

20 Heritage Assets

	2019			2018		
	Cost R'000	Depreciation R'000	Carrying Value R'000	Cost R'000	Depreciation R'000	Carrying Value R'000
Collections	5 144	-	5 144	5143	-	5143
	5 144	-	5144	5143	-	5143

20.1 Reconciliation of Heritage Assets-2019	CarryingValue Opening Balance	Additions	Disposals	Transfers	Ammortisation R'000	Imapirment(Loss)/ Reversalof	Revaluation	Discontinued Operations	Carrying Value Closing
Collections	5143	1							5144
	5143	1			0		0		5144

20.2 Reconciliation of Heritage Assets-2018	CarryingValue Opening Balance	Additions	Disposals	Transfers	Ammortisation R'000	Imapirment(Loss)/ Reversalof	Revaluation	Discontinued Operations	Carrying Value Closing
Collections	5 128	15							5143
	5 128	15					0		5143

20.3 Heritage Assets

20.3.1 Luthuli Museum is in custody of items of heritage assets in the form of documents,photographs,books,audio-visuals ,paintings and other artefacts which were evaluated by independent valuer:Gillian Scott-Berning Fine And Decorative Arts Consultants.The evaluation certificate was received by Luthuli Museum on the 11 of April 2014.These assets were evaluated using the current market value determine by market and cost to replace those assets.The total monetary value for all the items as at 31 March 2019 amounted to R 5,141,000(2018:R 5,149,000).

20.3.2 Luthuli Museum is in custody of items of heritage assets in the form of documents; photograps; audio visuals; photographs; paintings and other arefacts that could not be measured with reliability. The total number of these assets is 106 items.

20.4 Revaluation Reserve

	2019 R'000	2018 R'000
Revaluation Reserve was determine as follows:		
Opening Balance	4 818	4 818
Revaluation Increase	-	-
Impairment Losses	-	-
Closing Balance	4 818	4 818

The Revaluation Reserve relate to the evaluation of the heritage assets when they were evaluated in order to bring them into our books as per the requirement of GRAP 103.The evaluation certificate was received by the museum on 11 April 2014.The heritage assets are now accounted for in the Financial Statements.

21 Tax Exemption

The Luthuli Museum is exempted from taxation in terms Section 10 (1) (cA) (I) of the Income Tax Act.

22 Financial Instruments

22.1 Overview

The Luthuli Museum has exposure to the following risks from its use of financial instruments.
- -Credit risk
- -Liquidity risk
- -Market risk
- -Interest rate risk

The note presents information about Luthuli Museum's exposure to each of the risks,Luthuli Museum's objectives, policies and processes for measuring and managing risk, and Luthuli Museum's management of capital. Further quantitative disclosures are included throughout these financial statements. In terms of Treasury Regulations 27.2.1,issued in terms of the PFMA,the accounting authority (Council) must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Council has establish an Audit Committee which is responsible for and monitoring Luthuli Museum's risks management policies.

Luthuli Museum's risk management policies are established to identify and analyse the risks faced by Luthuli Museum,to set appropriate risks limits and controls and monitor risks and adheredno to limits.Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Luthuli Museum's activies.

Audit committee oversees how management monitors compliance with Luthuli Museum's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Luthuli Museum.The Audit Committee is assisted in the oversight role at operations level by Internal Audit.Internal Audit undertakes both regular and ad hoc reviews of risks management controls and procedures,results of which are reported to the Audit Committee.

22.2 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 ist contractual obligations and rises principally from Luthuli Museum's receivables from customers.

22.2.1 Trade and other receivables

Luthuli Museum has no significant exposure to credit risk. The credit risk applicable to Luthuli Museum as at 31 March 2019 amounted to: R 0.00(2018; R 29,962.54)Luthuli Museum policy is to monitor its exposure to credit risk on a monthly basis.At year end,the maximum exposure to credit risk is represented by carrying amount of each financial asset.

22.2.2 Investments

Luthuli Museum limits its exposure to credit risk by investing only in liquid securities and with approved banks and financial institutions.

22.2.3 Liquidity risk

Liquidity risk is that Luthuli Museum will not be able to meet its financial obligations as they fail due.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, unedr both normal and stressed conditions,without incurring unacceptable losses or risking damage to Luthuli Museum's reputation.

An assessment is made of the payments due in advance. Monies are transferred to the current account to bi-monthly obligations.Any surpluses are invested on a Call Account.It is the policy of Luthuli Museum,no to borrow monies.There are thus no credit facilities available.

22.3 Market risk

Market risk is the risk that changes in market prices, such as the interest rates will affect Luthuli Museum's income.The objective of market risk management is to manage and control market exposures within acceptable parameters,while optimizing return.

Luthuli Museum policy is to invest surplus cash. Optimal rates and policies are received from variuos institutions.Luthuli Museum is exposed to fluctuating market prices inherent in the trading of listed investments.The fair value of traded instruments is based on the market prices of those instruments.The exposure of Luthuli Museum to these investments as at 31 March 2019 amounted to R 8,426,000.00 (2018: R 12,245,522.00).

22.3.1 Currency risk

Luthuli Museum does not engage in foreign currency transactions and is thus not exposed to this risk.

22.3.2 Inherent rate risk

It is the policy of Luthuli Museum, not to borrow monies. There are thus no credit facilities available.There is thus no risk relating to changes in the interest rate.

22.4 Fair values

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

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

23 Commitments

At the reporting date, Luthuli Museum had commitment relating to the construction of Nokukhanya Luthuli Resource Centre building as follows:

	2019 R'000	2018 R'000
Contract Value :MVY Construction	-	8 253
Opening Balance	7 693	-
Incurred Expenditure as a 31 March 2019	-7 550	-560
Total as at 31 March 2019	143	7 693
Contract Value : MNR Protection Security Service	-	1 409
Opening Balance	991	
Incurred Expenditure as a 31 March 2019	-526	-418
	465	991
Contract Value :HTB Consulting	379	-
Incurred Expenditure as a 31 March 2019	-121	-
	258	-
Grand Total	866	8 684

24 Subsequent events

There were no significant events that occurred between reporting date and the date of this report.

	2018/19 R'000	2017/18 R'000
25 Fruitless or wasteful expenditure		
Reconciliation of the fruitless or wasteful expenditure:		
Opening Balance :	6	16
Condoned by Council	-	-16
Fruitless and wasteful expenditure	-	6
	6	6

This expense relate to the interest paid to SARS on June 2017 because our computer system was having problems and were unable to submit tax return.

26 Lease

Operating lease rentals are expensed as they become due. The operating lease payments are recognised as an expense during the period that are disclosed in the statement of financial

	2019 R'000	2018 R'000
Operating lease commitments:		
Due in twelve months	32	30
Due in one and half years	18	51
	50	81

27 Cash Surplus

In terms of section 7.1 of the National treasury instruction note 6 of 2017/2018: "Public entities in Schedules 3A and 3C to the PFMA must, through their designated departments, surrender for re-depositing into the relevant Revenue Fund, all surpluses that were realized in a particular financial year where application was made to the relevent treasury to accumulate the surplus in terms of section 53(3) of the PFMA and was granted by the relevant treasury.

The accumulated surplus is disclosed as follows:	2019 R'000	2018 R'000
Details		
Cash and cash equivalents	8 426	15 515
Add: Receivables	9	43
Less: Current liabilities	-1 937	-8 719
Less: Commitments(New Building Resource Centre)		-8 252
Surplus	6 498	-1 413

This is a cash surplus for the year museum is going to apply to The National Treasury for the retention of this surplus to complete the infrastructure projects.

28 Conditional Grant Transferred

28.1	**Nokukhanya Luthuli Resource Centre Grant**	**6 157**	5 967
	Balance unspent at the beginning of the period	**-6 157**	-560
	Conditions met transferred to revenue	-	750
	Total	-	6 157

Grant for capital works: these funds with be utilize to build Nokukhanya Luthuli Resource Centre.

'28.2	**Asbestos Roofing Grant**	**880**	880
	Balance unspent at the beginning of the period	**-735**	
	Conditions met transferred to revenue	-	
	Sub Total	145	880
	Grand Total	145	7 037

28.3	**Conditional Grant transferred to revenue**		
	Nokukhanya Resource Centre	**6 157**	560
	Asbestos Roofing	735	-
		6 892	560

29 Conditional Grant GRAP103

Balance unspent at the beginning of the period	440	440
Conditions met transferred to revenue - : **29.1**	-6	-
	434	440

The GRAP 103 Conditional Grant is the allocation by DAC to assist the Museum to run the process of evaluation of the Heritage Assets in order to give them market values to be included in the Statement of Financial Position.The current year movement of R 6,000.00 relate to the training conducted which is in line with GRAP 103.

	2019 R'000	2018 R'000
30 Irregular Expenditure		
Reconciliation of Irregular Expenditure :		
Opening Balance	723	_
Irregular Expenditure from operations Identified by management	-	82
Condoned by Council : 2	-	-82
Irregular Expenditure from operations	3 523	163
Irregular Expenditure from Nokukhanya Resource Centre : 1	6 217	560
	10 463	723
Details of irregular expenditure not condoned		
Total Amount of Irregular Expenditure 2018/19 SCM Non Compliance	10 463	
Total	10 463	

Irreguar Expenditure is currently under investigation

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

31 Related Parties

Related party transaction is a transfer of resources or obligations between the related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. The disclosure note details the related party transactions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Relationships			
Controlling entity	**Department of Arts and Culture**		
Executive Authority	**Minister of Arts and Culture**		
Related through Minister	**All entities which fall under the portfolio of Minister of Arts and**		
Accounting Authority	**Council Members**		
Custodian of Immovable Assets	**Department of Public Works**		
		2019	**2018**
Transactions for the year	Operational grant	14828	13615
Department of Arts and Culture	Conditional Grant	6892	560
Council Members	Fees for council memb	561	354
Senior Management	Remunaration	2451	**1892**

32 Contingent Liabilities

Contingent liability is a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably. Contingent liabilities are thus not recognised in the statement of financial position as a liability but are included in the disclosure notes, unless the possibility of an outflow of economic resources is remote.

Museum dismissed four staff members in November 2017.The case is still with CCMA.These staff members were paid all the benefits that were due to them when they were dismissed.As a result of this incident,the museum estimated a contigent liabity amounting R 690,127.88.

		2019	2018
		R'000	R'000
33	**Work in progress**		
	Opening Balance	**560**	-
	Expenditure incurred during the year :Resource Center	**7550**	560
	: Asbestos Roofing	**734**	-
	Closing Balance	**8 844**	560

Work in progress relate to the Nokukhanya Resource Centre building which is under contruction at the Luthuli Museum premises.
The total costs of this building is estimated to be R 8,110,000.00.The total expenditure transferred in this current year from the unspent grant amounted to R 6,157,000.00
The balance of R 1,953,000.00 was funded from the Museum's reserves.

34 Prior Year Error

2019
Service in kind - Municipal charges
Luthuli Museum Municipal charges were incorretly accounted for in the prior year as the Service In Kind.This error resulted to overstatement of expenditure in the prior year by R179 000, as a the accumulated surplus of R 2,652,000.00 as previously reported being adjusted to R 2,846,000.00
Prior year results have been reinstated to correct the error.
The correction of the error(s) results in adjustments as follows:

Statement of Financial Performance	
Service in kind decreased by (Expenditure)	179
Statement of Financial Position	
Accumulated surplus decrease by	179
Statement of changes in Net Asset	
Accumulated surplus decrease by	179

2018
Luthuli Museum incorretly recorded the unspent grant as R 6,657,000.00 instead of R 6,157,000.00.This error resulted to the 2017/2018 accumulated surplus of R6,543,000.00 as prviously reported being aadjusted to R 7,043,000.00.
This error error resulted from the transfer from FNB investment was classified as the Capital Works Allocation at the end of 2017 financial year.
Prior year results have been reinstated to correct the error.

The correction of the error(s) results in adjustments as follows:

Statement of Financial Performance	
Conditional Grant Transferred increased by	500
Statement of Financial Position	
Unspent conditional grant decreased by	500
Statement of changes in Net Asset	
Accumulated surplus increased by	500

Conditional Grant - Asbestos Roofing
Contionatl grant was received from DAC in 2016 for the the purspose of renovation of the Luthuli Museum office outbuilding, the grant was incorrectly recognised as revenue during the 2016/17 whereas it should have been regornised as unspent condtioanl grant. This error resulted to understatement of liabities in the prior year by R880 000 and overstatement of accumulated surplus by R 880 000 ,
Prior year results have been reinstated to correct the error.

Statement of Financial Position	
Accumulated surplus dcreased by	-880
Unspent conditional grant increased by	880
Statement of changes in Net Asset	
Accumulated surplus dcreased by	-880

35 Prior-year adjustments
Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Prior Year Adjustment	**As previously reported**	**Correction of error**	Reclassification	**Restated amount**	**Reasons**
Service in kind reclassified	**373**	**-194**	-179	**-**	**Incorrect amount classified as service in kind**
Operations expenditure - municipal charges	12	-	179	191	Incorrect amount classified as service in kind

36 Risk Management

The Museums risk to liquity is a result of funds available to cover future commitments.
The Museum manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and monitored.The liquidity ratio is outlined below:

	2 019	**2 018**
Financial Instruments		
Current Assets	17 333	16 161
Current Liabilities	1 723	8 898
Liquidity Ratio	10	2

Interest Rate Risk
As the museum has no significant interest-bearing assets,the income and operating cash flows are substantilly independent of changes in market interest rates.

Notes To Luthuli Museum Annual Financial Statements
For The Year Ending 31 March 2019 (continued...)

LUTHULI MUSEUM
Notes to Annual Financial Statements
for the year ended on 31 March 2019

Credit Risk

Credit risk consists mainly of cash deposits/cash equivalents.The Museum only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The Museums exposure to credit risk is indicated below:

Cash and Cash equivalents	8 426	15 515

37 Prepared by: Luthuli Museum
INCOME STATEMENT - Actual vs. Budget : 01/04/18 to 31/03/19

	--Actual--	--Budget--	-----Variance---- Value	Percentage	
SALES					
Sales - DVD's		1000	-1000	-100	**1**
Other Income					
Subsidy Income	21725548.17	14828000	6897548.17	46.52	2
Interest Received	679665.39		679665.39	-100	3
Tender Deposits	7500		7500	-100	**4**
Donations Received	600		600	-100	**5**
	22 413 313.56	**14 828 000.00**	**7585313.56**		
EXPENSES					
Audit Fees	749436.66	775541	26104.34	3.37	**6**
Other Projects	174873.55	450000	275126.45	61.14	**7**
Grap 103	5519.88		-5519.88	-100	
Security - OOE	526461.58	571051	44589.42	7.81	
Adverts & Promotins	147169.2	158667	11497.8	7.25	
Exhibitions	1500	36449	34949	95.88	**8**
Public Programs - Marketing	709043.07	767057	58013.93	7.56	
Luthli Lecture 2017	511997.25	512230	232.75	0.05	
Bank Charges - AE	42140.22	46489	4348.78	9.35	
Cleaning - OOE	32881.62	43475	10593.38	24.37	**9**
Computer Expenses - AE	142610.21	167659	25048.79	14.94	**10**
Consultation Fees - OOE	696.25	5000	4303.75	86.08	**11**
Courier & Postage - AE	9472.6	50321	40848.4	81.18	**12**
Depreciation - OOE	135352.37	645174	509821.63	79.02	**13**
Donations	2299	611	-1688	-276.27	**14**
Water & Electricity	234957.48	349487	114529.52	32.77	**15**
Refreshments - OOE	29535.18	37539	8003.82	21.32	**16**
HR - Administration Costs	155394.12	114782	-40612.12	-35.38	**17**
Insurance - OOE	184507.55	223927	39419.45	17.6	**18**
Rental Paid	15940.05	31982	16041.95	50.16	**19**
Legal Fees	280609	236756	-43853	-18.52	**20**
Motor Vehicle Expens- OOE	76884.23	82173	5288.77	6.44	
Print-Annual Rep.& Broch	46304.25	49323	3018.75	6.12	
Stationery -AE	46768.67	64019	17250.33	26.95	
Feasibility Study	25593.13		-25593.13	-100	
Staff Welfare & Medical	593.62		-593.62	-100	
Repairs & Maint- OOE	289503.58	271034	-18469.58	-6.81	
Salaries	6133213.12	6897479	764265.88	11.08	
Marketing Agency	383553.75	300000	-83553.75	-27.85	**21**
Subscriptions	740	3240	2500	77.16	**22**
Casual Wages	300	15000	14700	98	**23**
Training & Development - AE	147778	138533	-9245	-6.67	
Protective Clothing - AE	6953.03	5709	-1244.03	-21.79	**24**
Luthuli Walk 2018	405357.7	100000	-305357.7	-305.36	**25**
Telephone & Fax - AE	51268.77	84000	32731.23	38.97	**26**
Cellphone Expenses - AE	96628	94409	-2219	-2.35	
Travel & Accom.-Staff	267017.15	267666	648.85	0.24	**27**
Honoraria - AE	561408.32	350731	-210677.32	-60.07	**28**
Travel & Accom-Council	1486997.91	881487	-605510.91	-68.69	**30**
Total	14 119 260.07	14 829 000.00	709 739.93		
Net Profit	**8 294 053.49**	1 000.00	-6 875 573.63		
Capital Expenditure					
:Nokukhanya Resource Centre	-7 550 293.81				**31**
:Asbestos Roofing	-734 706.44				**31**
	-8 285 000.25				
Total Expenditure	**22 404 260.32**				

Notes on explanations:
1. No Dvds sale in 2019
2.Grant receive from DAD for the current year amounted to R14 828,000 and the additional R 6,157,000.
is from the unspent grant on capital works transferred to revenue in 2018/19.
3.Interest received from Investments.
4.Receipts from Tenders
5.Income from donations
6.Budget for the emergencies and the balance is for CAL Inquest.
7.Use for GRAP 103 Training
8.No exhibition completed in current financial year
9.This is a general saving on cleaning.
10.General Saving on computer expenditure
11.Only pastel partner consulted was used.
12.No printing of brochure as there was no Marketing Manager.
13.Difference is due to the reversal at year end and is no cash item.
14.Immaterial
15.Museum is now paying for electricity and resulted at the saving at year end
16.This is a general saving on refreshments.
17.Increase on this expense as the number of recruitment and interview conducted by Hrtorque company.
18.Saving as a resulted of a negotiated premium.
19. Rental was budgeted for the full year and as per contract the other half will be paid in the first six months of the following year.
20.Increase due to the CCMA case continuing.
21.This is a general saving on stationery.
22.Increase as the urgency was involved to market our programmes.
23.Immaterial
24.General Saving as casual wages as there was not much activities on our garden programme.
25.Increase because maintenance staff acquired new uniforms.
26.Museum only set aside R100,000.00 for this programme but the expenditure was very high as it was a new programme for the museum.
27.Savings as our lines we broken last for some months during construction.
28.Immaterial
29 &30.Increase due to large number of special meeting conducted.
31.This expenditure relate to the construction of the Nokukhanya Resource Centre of R 6,157,321.85,Asbestos Roofing R 734,706.44 and GRAP 103 Project training R 5,519.88.

2018/2019 In Pictures

Ready For The Upcoming Year

Let The Spirit Of Luthuli Speak To All

Address:

Address : 3233 Nokukhanya Luthuli Str.
Groutville, Kwadukuza, 4450

Online:

Web : www.luthuliwalk.org.za
Email : luthulimuseum@luthulimuseum.org.za

Phone & Fax:

Tel : (032) 559 6822
Fax : (032) 559 6806

RP33/2019
ISBN: 978-0-621-47870-9