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Department of Arts and Culture

**ANNUAL
REPORT
2018/19**

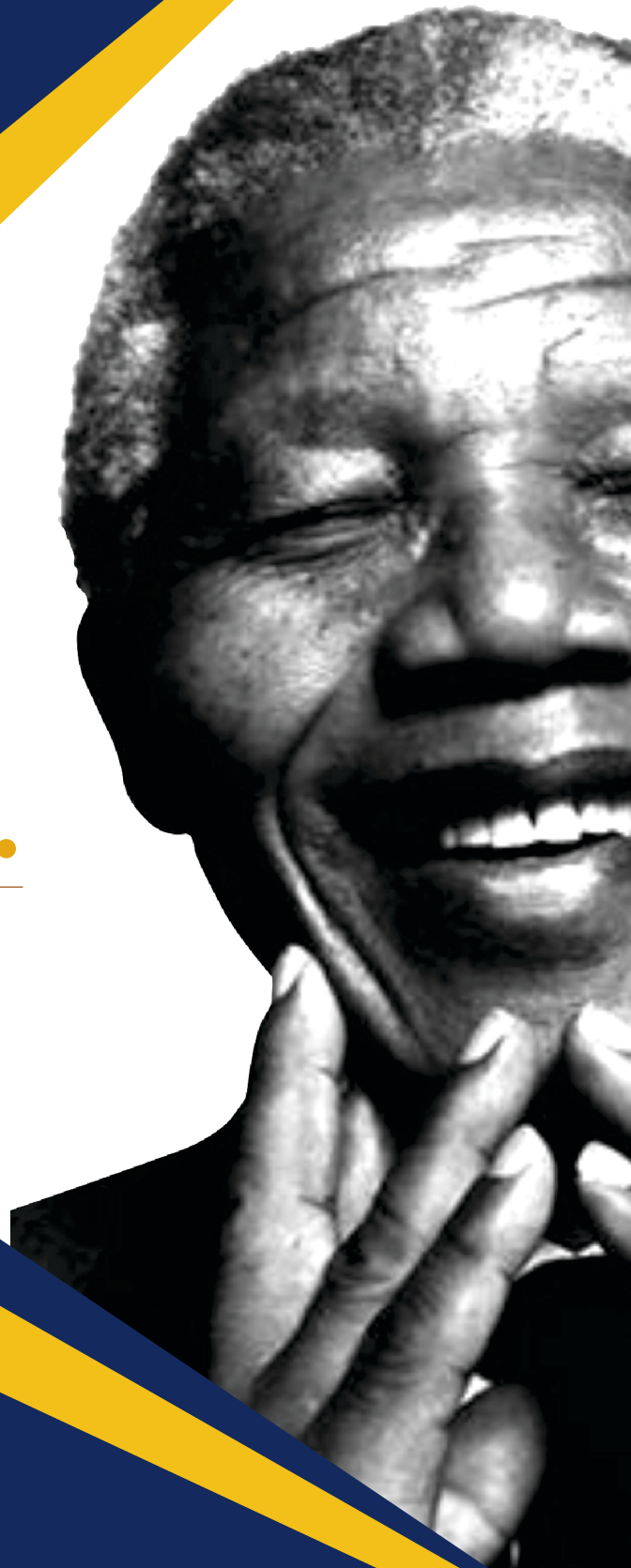


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PART A GENERAL INFORMATION



PUBLIC ENTITIES GENERAL INFORMATION

Legal form of entity	Public Entity
Registered office	Cnr Owen Street & Nelson Mandela Drive Bhunga Building Mthatha 5100
Business address	Cnr Owen Street & Nelson Mandela Drive Bhunga Building Mthatha 5100
Controlling entity	Department of Arts and Culture
Telephone number	047 501 9705
Fax Number	047 532 3345
Email address	Info@nelsonmandelamuseum.org.za
Website	www.nelsonmandelamuseum.org.za
Bankers	ABSA Bank Sutherland Street
Secretary	Siyathemba Sokutu Attorneys
External Auditors	Auditor General of South Africa

ACRONYMS

AFS	Annual Financial Statements
ANC	African National Congress
BBBEE	Broad-Based Black Economic Empowerment
BBC	British Broadcasting Corporation
CCMA	Commission for Conciliation, Mediation and Arbitration
CCTV	Close Circuit Television
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNN	Central News Network
DSRAC	Department of Sports, Recreation, Arts and Culture
HOD	Head of Department
ICT	Information Communication Technology
IPAP	Industrial Policy Action Plan
KSD	King Sabata Dalindyebo Municipality
MGE	Mzansi's Golden Economy
NGO	Non- Governmental Organisation
NMM	Nelson Mandela Museum
ORT	OR Tambo District Municipality
PFMA	Public Finance Management Act
SABC	South African Broadcasting Corporation
TR	Treasury Regulations

FOREWORD BY THE CHAIRPERSON

The democratic dispensation was not only a political breakthrough in the history of South Africa. It also dawned to diverse ways of preserving heritage. The establishment of a national museum in a former homeland (Transkei) was one of the main transformation agendas of heritage and tourism in the country. The museum was not only a legacy project, but also a poignant portrayal of the former world statesman, Nelson Mandela's legacy that foregrounds the South Africa's liberation struggle. Utilising the Bhunga building, the museum innovatively uses visuals and narrative to portrays this history.

The recently held centennial programmes of both Tata Nelson Mandela and Mama Albertina Nontsikelelo Sisulu will remain some of the major highlights in the cultural evolution and knowledge production by the museum. This was also significant as it also leads to the museum's 20th anniversary in 2020 since its establishment.

The commemoration of Nelson Mandela's legacy is not only an important heritage output, but also a socio-economic and political indicator. As was the tradition of Madiba to express his views, the museum has kept that tradition alive. As unambiguously captured by Mandela during the historic Rivonia Trial in the early 1960's "During my lifetime I have dedicated myself to the struggle of the African people. I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if need be, it is an ideal for which I am prepared to die." The museum has carried its mandate without any failures.

Nelson Mandela's international footprint has also been kept. Global partnerships with various museums and universities are testimony to this.

Though there are many strides achieved since the advent of democracy, the sporadic incidents of racial discrimination, xenophobic attacks, poverty and unemployment pose a serious challenge to the 'rainbow nation.' These incidents take place negating the world view that South Africans have a sense of Ubuntu.

With clear conscious that Nelson Mandela valued education and young people, the museum's new programming was around developing them. In contributing to leadership development, the museum introduced a training programme in 2018 focusing on Grade 11 learners. This annual programme will continue to provide cutting edge leadership tools to these young people.



Through the Council's oversight role, the museum has maintained an unqualified audit outcome for two consecutive years. The museum further commits itself to the campaign of Thuma Mina.

This report is presented at a time museum audiences are completely becoming diverse. This is a positive measure in assessing the impact of the values of Nelson Mandela and their reach. Utilizing technology to reach out to the world and young people, the museum has intensified its reach and platforms. The Google Expedition (virtual tour) remains an operating public engagement tool. The museum will continue providing exciting programmes to its diverse audience.

The sterling contribution of the museum employees cannot go unnoticed. Led by the capable Executive Management, the museum has been able to deliver on its key mandate.

On behalf of the Nelson Mandela Museum, we invite all communities to walk this road with us in making sure that the narrative of Nelson Mandela and the liberation struggle is properly interpreted and championed by all South Africans in a global context.

"To build a South Africa and the world of Mandela's dreams, we require a crop of leadership that embrace, live and propagate the key values of Ubuntu, honesty, integrity, respect and stewardship."

A handwritten signature in black ink, appearing to read 'A. Vilakhe', written over a horizontal line.

Ms Andiswa Vilakhe

Chairperson: Nelson Mandela Museum

CEO OVERVIEW

The museum effectively used the former world statesman's centennial celebrations to maximum effect. The museum accessed new markets in Eastern Europe and East Africa. Working closely with international museums and universities, the museum increased its public appeal. Staging the Centennial celebrations in Serbia, wherein 5 languages (English, Russian, Turkish, Serbian and Bosnian) were used.

Through partnerships, the museum participated in the publishing of a centennial book titled: 100: The Mandela Years. It also published a values booklet.

Museums are facing a constant threat of becoming irrelevant unless they adapt and appreciate the value of technology and innovation. Nelson Mandela Museum realized that as a rural based national museum, its relevant should be beyond any imagination. It should also be relevant to its nearby communities by playing catalytic roles that link them with areas of assistance. The museum also realised that a museum is not only about building and exhibitions, but also an interactive public deliberation space. Some of the museum's programmes were streamed live. That enabled an extended reach to audiences that utilise ICT.

As a consequence, ICT infrastructure was prioritised throughout the term of the 5-year Strategy. The recently made improvements into the ICT infrastructure was a positive step towards a right direction. Though ICT still remains a challenge in the museum.

Its programming was in line with the museum's vision of becoming an 'African museum that inspires society through the values of Nelson Mandela'. This was only achieved through global partnerships with universities and museums.

The museum's capacity is still a work in progress. However, there have been clear endeavours to bridge that gap. Whilst that is the case, the museum has been able to deliver on its 5-year Strategy and Annual Performance Plan of 2018/2019 financial year. The unqualified audit outcomes of the past financial years indicate the path the museum is now taking.

Obviously, general infrastructure remains a challenge that the museum is working on. The attainment of a project management team helped the museum to



develop infrastructure programmes that include the user asset management plan (UAMP). This has also led the museum to develop business plans to enable to maintain its two facilities (Bhunga and Nelson Mandela Youth and Heritage Centre-NMYHC). Though the NMYHC is still closed due to renovations. Because of this action, the museum was forced to discontinue some of its programmes that were run at the facility. While the facility is closed, the museum is still inundated with calls from the public wanting to utilise it.

The 2018/2019 Annual Report is presented with full realization that preserving the legacy of Nelson Mandela requires loyal and reputable global partnerships and considerable funding. And museums are competing with other national needs.

Working with various Council committees, museum's finances have been well spent and according to the Annual Performance Plan. The achieved targets also link up with the 5-year Strategy.

This Annual report is presented with great anticipation that the audit outcome would be much better. Though not pre-empting the results, this confidence stems from knowledge that the museum has developed policies, standard operating procedures and other related systems to enable its functions. Its reporting is also in line with GRAP 103.

This Annual Report is also a confirmation by the museum through its Council that it has played its financial role in fulfilling the mandate. It is also a

confirmation that a lot is still to be achieved. The 2018/2019 financial year allowed the museum to rekindle the values of Nelson Mandela, engage international platforms and contribute towards economic activities. New programmes that include the Nelson Mandela Museum Golf Challenge, the Qunu Arts Festival, the Youth Training Programme, the Women's Dialogue have enabled the museum to diversify its programming and thereby accommodate new audiences.



Bonke Tyhulu
Chief Executive Officer



Statement of responsibility and confirmation of accuracy for the annual report

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the Statement of General Reporting Accounting Standards.

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2019.

Yours faithfully



Chief Executive Officer

Mr Bonke Thyulu
31 August 2019



Chairperson of the Board

Ms Andiswa Vikilahle
31 August 2019

Strategic Overview

Vision

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela

Mission

A centre of excellence that preserves, documents, researches, disseminates knowledge and interprets the legacy and values of Nelson Mandela.

Values

The following values will inspire the leadership and staff of the museum and will become an organic part of the iconic posture the museum will assume as a centre for cultural life:

Ubuntu	<i>To help without looking for personal gain</i>
Stewardship	<i>Custodians of Nelson Mandela's legacy</i>
Integrity	<i>To inculcate honesty and respect</i>
Service excellence	<i>To ensure qualitative and satisfactory service delivery</i>
Development and learning	<i>To be the hub of information sharing</i>
Innovation	<i>To be creative in developing new ideas</i>

Legislative and other Mandates

The Nelson Mandela Museum is a Schedule 3A Public Entity under the PFMA

1.4.1 Constitutional Mandates

Source	Directives in terms of the constitution
Constitution of the Republic of South Africa	Recognises the injustices of the past; Honour those who suffered for justices and freedom in our land; Respect those who have worked to build and develop our country. Adopted this Constitution to: Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.

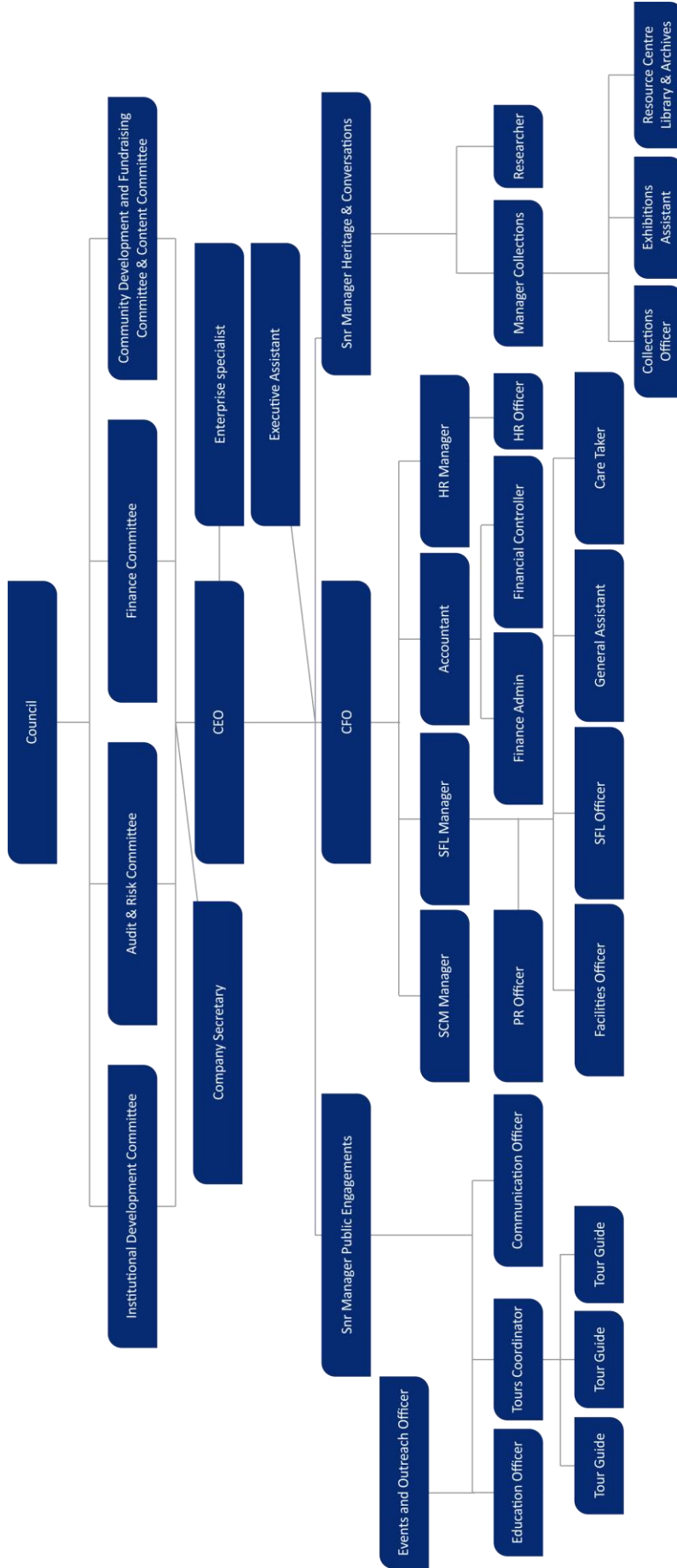
1.4.2 Legislative Mandates

- Cultural Institutions Act, 119 of 1998, as amended,
- National Heritage Resources Act, 25 of 1999,
- Public Finance Management Act 1 of 1999 as amended and Treasury Regulations,
- Labour Relations Act, 66 of 1995,
- Basic Conditions of Employment Act, 5 of 1997,
- Employment Equity Act No 55 of 1998,
- Public Service Regulations R1 of 5 January 2001 as amended,
- Electronic Communications and Transactions act, 25 of 2002,
- Preferential Procurement Policy Framework Act, 50 of 2000,
- Promotion of Access to Information Act, 2 of 2000,
- Promotion of Administrative Justice Act amendment act no 53 of 2002

1.4.3 Policy Mandates

- Deed of Donation between Arts and Culture and President Nelson Mandela, 2005.
- White Paper on Arts and Culture, 1996.
- Policy Paper on Legacy Projects, 2007.
- Public Sector Transformation, 1995.
- Broad-Based Black Economic Empowerment (BBBEE) Framework, 2007.
- Performance Management and Development System, 2010.
- Mzansi's Golden Economy and Industrial Policy Action Plan (IPAP2), 2011.

Organisational Structure





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PART B PERFORMANCE INFORMATION



AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page XXXX of the Report of the Auditors Report, published as Part E: Financial Information.

SITUATIONAL ANALYSIS

Service Delivery Environment

This Annual report presents opportunities for the museum to accelerate its reach of the national audience, particularly the rural landscape that have not seen a museum before. Through its travelling exhibitions and colloquia, the museum will increase its audience. Opportunities also include the leadership training programmes, targeting the rural youth and unemployed graduates, working with reputable universities and the Qunu Arts Festival. The centenary year also provided opportunities for the provision and improvement of infrastructure in Qunu. The museum benefited through international media focus.

Whilst there are general capacity challenges, there is comfortability with skills at both finance and heritage and conservation management will enhance the museum's ability to execute the APP. The completion of a heritage assets valuation is a welcome relief. This has enabled the museum to be GRAP 103 compliant.

As the Nelson Mandela Museum finalised the Annual Report, there are major trends that are taking place in South Africa with regard to the legacy of Nelson Mandela.

There are emerging trends throughout the heritage and museum sector such as:

- Virtual tours, travelling exhibitions, App development, Social media, Active citizenry, growing demand for heritage, dialogues, expectation for museums to contribute to economic activities, Partnerships with national and international institutions, youth engagements, etc.

The White Paper Policy review may have an impact on all heritage institutions. In addition to this, institutions are operating in an environment where globally there is an economic meltdown and government call for stricter measures on how funds are utilised. This also impacts on institutional flexibility on the kind of projects the Museum can participate in.

The museum also operates under strict financial environment which affects planning and implementation of various programmes.

The issue of skills is another matter that has received much attention. Though museums generally have skills challenges due to ageing workforce, Nelson Mandela Museum is affected by lack of skills of lower levels. The restructuring process also misplaced those with particular skills to areas they had no prior knowledge of.

The non-completion of Qunu maintenance by the Department of Public Works has brought some financial strain to the museum as it was a revenue generating facility. Since its closure the museum had to terminate contracts of other employees. Furthermore, the programmes that were arranged for the facility are no longer taking place and therefore, the community is suffering. The museum has received numerous calls from the media regarding the opening to the public of Nelson Mandela's grave in Qunu. The museum is also inundated with the same calls from its clientele. The museum is aware that this is a family affair and therefore cannot make any comment to that effect.

Organisational environment

The museum's Accounting Authority is the Council. The stable Council has allowed the museum to function effectively and with management team to run the museum on a daily basis. The Council also plays its oversight role while also providing strategic direction. It is fully functional with its five committees which are:

- ✓ Content development
- ✓ Finance
- ✓ Audit and Risk
- ✓ Institutional Development
- ✓ Community Development and Fundraising

The functioning of the Committees ensures that there is accountability at management whilst the Council is able to deal with Strategic issues and policies. The symbiotic relationship between the Council and the management will enhance the organization and improve performance. It will also ensure accountability, transparency and respect while adhering to the values of Nelson Mandela.

Of the three campuses of the Nelson Mandela Museum, only Bhunga is fully operational while Mvezo is managed by Nkosi Mandla Mandela. Moreover, the closure of Qunu has limited the museum's programming as some that were conducted at this facility have been halted, to the detriment of the communities and visitors.

The museum invests in its employees and thereby increase its revenue generating capacity. Nelson Mandela is a brand and such the museum has to, whilst respecting the brand, creatively find ways of generating income out of the brand. The museum has to be sensible and with great caution. As an international brand, it also needs to manage it effectively and guide against any brand misuse.

Maintenance of facilities is a necessary undertaking and when it is not done that impacts on the collections. Damaged collections cannot be used again, and that would be a loss to the generation to come.

Furthermore, the museum increased its security measures as the exposure through the centenary year exposed it to many people. This was done through improving surveillance system and access control.

Key policy developments and legislative changes

There were no material legislative changes that had an impact on the operations of the Museum.

Strategic Outcome Oriented Goals

	Strategic Goal	Sub-programme
1	Improve and maintain heritage development and conservation	1.1 Collections and Conservation 1.2 Exhibitions 1.3 Resource centre Library and archives 1.4 Research
2	Improved Public Profile and access	2.1 Education and Outreach 2.2 Communications and Public Relations 2.3 Tours
3	Vibrant Programming that promotes the economic opportunities for the community	3.1 Conferences and Accommodation Facilities 3.2 Youth and Heritage Centre
4	Sound and Effective Governance	4.1 Chief Executive Office 4.2 Corporate Services 4.3 Chief Financial office

PERFORMANCE MATRIX

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela						
Strategic objectives	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	
To facilitate intergenerational learning platforms and conversations that discuss the values of Nelson Mandela	5 Platforms conducted	13 Platforms conducted	19 platforms	6 platforms	This was due to the demand made by different institutions to co-host the learning platforms and some fully funded by our partners internationally	
To use exhibitions to drive and entrench the values of Nelson Mandela	9 Geographical locations reached	8 Geographical locations reached	10 geographical locations	2 geographical location	There were number of museums that wanted to host our exhibitions as part of different activities that were taking place in celebrating the centennial year of Nelson Mandela.	
To use exhibitions to drive and entrench the values of Nelson Mandela		5 exhibitions maintained or developed	7 exhibitions	2 Exhibitions	This was done by instability of the air-conditioners which negatively affected the objects, and poor handling of cabinet displays by museum visitors. A travelling exhibition installed in Mpumalanga broke and had to be fixed immediately.	
To research museum collections for better understanding and sustainable use	100 items to research	100 items to researched	103	3 items	The Researcher was once assisted by the Collections Officer to conduct item based research	
To conduct research interviews on gaps identified and unrecorded theme related topics.	0	24 Interviews	25 interviews	1 interview	This was due to the collaboration the museum engaged in with Freedom Park	
To collect and properly record library and archives material for easy retrieval		60 items	837 items	770 items	This is done with the assistance of the library intern and the training that was provided to the librarian and the intern	
To interpret items of collection and record information database for auditing purposes		800 items	990 items	190 items	This was done with the assistance of the Wild Coast Museum employee who was seconded to Museum while their museum was	

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Strategic objectives	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
To facilitate focused understanding of the museum through the development of learning material	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced	0	still under renovation
To create in-person and digital platforms of community engagement	6 Community engagements 3 expos attended	0 Community engagements 3 expos attended	0 Community engagements 4 expos attended	0 Community engagements 1 expo 0 strategy	
To brand and market museum activities	0	0	0		
To profile the Nelson Mandela Museum brand through various markets	3 Activities Held	6 events	6 events	0 events	
To ensure a functioning Council that provides effective oversight and accountability in accordance with the Council Charter	5 Council Meetings held	4 Council Meetings	5 Council Meetings held	1 Council Meeting	Over-achievement was caused due to a special Council meeting to approve AFS. The cost was minimal as it was a teleconferencing.
To profile the Nelson Mandela Museum brand through various markets	27 Committee Meetings	25 Committee Meetings	20 Committee Meetings		
To provide guidelines for raising of funds to finance museum programmes	0	1 fundraising strategy	1 fundraising strategy		It was under-achieved as the Fundraising Strategy was approved towards end of the year and NMM has planned for initiatives for 2019/20.
To create financial stability for the museum	0	1 initiative	0 Initiative	1 Fundraising Initiative	
To promote good corporate governance	10 policies	2 policies	0 policies	2 policies	Under-achievement was caused by an over-achievement by 8 policies in the previous financial year that were developed and amended.
To ensure enhance sound management and administrative systems	1 unqualified audit outcome	1 unqualified audit outcome	1 unqualified audit outcome	0	
To ensure sound financial management	100% Compliance	100% Compliance	100% Compliance	0	
To optimally develop and manage human capital	1 workplace skills plan	1 workplace skills plan	1 workplace skills plan	0	
	25 Performance Contracts	100% performance agreements	100% performance agreements	0	
To ensure effective utilisation, safe and clean	1 User Asset	1 User Asset	1 User Asset	0	

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela						
Strategic objectives	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	
environment of the museum infrastructure To ensure alignment of IT goals with business strategic goals	Management Plan 0	Management Plan 1 IT governance	Management Plan 1 IT governance	0		

Key performance indicators, planned targets and actual achievements

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019
Number of learning platforms and conversations held	6 Platforms conducted	5 Platforms conducted	5 Platforms conducted	9 Platforms conducted	12 Platforms conducted
Number of Geographical locations reached	12 Geographical locations reached	8 Geographical locations reached	9 Geographical locations reached	8 Geographical locations reached	10 Geographical locations reached
Number of collections researched	0	265 Items	100 items to research	100 items to research	103 items to research
To facilitate conservation of sites associated with Nelson Mandela and facilitate their inclusion as part of the Liberation Heritage Route	1 site	1 site	N/A	N/A	N/A
To use exhibitions to drive and entrench the values of Nelson Mandela	N/A	N/A	N/A	5 Exhibitions	7 Exhibitions
To conduct research interviews on gaps identified and unrecorded theme related topics.	N/A	N/A	N/A	24 Interviews	25 Interviews
To collect and properly record library and archives material for easy retrieval	N/A	N/A	N/A	60 items	837 items
To interpret items of collection and record information database for auditing purposes	N/A	N/A	N/A	800 items	990 items
Number of learning material produced	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced	1 Learning Material Produced
Number of community engagement platforms	7 community engagements	3 community engagements	6 Community engagements	N/A	N/A
Number of learning engagements and conversations held	5 Platforms conducted	4 platforms to be undertaken during the Financial year	4 Platforms conducted	4 platforms to be undertaken during the Financial year	6 platforms to be undertaken during the Financial year
Number of branding, marketing activities and expos	3 expos and shows	3 expos and shows	3 expos attended	3 expos and shows	4 expos and shows
Number of marketing strategies developed	0 Strategy developed	0 Strategy developed	0	0 Strategy developed	0 Strategy developed
Number of events implemented	0	3 Activities Held	3 Activities Held	6 events	6 events
Number of Council and Committee meetings held	5 Council Meetings	4 Council Meetings	5 Council Meetings held	4 Council Meetings	5 Council Meetings
	19 Committee Meetings	20 Committee Meetings	27 Committee Meetings	20 Committee Meetings	20 Committee Meetings

An African museum that inspires positive change in society through the legacy and values of Nelson Mandela					
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019
Number of fundraising strategies developed	0	0 fundraising strategy developed	0 fundraising strategy	1 fundraising strategy developed	1 fundraising strategy developed
Number of fundraising initiatives to be held	0	0 Fund Raising initiative	0 Fundraising initiative	1 Fund Raising initiative	0 Fund Raising initiative
Number of policies, procedures and systems developed	0	2 policies and Procedures	10 policies	2 policies and Procedures	0 policies and Procedures
Improved Audit Outcomes	0	1 Unqualified Audit Outcome	1 unqualified Audit Outcome	1 Unqualified Audit Outcome	1 Unqualified Audit Outcome
Compliance with PFMA and Treasury Regulations	100% Compliance	100% Compliance	100% Compliance	N/A	N/A
Compliance with budget and supply chain management	100% Compliance	100% Compliance	100% Compliance	N/A	N/A
Compliance with SCM, PFMA and Treasury Regulation				100% compliance	100% compliance
Number of human capital initiatives	1 Workplace skills plan	1 Workplace skills plan	1 Workplace skills plan	1 Workplace skills plan	1 Workplace skills plan
	25 Performance contracts	25 Performance contracts	27 Performance Contracts	100% Performance contracts	100% Performance contracts
User Asset Management Plan Completed(UAMP)	1 User Asset Management Plan Completed	1 User Asset Management Plan Completed	1 User Asset Management Plan	1 User Asset Management Plan Completed	1 User Asset Management Plan Completed
Number of IT governance manual developed	N/A	N/A	N/A	1 IT governance manual	1 IT governance manual

The explanation of variances between actual and target for 2018/19 are as per the table above

Strategy to overcome areas of under performance

In the current financial year there were only 2 areas that were under achieved i.e. Development of policies and implementation of fundraising strategy. A draft Strategy was approved towards end of 2018/19 financial year and all initiatives are planned for 2019/20 financial year. In terms of under achievement on policies that were supposed to be developed or reviewed in the year under reporting, is as a result of over achievement by 8 policies in the previous year. However, there are 4 policies that are planned for approval in 2019/20.

Changes to planned targets

There were no changes during the 2018/19 financial year from the planned APP.

Linking performance with budgets

The spending was in line with the approved budget.

Activity	2017/2018		2018/2019		(Over)/Under
	Budget	Actual	Budget	Actual	
Total Income	27 895 000	29 983 033	31 443 028	31 991 831	548 803
Total Expenditure	27 895 000	28 964 669	31 443 028	28 254 372	3 188 656
Total	NIL	1 018 364	NIL	3 737 455	3 737 455

Revenue Collection

All revenues are allocated by DAC as operational grants except for revenue from finance income amounting to R 1 919 711 (2019: R 2 234 602)

Capital Expenditure

There have been no material capital expenses in the current year except for procurement of Computer equipment and establishment of server room.



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PROGRAMME 1

HERITAGE AND CONSERVATION



PROGRAMME 1

HERITAGE AND CONSERVATION

1. Background Information

The Nelson Mandela Museum Heritage and Conservation department/ Programmes Department is regarded as the main or core department of the museum. This is because it is entrusted with the collections and conservation of artefacts that narrate the values of the former President Nelson Mandela. It also focuses on the archives and library services. The above activities are executed on the following key areas of delivery:

2. Learning platforms and conversations

Heritage and Conservation is tasked with conducting four learning platforms per year with one in each quarter. For the year 2018/19 the target was 9 due to the fact that this was a Centenary year for Nelson Mandela and the museum had special learning platforms in line with the celebrations. As per the objective, on the 12th of April 2018, the museum and the University of Stellenbosch Museum co-hosted a colloquium as part of centenary activities under the theme **"Nelson Mandela and Stellenbosch University at 100"**. On the 23rd of May 2018, the Museum also hosted an International Museum Day under the theme **"Hyper connected museums: New approaches, new publics"**.

In Kenya there was a public lecture at Chuka University on the 17th of July and a conference in Nairobi's National Museums of Kenya. On the 18th of July 2018. They were both themed **"Madiba! Epitome of Democracy, Fairness and Justice"**. On the 23rd of August 2018 there was a seminar under the theme **"Women of Fortitude"** in line with celebrating the role played by Mama Albertina Sisulu and Mama Winnie Madikizela towards the freedom struggle of South Africa. On the 29th of August 2018, the museum also hosted another seminar under the theme **"Imbokodo: Celebrating women in a defragmented society"** which addressed the issues of spiritual, cultural, intellectual and social development of women. On the 25th – 26th of September 2018, the museum co-hosted Time Travel training workshop with Bridging Ages South Africa and Bridging Ages International to reflect on the issues of traditional democracy and social welfare and raised the awareness on the values that shaped Nelson Mandela's life.

Two learning platforms in Michigan (Michigan State University, East Lansing and Detroit on the 8th and 9th of October respectively) and the theme was **"Justice and Fairness: A focus on Youth"**. There was another conference in Winchester University, London on 5 September 2018 under the theme **"Freedom in a fragmented world: Sustaining the legacy of Nelson Mandela"**.

3. Travelling exhibitions

The target number for the travelling exhibitions for the year 2018/19 was eight with two per quarter and the unit achieved nine. This was also due to the same reason as the learning platforms as mentioned above.

In the first quarter the museum exhibited in **Niewe Republiek Museum** in Vryheid; The **National English Literacy Museum** in Grahamstown as well as. In the second quarter travelling exhibitions were installed in **Noorport Museum** and **Kalahari Oratjie Museum**. In the third quarter travelling exhibitions went to **Umgungundlovu Multi Media Centre** in Ulundi, **Adelaide Museum** in Adelaide as well as **Dipaliseng Municipality in Buffalo City**.

In the fourth quarter the Museum exhibited in the following sites: at **Our Heritage Museum** in Adelaide Eastern Cape, on 19 February 2019 exhibited at **Great Fish River Museum** in Cradock Eastern Cape.

4. Exhibitions maintained/developed

A travelling exhibition that was installed in Mpumalanga in the previous financial year broke and had to be repaired and this took place in the first quarter. In the following quarters maintenance of artefacts on display was done more than the targeted frequency but as it was required. This led to an over-achievement of 7 instead of 5.

5. Research

Research on artefacts that lack provenance was done on 103 of them which is an over-achievement since the targeted number was 100. This was due to the fact that information was easily attained by the Researcher from the relevant sources.

6. Interviews conducted

Interviews conducted to fill the gaps in the exhibitions were 25 although the target number was 24. This was due to the collaboration the museum engaged in with Freedom Park.

7. Library and archives material acquired, catalogued and classified

There was a big over-achievement in this key responsibility area due to the fact that there was an intern working closely with the Librarian. This was also made possible by the training of both the Librarian and the intern received during this financial year.

8. Artefacts labelled and entered into the inventory

There was also another over-achievement with the help of a colleague from Port St John's Museum who was working closely with the team as part of his training programme as requested by his museum.



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PROGRAMME 2 PUBLIC ENGAGEMENT



PROGRAMME 2 Public Engagement

1. The Public Engagement Strategy

The Public Engagement and Marketing department serves as a driving force in promoting Nelson Mandela Museum's geographical location, promotion and protection of the museum brand.

This is done through a well-crafted Community, Education Outreach program, Expos and Museum events aligned to former President Nelson Mandela and the Museum timeline with an intention to attract local, national and international visitors for viewing of Museum exhibitions (Content & Motion) and the visible authentic sites of Nelson Mandela's upbringing.

2. Learning platforms

Nelson Mandela Museum learning platforms are designed to educate, inform learners and students about museum education programs and to encourage learners and students to debate and interrogate Nelson Mandela's values towards Social Cohesion and National Building. Museum learning platforms further involve Youth Camps, Career expos and outreach programming aimed at visiting schools to inform them about museum educational programs and offerings.

Nelson Mandela Museum worked with the Department of Arts and Culture in hosting a Social Cohesion and Nation building dialogue to celebrate the centenary of Nelson Mandela and Albertina Centenary. The event was embraced by Dr Brigalia Bam (former Chairperson of the Independent Electoral Commission and Ms Yaa Ashantewaa Archer-Ngidi (the Executive Director of the Institute for Afrikology at the Durban University of Technology) who were the speakers of the day. Both Dr Bam and Ms Archer-Ngidi are Social Cohesion Advocates.

During the month of June and July, Nelson Mandela Museum in partnership with the Nelson Mandela University hosted a Winter School Camp leadership program at the Nelson Mandela Museum Youth and Heritage Centre and Nelson Mandela Museum Bhunga building site. The camp was made up of learners coming from the O.R. Tambo district municipality, Alfred Nzo District Municipality, KZN, Joe Gqabi District Municipality and Buffalo City Metro.

Through its Education and Programme, the museum visited schools in Qumbu, Elliotdale and Tsolo to engage with educators and learners about the Museum's educational programs which are intertwined to the curriculum and Nelson Mandela's values.

The Museum further worked with the National Heritage Council in its education and outreach program

visiting a number of schools with the Eastern Cape. Nelson Mandela Museum has become a brand where public sector, SOE's, private sector and NGO'S want to work with.

During the month of May, the Museum hosted an international Museum day to raise awareness of the fact that, "Museums are an important means of cultural exchange, enrichment of cultures and development of mutual understanding, cooperation and peace among peoples." The event was hosted under the theme "Hyper connected museums: New approaches, new publics". The event gave museum an opportunity to create an awareness about the importance of museums in our society. The event also provided learners an opportunity to participate in an Essay competition on Social Cohesion and Nation Building. The schools that participated in the Competition were Mandela School of Science and Technology, Jongintaba SSS, Milton Mbekela and Dalindyebo SSS. Winners of the competition participated on the 2018 Nelson Mandela Museum Winter school camp and Leadership programme.

On the 19th of July, the Museum in partnership with the South African National Defence Force, and Nedbank hosted a career expo at the Museum gallery where local high schools were invited and attended. Careers expo allowed learners to hear about diverse careers they can follow and further informed about types of funding available from financial institutions to finance their tertiary education.

The year 2019 marked the 29th anniversary of the release of former president Nelson Mandela from Victor Verster Prison in 1990 and the 19th anniversary of the official opening of Nelson Mandela Museum. Nelson Mandela Museum celebrated the release of Nelson Mandela by hosting an educational program aimed at encouraging learners to portray the release of Nelson Mandela through poetry, drama, theatre and essay competition. Participating High schools were St Johns High School, Holy Cross High, Mthatha High, Zingisa High, Milton Mbekela, Jongintaba High and Clarkebury High School. Among primary schools that participated in the event were Mandela Primary, Qunu JSS, and Mzimvubu JSS.

3. Learning material produced

The museum has produced one learning material during the year under review. The learning material caters for the Grade 7-11 learners. The learning material inspires learners. It promotes social cohesion and cultural tolerance. The learning material also helps in stimulating critical thinking through analysis systems.

4. Branding, marketing activities and expos

Trade shows and Expos serve as a platform to promote Nelson Mandela Museum brand, its business offerings and to reposition it as destination of choice.

Trade shows and Expos gives Nelson Mandela Museum an opportunity to interact with the members of the public and tour operators and to acquire feedback on services rendered by the museum.

a. Tourism Indaba

The museum became part of the Tourism Indaba held annually at the Inkosi Albert Luthuli International Conventional Centre in Durban. During the 2018 tourism Indaba, the museum brought along its branded Souvenirs and marketing products to promote its geographical location, Nelson Mandela's footprints and its business offerings.

b. Careers Expo

The public engagement and marketing department of the museum participated in a careers expo to repositioning and promote Nelson Mandela Museum's geographical location, educational programs and its business offerings.

c. Ingquza Hill Commemoration

The annual Ingquza Hill commemoration which commemorate the Mpondo revolt provides an opportunity to the museum to interact with local people and to outline the political allegiance of the revolt and the commitment showed by Nelson Mandela and others in their quest for freedom. Through this programme, the museum was able to reach out to other audiences and thereby consolidating its reach of the Nelson Mandela's values.

d. The Stories' Booklet

The Museum further worked with National Heritage Council to stage ng an event held at the Nelson Mandela Museum Youth and Heritage Centre. The event encouraged local people to research and narrate anecdotes on Nelson Mandela. The research project took place in Qunu, Mvezo, Mqhekezweni and Clarkebury where a documentary or booklet for archiving was published.

e. KSD FET College expo

The Museum further participated in a careers expo held King Sabata Dalindyebo FET College.

5. Events implemented

The museum hosted a number of activities in celebration of Nelson Mandela and Albertina Sisulu's centenary.

a. International Mandela Day

Nelson Mandela Museum hosted the International Mandela day event to commemorate the birth date of Nelson Mandela as part the centenary celebrations of Albertina Sisulu and Nelson Mandela. The museum used its Mandela Day to reach out to early childhood centres in the Chris Hani District and OR Tambo District Municipalities. Visiting the roots of Mama Albertina Nontsikelelo Sisulu, at Xolobe village in Tsomo, the museum donated tables and chairs and toys to the Campbell Primary School. In the OR Tambo District Municipal region, the museum donated learning material (books, toys, tables and chairs) to Ifalakhe Pre-School at Nelson Mandela Park, Mthatha City.

b. 100km Marathon for Madiba

To test the human endurance, the museum was one of the stakeholders who organized and staged the first 100km Ultra-run. The route traced the roots of Nelson Mandela's early beginnings of life. The Marathon was graced by different athletes whose style was unique. Starting from Clarkebury via Mqhekezweni, to Qunu and finishing in Mvezo, the ultra-run exposed the athletes to the background of Nelson Mandela. Of particular significance was how local horse racers accompanied the athletes in some routes. Athletes were interviewed by SABC along the route. Again, of particular importance was how the ultra-run saw cooperation between local government, different district municipalities and the public to stage a memorable event. Lastly, through this programme, many locals donated to local schools.

c. The Nelson Mandela Museum Golf Challenge

The 1st instalment of the Nelson Mandela Museum Golf Challenge was held on 14th July 2018 at the Mthatha Country Club in Mthatha. Semi-professional golfers were in attendance, whilst also non-golfers participated. The Challenge introduced the museum to new audiences while also serving to improve the outlook of Mthatha City.

d. Qunu Arts Festival

With abundance of facilities in its disposal, the museum used the Nelson Mandela Youth and Heritage Centre (Qunu) to stage the first Qunu Arts Festival. The objectives of the Festival were as follows:

- ✓ Use significance of Qunu to promote arts and culture
- ✓ Create a platform for local artists and crafters to showcase their artistic work
- ✓ Bring audiences to the museum's facility
- ✓ As per the selected objectives of the Festival, they were all achieved and as such it has become an annual programme.

e. 5th Commemoration

The commemoration of Nelson Mandela's passing on 5 December has become an annual programme in the significant dates around the legacy of Nelson Mandela. To mark the 2018 commemorative events, the museum worked with Umhlobo Wenene FM to stage an array of activities as follows:

- i. **Lavuth' ibhayi.** This live radio programme was broadcast in front of the Bhunga building. It coincided with the World AIDS Day (1st December). The programme was used to promote healthy life style, with taxi ranks and public transport targeted. The Department of Health, Nelson Mandela Academic Hospital and NGOs participated. This programme indeed contributed to the importance of healthy lifestyle. The programme has a listenership of more than 1.5 million people.
- ii. **Imvuselelo:** This Christian based programme saw participation of various congregations and non-congregants. This programme was held at the Nelson Mandela Youth and Heritage Centre (Qunu) on 2nd December. It was a spiritual rekindling of South Africans consciousness. The public at home was able to participate. The programme has listenership of more than 1.2 million people.
- iii. **Khanya Gqiyazana** held at Tembisa Special School in Mthatha, the programme formed part of the international disability day. The museum used the programme to reach out to children with disabilities. It donated printers, computes and toys. The programme has a listenership of more than 1 million people.

There was also a continuation of the Qunu Arts Festival which was held at Richardson Park in Mthatha. Both local and national musicians were in attendance. The Festival was to promoting local arts and craft but also introducing the museum to young people.

On the 5th of December, the museum hosted a Walk of Remembrance from Nelson Mandela Residence in Qunu to the Nelson Mandela Museum Youth and Heritage Centre in Qunu. The event was later followed by a formal program that took place at the Nelson Mandela Museum Bhunga building in Mthatha.

f. **The Mandela Release Dialogue**

2019 marked the 29th anniversary of the release of former president Nelson Mandela from Victor Verster Prison in 1990. As an institution mandated to preserve the former president's legacy, the museum used the 29th anniversary of the release of Nelson Mandela as a platform to re-engage the youth on various societal issues as the then president Nelson Mandela would have tackled them.

On 10 February 2019, a conversations session was held at the Bhunga building in Mthatha with panellists who

shared memories about Nelson Mandela that included Ms. Xoliswa Ndoyiya, Mandela's cook, Mr. Sonwabile Ndamase, Mandela's designer, Ms. Ndileka Mandela, the family representative and a former political prisoner and MK veteran Mr Mzwandile Vena who served as body guard to Nelson Mandela. The aim of the conversation session was to highlight their memoirs with Nelson Mandela as prisoner, leader, president and a father and grandfather.

g. **Amateur Boxing Tournament**

On the 10th of February, the Nelson Mandela Museum and Blaque Magic Sport Promotion held an Amateur Boxing Tournament in front of the Bhunga Building commemorating Nelson Mandela Museum's release from prison.

The tournament was attended by participants from Chris Hani District and O.R. Tambo District municipalities and was held at Nelson Mandela Museum. Different boxing clubs from these two district municipalities sent their amateur boxers to exchange blows. The purpose of the tournament was to expose boxing to the community of KSD in order to attract investors and to encourage youth to use boxing as a springboard to fight poverty alleviation in their homes.

The tournament saw a total of more than fifteen bouts exchanging blows. Participating boxers were given medals and trophies as a token of inspiration

h. **Human Rights Day event**

The museum hosted Human Rights Day event focusing on the Rights of the elderly. Various elderly clubs in and around Mthatha participated. The objective of the programme was to remind society about basic human rights and how everybody can protect the elderly people in society. It was attended by Gogo Novoti, Empa Inga, Zizamele, Qunu Home stays, Impendulo Foundation, Signature Foundation, Madiba Cultural Group and B & X-RAYS Care Givers and Victim Support Services affectionately known as Bityi after School Programme.



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PROGRAMME 3 ADMINISTRATION



PROGRAMME 3

Administration

The main purpose of this programme is to ensure sound and effective governance. This Branch has been organised to carry out its work according to the following sub-programmes:

- Chief Executive and Finance Offices
- Human Resources
- Support Services

This programme has eleven performance indicators ranging from measuring the council meetings and its committees, fundraising strategies and its implementation, governance of which evaluating the compliance and business processes and lastly the User Asset Management Plan.

Council Meetings

NMM held five Council Meetings which were all quorate throughout the year. The first meeting for the year was held in April 2018 and the last meeting was in March 2019 in order for the Council to dispense their oversight duty.

Council Committees

All five committees were effective the whole year with each met for more than four times a year as expected by the charter.

Fundraising Strategy and Activities

This is one of the areas that were not achieved by the Museum. The main reason could have been the office of the CEO was not stable for a long time until 2017/18 financial year and also the vacancy for Senior Manager Public Engagement and Marketing. With the appointment of the new CEO stability was achieved as all other vacant positions were filled.

Development of policies and processes

This performance indicator is linked to the CEO's office, however in the 2017/18 the museum managed to review and develop policies for the first time since 2010. Ten policies were developed and approved by the Council. All policies would be reviewed once in a 3-year cycle or as at when the need arises to encompass new changes in the economy.

Improvement in the Audit Report and Compliance with Laws and regulations

The Museum has retained the unqualified audit report. All the requirements of PFMA, GRAP and Treasury regulations were adhered to.

Human Capital Initiatives

There are two performance indicators that are within this umbrella i.e. Performance agreements and Work Place Skills Plan. In both indicators the NMM had adhered to as per the requirement of the strategic document.

User Asset Management Plan

As required by Government Immovable Asset Management Asset (GIAMA), the capital plan that is aligned with the strategic requirements of the Museum had been developed and submitted to DAC for infrastructure developments.

SECURITY, FACILITIES AND LOGISTICS

The Security, Facilities and Logistics unit is responsible for a safe and clean environment of the Nelson Mandela Museum. The Nelson Mandela Museum (NMM) has two sites namely Nelson Mandela Youth & Heritage Centre (NMY&HC) in Qunu and the Bhunga building site in Mthatha.



Nelson Mandela Museum: Bhunga building



Nelson Mandela Youth & Heritage Centre in Qunu

The Qunu site was temporarily closed due to the sewer system and the buildings that are deteriorating, the Department of Arts and Culture (DAC) and NMM requested the Department of Public Works (DPW) to repair certain areas in Qunu site for Nelson Mandela 100 years' Centenary activities. A rescue plan project where critical elements were identified was implemented and completed by April 2018. This had led to portion of NMY&HC to be temporarily open for the 2018 to celebrate Madiba's centenary year.

The main project which is Qunu based condition maintenance includes upgrade of sewer system that has been a challenge to the museum for a number of years. The sewer upgrade will be accompanied by the renovation of the buildings and some facelifts of certain buildings that will ensure that the material used can withstand the elements of nature and are durable. NMM has committed co fund the project for capital works items to be included in the scope of this project. To ensure that all the technical requirements are adhered to, NMM had appointed the services of Akwethu Engineers for a period of three years to provide project management support for the implementation of infrastructure programmes.

The final handing over of the site for construction purposes is expected to be in July 2019 and construction will start in August 2019.

Due to the aging of our fleet and concerns around safety, majority of our fleet was disposed on auction towards end of 2017 and NMM had procured new fleet which was available for use in August 2019.



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PART C: GOVERNANCE



Part C: Governance

Introduction

Governance and administration

Corporate Governance embodies processes and Systems by which Public entities are directed, controlled and held to account. In addition to legislative requirements based on the Public entity's enabling legislation and the Companies Act, Corporate Governance with regard to public entities is applied through the prescripts of the Public Finance Management Act no. 1 of 1999 (PFMA) and run in tandem with the protocol on corporate Governance, which encapsulates the principles contained in the King IV Report on Corporate Governance. The Nelson Mandela Museum commits itself to the Principles of accountability, transparency and integrity as prescribed by the King IV code of Corporate Governance.

This programme, therefore, is responsible for overall institutional co-ordination, accountability, planning, policy development, monitoring and risk management. The main entities involved in this programme are Museum Council, Office of the CEO, and the Corporate Services Function which includes finance.

The broad Objectives of this programme include:

- Ensuring strategy, policy, oversight and accountability;
- Ensuring organisational sustainability and accountability;
- Co-ordinating the institutional functioning;
- Providing adequate support to council and ensuring implementation of council strategic and policy directions; and
- Rendering a corporate services function in all respects.

In the period under review, the following were the major focus points of the programme:

- Strengthening governance and aiming to maintain an unqualified audit opinion with limited matters of emphasis;
- Addressing issues raised by the Auditor General with the aim of improving an unqualified audit opinion for the financial years 2018/19 and beyond;
- Strengthening organisational capacity and restructuring the museum to be fit for the new purpose;
- Strengthening the policy environment and compliance aspects; and
- Improve in infrastructural needs of the Museum.

In line with these priorities the following progress was achieved:

- Strengthening internal human resources capacity and strengthening finance unit to achieve better outcome; and
- User Asset Management Plan

In the discharge of their mandate the Museum Council and council committees held nine (5) and sixteen (27) of their overall four (4) and twenty (20) statutory required meetings during the period under review.

Council and Council Committees

The Nelson Mandela Museum is a Cultural Institution established by the Minister of Arts and Culture in terms of the Cultural Institutions Act no. 119 of 1998 as amended.

The Minister of Arts and Culture appoints members of the Public to form Council as the Accounting Authority to manage and control the affairs of the Nelson Mandela Museum in terms of the enabling Act and its Regulations in line with corporate governance principles. Currently the Museum council/Accounting Authority consists of twelve (13) Members appointed from diverse disciplines within the Republic of South Africa. The Council and its Committees operate in terms of approved Charters/Terms of Reference that clearly spell out their roles and responsibilities.

Below is the Nelson Mandela Museum organisational structure that outlines the position of Council, its committees, management and all staff of the museum.

Council Committees and their Terms of Reference

Executive Authority

The Ministry of Arts and Culture has an overall oversight of the Nelson Mandela Museum. The Minister of Arts and Culture appoints the Council of the Nelson Mandela Museum. The Council reports to the Minister of Arts and Culture. The Minister and the chairperson of the Council, each year sign a shareholders compact.

Council

A Council composed by 13 members governs the Nelson Mandela Museum. The Council has 5 committees namely:

1. Content Committee

- Give advice to council on strategic heritage policy matters and Marketing.
- Ensures alignment of heritage policies to the vision and mission of NMM
- Oversees the audit and collection register of NMM
- Advises council on disposal of NMM artefacts
- Makes decisions on loan requests.
- Oversees the development of marketing strategies and policies.

2. Audit and risk Committee

- Oversees internal & external audit function
- Examines the AFS before submission to council
- Reviews the annual report so that it presents a balanced record of NMM
- Monitors the risk appetite of NMM
- Monitors achievements against corporate governance standards on internal controls

3. Finance Committee

Oversees financial planning and management
Monitors financial performance of NMM
Monitors compliance to financial objectives as set out by council in line with the PFMA and Treasury Regulations
Reviews quarterly financial forecasts and reports
Approves the virement of funds

4. Institutional Development Committee

- Oversees human resources policy development
- Ensures manpower needs and plans support the organisation's vision
- Ensures that institutional development imperatives are accomplished
- Ensures that an organisational structure supportive of the vision of NMM is in place
- Ensures the upkeep of security, facilities and logistics
- Ensures that the ICT architecture is deployed
- Ensures that registry services to support NMM as a knowledge institution are in place

5. Fundraising Committee

- Assists the Nelson Mandela Museum Council in the planning, coordination and implementation of all fundraising and marketing activities in support of the programs, projects and activities of the Nelson Mandela Museum.
- Provides direction to ensure that the Nelson Mandela Museum is donor-centric and adheres to fundraising best practices.

Composition of Council

The following are the composition of our councillors

NMM COUNCILLORS

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	meetings attended
MS A VIKILAHLE	Chairperson	2016	-	Bachelor of Commerce (Honours)	Finance	5
PROF B MNGOMEZULU	Chairperson of Content committee	2016	-	PhD in African Political History (Rice University-Texas-USA) May 2004 M.A in Politics (UNISA) September 2007	Heritage and conservation	13
DR B TEMA	Chairperson of Community development and fundraising committee	2016	-	PhD Science, University of Reading UK, (1990-1993) M.Ed Science, University of Cape Town (1985-1986)	Fundraising and community dev.	13
MR K BUTHELEZI	Chairperson of Audit Committee	2016	-	B. Com and Advanced Diploma in Auditing	Audit	19
MR K GONTSE	Chairperson of Institutional Development Committee	2016	-	National Diploma in Security Risk Management (UNISA) National Intelligence Agency Security Managers Course	Business and organisational development	14
MR V BOOI	Member of Content Committee	2016	-	Bachelor of Social Sciences, PG/diploma in heritage Studies, Master Arts (history)	Heritage and Conservation	6
DR K NGQILA	Member of the Content Committee	2017	-	Bachelor of arts BA (Hons) Anthropology MA Anthropology B Soc Science Hons (Politics & International Relations)	Heritage and conservation	13
MR M KOBESE	Member of Content committee	2017	-	Bachelor of Philosophy, Post graduate diploma in Museums and heritage studies	Heritage and conservation	6
MR S MZAMO	Member of Community development and fundraising committee	2017		Master of Business Administration Business School Netherlands (BSN) -	Community development	9
MS N MANDELA	Member of Community development and fundraising committee	2017		Community development	Community development	0
ADV T NEVONDWE	Member of the Institutional	2016		Masters of Laws (LLM) University of Venda (2005)	Business administration, finance and	12

Name	Designation	Date of appointment	Date of Resignation	Qualifications	Area of expertise	meetings attended
	development committee				Institutional development	
Ms K Gustafson	Member of Community development and fundraising committee	2018				
Mr S Madikizela	Chairperson of Finance Committee	2018		CA (SA)		

COMMITTEES OF COUNCIL

Committee	Meetings held	Members	Committee members
INSTITUTIONAL DEVELOPMENT COMMITTEE	4	5	Mr Gontse Adv Nevondwe Dr Ngqila Prof Mngomezulu Mr Mzamo
FINANCE COMMITTEE	7	4	Mr Madikizela Mr Gontse Mr Buthelezi Adv Nevondwe
CONTENT COMMITTEE	4	5	Prof Mngomezulu Dr Tema Dr Ngqila Mr Booie Mr Kobese
FUNDRAISING COMMITTEE	4	5	Dr Tema Mr Mzamo Mr Kobese Ms Mandela Ms Gustafson
AUDIT AND RISK COMMITTEE	5	3	Mr Buthelezi Mr Mangquku (independent member) Ms Motsielwa (independent member)

[Picture of councillors with the roles]

[Picture of Audit and Risk Committee members]

REMUNERATION OF COUNCIL MEMBERS

The Council of the Nelson Mandela is a part time body and they are paid per sitting as reflected in the table below.

NMM COUNCIL REMUNERATION

Name	Remuneration	Other Allowances	Other re-imburement	Total
MS A VIKILAHLE	R 72 250	-	-	R 72 250
MR K BUTHELEZI	R 36 250	-	-	R 36 250
PROF B MNGOMEZULU	R 58 500	-	-	R 58 500
DR B TEMA	R 28 250	-	-	R 28 250
MR V BOOI	R 12 000	-	-	R 12 000
MR K GONTSE	R 70 250	-	-	R 70 250
DR K NGQILA	R 36 000	-	-	R 36 000
MR M KOBESE	R 0	-	-	R 0
MR S MZAMO	R 0	-	-	R 0
MS NDILEKA MANDELA	R 8 000	-	-	R 8 000
ADV T NEVONDWE	R 46 000	-	-	R 46 000
MS MK GUSTAFSON	R 8 000	-	-	R 8 000
MR S MADIKIZELA	R 8 000	-	-	R 8 000
MR L MANGQUKU	R 16 000	-	-	R 16 000
MS P MOTSIELWA	R 12 000	-	-	R 12 000
TOTAL	R 595 500			R 595 500

Mr S Mzamo and Mr M Kobese are not paid honoraria for attendance of Museum Business as they representing their employers DSRAC and COGTA in the council.

There are four members of the Executive Management, comprise the following: CEO, CFO, Senior Manager; Heritage and Conservation and Senior Manager: Public Engagement and Marketing. There are also five middle managers that report to 3 senior managers.

The management of Nelson Mandela Museum is jointly and severally accountable to the Accounting Authority of the museum through the Office of the CEO.

Profile of Executive Management

No	Name	Qualification	Position
1.	Mr. Bonke Tyhulu	Master of Arts (History-University of Fort Hare)	CEO
2.	Mr. Mandisi Msongelwa	CA (SA)	CFO
3.	Ms. Nelisiwe Thwala	Bachelor of Arts Honours (Anthropology)	Senior Manager: Heritage and Conservation
4.	Ms. Nontlahla Tandwa	Master of Arts (Media Studies) ND: Journalism	Senior Manager: Public Engagement and Marketing

[pictures of the senior management]

CEO, CFO, SM: Heritage and Conservation, Acting SM: Public Engagement and Marketing

Risk Management and Internal Control unit

The institution has outsourced the internal control; the risk management had been effective throughout the year with the following areas of improvements to address:

- Lack of well-established ICT systems with appropriate IT governance framework.
- Inadequate safety and security control measures for artefacts
- Lack of disaster management plan in place (artefacts may be damaged by natural disaster)

- Inadequate planned revenue generation (no charge/ tariff for tour guiding in the Museum, entrance fee, facilities rental.)

An enterprise-wide risk assessment was conducted and system of internal control was effective for the year under review. This has been confirmed by the audit report from the Auditor-General.

Accordingly, we report that the general system of internal control for the period under review were effective and efficient, and that the internal controls are operating satisfactorily to ensure that the financial records may be relied upon for the preparation of the Annual Financial Statements and that accountability for assets and liabilities is maintained.

INTERNAL AUDIT AND AUDIT COMMITTEES

The work and key activities performed by both Internal Audit and Audit Committees are outlined in the Report of the Audit and Risk Committee for the period 2018/19 below.

COMPLIANCE WITH LAWS AND REGULATIONS

To ensure compliance we had developed the policies that would be applicable to the Museum, meet with management to ensure the policies and procedures being created are feasible for individual departments, determined the best format of policies, ensured that the procedure manuals are easily accessible to the employees and considering the best way to measure the understanding by employees of all policies.

FRAUD AND CORRUPTION

NMM has the fraud prevention strategy in place of which it advocates antifraud operating environment. There is a hotline number that is available for each person who suspect the fraudulent act to contact and there is also an anonymous box that can be used to lodge a complaint if the act relates to an employee. In 2018/19 financial year there has been no cases that were reported relating to fraudulent activities.

MINIMISING A CONFLICT OF INTEREST

All the employees are required to sign a declaration of interest each year and all the employment contracts state that no employee would do a business that would be in competition with the museum while that employee is still in employed by the museum.

Each year the security office would verify the declarations and follow up where there have been discrepancies.

CODE OF CONDUCT

There have been no cases reported in the current year.

Report of the Audit and Risk Committee for the period 2018/19

Introduction

The Committee is pleased to present its close-out annual report for the financial year ending 31 March 2019.

This report is presented in accordance with the requirements of the Public Finance Management Act No. 1 of 1999, as amended and the recommendations contained in the fourth King Report on Governance for South Africa and the King Code of Governance Principles (King IV).

Audit Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from sections 51 (1) (a) (ii) and 77 of the Public Finance Management Act read with Treasury Regulation 27.1.

The Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Internal Audit

The purpose of the Internal Audit function is to provide independent, objective assurance and consulting services that are designed to add value and improve the operations of the Museum. This function helps the Museum to accomplish its objectives and translation thereof to operational activities by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit has unrestricted access to all functions, records, property and personnel of the Museum and the Audit Committee. Adequate resources to the three years plan review are annually allocated to the Internal Audit function. Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee.

The audit approach combines two types of audit engagements, that is, assurance and consulting (advisory) services. Internal Audit is at all times, when conducting their work or any other tasks assigned to them, guided by the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics, as published by the Institute of Internal Auditors and complies with the relevant sections in the Public Finance Management Act (Act No. 1 of 1999), as amended, and related Treasury Regulations.

Audit Committee

The Audit Committee is an independent body that reports to the Accounting Officer through its Chairperson. The overall objective of the Audit Committee is to assist in ensuring that there are effective organisational management and control measures that are applied by the Executive Management to discharge their duties relating to:

- Safeguarding of assets
- Adequate operation of procedures and controls
- Financial reporting process
- Performance information management
- System of internal control over financial reporting
- Audit process
- Museum processes for monitoring compliance with laws and regulations and the code of conduct

The Audit Committee is also responsible for reviewing the Annual Financial Statements and Performance Information reports, as required by the Public Finance Management Act and the related Treasury Regulations. The Audit Committee does not perform any management functions or assume any management responsibilities, but functions as an objective and independent oversight committee, making recommendations to the Accounting Officer for his/her approval or final decision. Overall, the Audit Committee executes its responsibilities through close liaison and communication with management, Internal and External Auditors and where it deems it necessary, engages with the Executive Authority.

Audit Committee members and attendance

The Audit Committee consists of the members listed below of which four are independent members in line with good corporate governance practice. The Committee meets at least four times per annum as per its approved terms of reference. During the year under review, the Committee held four meetings.

The following is a schedule of members and attendance record for meetings:

Name of Member	20th April 2018	24th May 2018	27th July 2018	17th October 2018	17th January 2019
Mr K Buthelezi (Chairperson)	Present	Present	Present	Present	Present
L Mangquku (CA)(SA)	Present	Present	Present	Present	Present
P Motsielwa (CA) (SA)	Present	Present	Present	Present	Present

Effectiveness of Internal controls

The system of internal controls applied by the NMM over financial and risk management is effective, efficient and transparent.

In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit and management, who are responsible for the development and maintenance of internal control and good governance systems, provide reports to the Audit Committee to give assurance on the appropriateness and effectiveness of measures in place or the development of new measures.

During the year, the committee addressed Risk Management, Performance Information Reporting, Financial Information Reporting, Compliance Environment, Internal Auditing, Fraud and Investigations Reporting Legal Matters, and also engaged with the Auditor-General's reports for the NMM.

The role played by the committee was instrumental in identifying corrective actions and providing guidance on necessary enhancements to the controls and processes that have effect on the Museum compliance, risk and performance environment as well as responsibilities that the NMM has to its external environment.

The Committee is satisfied that the NMM's assets are safeguarded and that liabilities and working capital are well managed. Upon assessing various reports from the Internal Auditors, the external Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General South Africa, it is noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, it can be reported that the system of internal control over financial reporting for the period under review was efficient and effective.

Internal Audit

The Committee is satisfied that the internal audit function is operating effectively and that it has effectively addressed the risks pertinent to the Museum in its audits. The internal audit plan was approved for this financial year and is closely monitored by the Audit Committee.

In-Year Management and Monthly/Quarterly Reports

The Committee is satisfied with the content and quality of monthly and quarterly reports prepared in terms of the PFMA issued by the Accounting Officer of the Museum, during the year under review.

Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa and the Accounting Officer
- Reviewed the Auditor-General South Africa's management report and management's response thereto
- Reviewed changes in accounting policies and practices
- Reviewed the Museum's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit

Auditor-General's Report

We have reviewed the Museum's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved. The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Conclusions

We would like to extend our appreciation to the Executive Authority, Accounting Authority, management, and internal and external auditors for their efforts being made to address concerns raised by the audit committee.

Approval

The report represents activities from the day of the Committee's occupation of office.

.....
K. Buthelezi
Audit and Risk Committee Chairperson
Nelson Mandela Museum
31 August 2019



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PART D HUMAN RESOURCES



Part D: Human Resources

The Human Resource Unit, which is under the museum Corporate Services Department, is responsible for recruitment and staff wellness of museum employees. The unit aims to retain museum staff, through continuous training, develop the skills capacity of all staff and ensure that such trained staff is retained by the museum. It also aims to harmonise relations between staff members and the management and ensures that a healthy working environment is created.

Nelson Mandela Museum Staff Complement

The museum's structure has twenty-seven (27) full staff members in its payroll. Out of the twenty-seven (27) staff members however, ten (6) managers are on fixed term contracts, (4) senior managers and (2) middle managers. We hope that this position will change and middle manager's contracts will be converted into fulltime permanent employment contracts. The following are our employees:

[Picture of all NMM staff]

The table in this report will show the number of staff members that were sent for training by the museum.

The museum also encourages its staff members to register for diplomas and degrees in fields of their choice that are related to museum work and in line with their responsibilities in the museum. We have two staff members that are registered with the University of South Africa. One has registered for a Post Graduate Degree and the other one has one staff member is registered with other tertiary institution for a Diploma.

The following table reflects the Skills Development progress:

STAFF SKILLS DEVELOPMENT IN 2018/2019

Personnel Costs by Programme

Programme	Total Expenditure for the Entity	Personnel Expenditure	Number of Employees	Average personnel costs per employee
Heritage and Conservation	991 748	2 380 093	6	396 682
Public Engagement	1 681 844	3 288 334	9	365 370
Corporate Services	25 580 784	7 801 274	12	650 106
TOTAL	28 254 376	13 469 701	27	461 086

Personnel costs by salary band

Level	Personnel Expenditure	% personnel exp. To total personnel cost	Number of Employees	Average Personnel costs per employee
Executive management	4 078 631	30%	4	1 019 658
Middle Management	2 826 157	21%	4	706 539
Staff	6 564 913	49%	19	345 522
TOTAL	13 469 701	100%	27	461 086

Performance Rewards

Programme	Performance Rewards	Personnel Expenditure	Number of Employees	% of performance Rewards to total personnel costs
Executive management	750 577	3 752 886	4	20%
Middle Management	433 741	2 168 709	4	20%
Staff	578 399	3 855 994	19	15%
TOTAL	1 762 717	9 777 589	27	18%

Training costs

Business Unit	Personnel Expenditure	Training Expenditure	Training expenditure as % of personnel costs	Number of employees trained	Average training cost per employee
Heritage and Conservation	2 380 093	17 284	0,9%	1	17 284
Public Engagement	3 288 334	780	0.9%	1	780
Governance	7 801 274	13 390	0,8%	1	13 890
TOTAL	13 469 701	31 954	0,8%	3	31 954

Employment and Vacancies

Programme	2017/18 Number of Employees	2018/19 Approved posts	2018/19 Number of Employees	2018/19 Vacancies	% of vacancies
Heritage and Conservation	4	6	6	0	0%
Public Engagement and Marketing	8	9	9	0	0%
Governance	13	12	12	0	0%
TOTAL	25	27	27	0	0%

Programme	2017/18 Number of employees	2018/19 Approved posts	2018/19 Number of Employees	2018/19 Vacancies	% of vacancies
Executive Management	4	4	4	0	0%
Middle Management	6	4	4	0	0%
Staff	17	19	19	0	0%
TOTAL	26	27	25	0	0%

Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at the end of the period
Executive	3	1	0	4

management				
Middle Management	5	2	3	4
Staff	16	5	1	19
TOTAL	25	8	4	27

Reasons for staff leaving

Reason	Number	% of total number of staff leaving
Death		
Resignation	2	50%
Dismissal		
Retirement		
Ill health		
Expiry of contract	2	50%
Other		
Total	4	100%

Attempts made to retain staff

Qualifying staff of the museum and as per the museum study policy is encouraged to capacitate themselves through studying and attending training courses, budget allowing. They are also encouraged to see the Nelson Mandela Museum not only as just another employment agency, but employer of choice, also as an institution that seeks to transform the lives of South Africans through the story of Nelson Mandela. In other words, museum staff is encouraged to see themselves as change agents.

Labour Relations: Misconduct and disciplinary action

Ill health	0
Expiry of contract	0
Nature of disciplinary Action	0
Verbal warning	0
Written warning	0
Final written warning	1
Dismissal	0

Equity Target and Employment Equity Status

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive management	2		nil		nil		nil	
Middle management	1		nil		nil		nil	
Staff	13		nil		nil		nil	
TOTAL	13	0	0	0	0	0	0	0

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive management	2		0		0		0	
Middle management	3		0		0		0	
Staff	6		0		0		0	
TOTAL	11		0		0		0	

Disabled Staff

Level	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Executive management	0	0	0	0
Middle management	0	0	0	0
Staff	1	0	0	0
TOTAL	1	0	0	0

Organisational Development

The Nelson Mandela Museum Council adopted a strategy of planned theory and practice of systematic change in the attitudes, beliefs, and values of the employees through creation and reinforcement of long-term training programs. This strategy starts with a careful organisation-wide analyses of the current situation and of the future requirements, and employs techniques of behavioural sciences such as behaviour modelling, sensitivity training, and transactional analysis. The objective of Nelson Mandela Museum is to enable the organisation in adopting-better to the fast-changing external environment of new markets, regulations, and technologies.

RESIGNATIONS AND TERMINATIONS

In 2018/19, the contract of 1 middle manager expired and was not renewed. 1 staff member was employed on temporary basis and the contract expired, which 2 members resigned.

HUMAN RESOURCES ALIGNMENT

The restructuring process was aimed at aligning the staff of the museums in accordance to the training they have received. The process of restructuring also aims at auditing the skills capacity of staff members.

LABOUR RELATIONS MATTERS

The National Health and Allied Workers Union (NEHAWU) is one of the recognised unions at the Nelson Mandela Museum since the majority of staff are its members. Two staff members were appointed by NEHAWU to represent the interest of their members.

DISCIPLINARY CASES

One final written warning issued.

CCMA

None.

GRIEVANCES

There are no grievances that have been lodged under the reporting year.

PERFORMANCE MANAGEMENT SYSTEM

Performance agreements are in place for all managers and staff and Reviews are completed for all four quarters. Quarterly reports are submitted by each manager to the relevant council committees to monitor the performance of the Institution's annual targets.

POLICY REVIEW

Most Museum policies have been reviewed through departmental Senior Managers and submitted to the relevant council committees.



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PART E

ANNUAL FINANCIAL STATEMENTS



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External Audit Report



Report of the auditor-general to Parliament on the Nelson Mandela Museum

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Nelson Mandela Museum set out on pages ... to ..., which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, Cashflow statement and statement of comparison of budget information with actual information 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, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Museum as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Accepted 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 opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the Museum in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Irregular expenditure

7. As disclosed in note 36 to the financial statements, the balance of irregular expenditure of R4,5 million (2017/18: R6,4 Million) incurred over a number of years that has not been recovered or written off.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the Nelson Mandela 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 accounting authority either intends to liquidate the public 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

10. 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.
11. 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

12. 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.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Museum. I have not evaluated the completeness and appropriateness of the performance indicators/ measures 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.
14. 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 Museum for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme– Business Development	x – x
Programme– Public Engagement	x – x

15. 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.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Business Development
 - Public Engagements

Achievement of planned targets

17. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

Adjustment of material misstatements

18. As management subsequently corrected the 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

19. 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 Museum with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. We did not identify any material non-compliance.

Other information

21. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report the audit committee's 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.

22. 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.
23. 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.

Internal control deficiencies

24. 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. I did not identify material internal control deficiencies.

AUDITOR-GENERAL

East London

31 July 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 Museum’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 Museum’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’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 Museum 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 a Museum 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 officer 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 officer 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.



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ANNUAL FINANCIAL STATEMENTS

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

General Information

Legal form of entity	Public Entity
Registered office	Cnr Owen Street & Nelson Mandela Drive Bunga Building Mthatha 5100
Business address	Cnr Owen Street & Nelson Mandela Drive Bunga Building Mthatha 5100
Controlling entity	Department of Arts and Culture
Bankers	ABSA Bank Sutherland Street
Secretary	Siyathemba Sokutu Attorneys
Internal Auditors	Lunika Chartered Accountants
Preparer	The financial statements were internally compiled by: Chief Financial Officer
Published	31 July 2019
Members	Ms A Vikilahle - Chairperson Adv L Nevhondwe - Deputy Chairperson Mr K Buthelezi - Chairperson: Audit & Risk Committee Mr S Madkizela - Chairperson: Finance Committee A K Kgontse - Chairperson: IDC Prof B R Mngomezulu - Chairperson: Content Dev Committee Dr B Tema - Chairperson: Community Dev. Committee Mr V Booi Dr Ngqila Ms N Mandela Ms K Gustafson Mr S Mzamo Mr M Kobese

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

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AGSA	Auditor General South Africa
COID	Compensation for Occupational Injuries and Diseases
CEO	Chief Executive Officer
CFO	Chief Financial Officer
GRAP	Generally Recognised Accounting Practice
NMM	Nelson Mandela Museum
IAS	International Accounting Standards
NT	National Treasury
IPSAS	International Public Sector Accounting Standards
DAC	Department of Arts and Culture
DPW	Department of Public Works
PFMA	Public Finance Management Act

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Museum Council Report

1. General Information

1.1 The Role of the Council of the Nelson Mandela Museum

In accordance with the provisions of the Public Finance Management Act, Act 1 of 1999, (PFMA) as amended by Act 29 of 1999, and the Treasury Regulations, the Council of the Nelson Mandela Museum, (the Council) is the Accounting Authority. Its role includes the submission to the Executive Authority general information such as Annual Financial Statements and Performance Information by 31 May each year.

2. Statement of Responsibility

The Public Finance Management Act (Act 1 of 1999) as amended requires the Council to ensure that the Nelson Mandela Museum keeps full and proper records of its financial affairs. The Annual financial statements should fairly present the state of affairs of the Museum, its financial results, its performance against pre-determined objectives and its financial position at the end of the year in terms of the Generally Recognised Accounting Practice (GRAP) and in the manner required by the Companies Act 2008 in South Africa (Act No. 71 of 2008).

The Annual Financial Statements are the responsibility of the Council. The Auditor General is responsible for independently auditing and reporting on the Annual Financial Statements.

The Annual Financial Statements have been prepared in accordance with Statements of Generally Recognised Accounting Practice. These Annual Financial Statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates.

The Council has reviewed the budget and cash flow projections for the year ending 31 March 2019. On the basis of this review, and in view of the current financial position, the Council has every reason to believe that the Museum is a going concern in the period ahead and has continued to adopt the going concern basis in preparing the Annual Financial Statements.

The Council determines, introduces and implements systems of internal control and risk management that are designed to provide reasonable assurance against material misstatements and losses. The entity also maintains these controls to safeguard assets against unauthorised use or disposal, and for the maintenance of proper accounting records and the reliability of the financial information used within the Museum.

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. The internal audit function is in place and has been functional throughout the year, and there are no material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

3. Financial Results

Full details of the financial results are set out on pages 07 to 36 of the Annual Financial Statements.

4. Nature of Entity and its Principal Business

The Museum which is spread over three sites, namely Mvezo site, Bhunga Building and Qunu Youth and Heritage Centre. It is a public entity falling under the National Department of Arts and Culture and was established in accordance with the prescripts of the Cultural Institutions Act, Act No. 119 of 1998 and is one of the Cabinet legacy projects.

Its core business is the conservation of heritage centred on Nelson Mandela, collecting, exhibiting and exercising stewardship over heritage resources linked to Madiba to inspire people to learn and share from his legacy, impact on development through education, culture and tourism.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Museum Council Report

5. Materiality and Significance Framework for 2018/19

In terms of the Public Finance Management Act, Act No. 1 of 1999 as amended, read with paragraph 28.1.5 of the National Treasury Regulations, the Council has developed and agreed to a framework of acceptable levels of materiality and significance.

6. Opinion and Approval

In the opinion of the Nelson Mandela Museum Council, based on the information available to date, the Annual Financial Statements set out on pages 07 to 36 present the financial position, the results of its operations, Cash Flow information of Nelson Mandela Museum and comply with the provisions of the Treasury Regulations and the Public Finance Management Act (Act 1 of 1999, as amended) for the year then ended.

The Annual Financial Statements set out on pages 07 to 36 for the year then ended were approved by the Museum Council on 30 May 2019.

Ms A Vikilahle
Council Chairperson

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Chief Executive Officer`s Report

1. General Review of the State of Affairs

Established to preserve the legacy of Nelson Mandela, the Nelson Mandela Museum has ostensible maintained and committed to its strategic ethos. Operating in three sites (Bhunga in the Mthatha CBD, Nelson Mandela Youth and Heritage Centre-Qunu and Mvezo), the museum remains an important tourism node. This museum carries a relevant universal mandate.

The museum`s financial position in 2018/2019 was effectively used to localise the brand within the African continent and thereby enhance its global impact. This financial position enabled the museum to continue with its international programming.

The museum was also able to balance various needs within the confines of its approved budget. It managed to utilize its infrastructure to promote the mandate. This also translated to maintaining of the infrastructure.

As an organ of state, the Museum delivers its services in alignment with Government objectives. The Museum contributes to social cohesion, patriotism, unity, reconciliation, economic regeneration through tourism and cultural activities, and its procurement practices, citizen participation and awareness through outreach, education programs and exhibitions. The Museum programs include: Governance (which deals with administration and Council support), Human Resources, Public Engagement and Communication, Heritage Resources and Infrastructure Services.

The Nelson Mandela Museum received most of its funding from the subsidy allocations from the National Government through the Department of Arts and Culture. Total revenue collected by the Nelson Mandela Museum including finance income for the period under review increased by 6.7% from R 29 983 033 compared to same period last year. The Nelson Mandela Museum`s results for the year ended 31 March 2019 show an increase in cash reserves from R 18 316 075 to R22 054 430. This is due to an operating surplus of R3 737 455 realized during the year under review.

This increase is attributable to net of an inflationary increase in grant allocation, increase in interest received from investments as well as capital spending from rolled over funds. The grant from the Department of Arts and Culture accounted for 92.8% of the total revenue while 6.6% relates to interest from investments and 0.6% to sundry income as well as donations.

The operating expenditure for the period under review including finance costs is R28 254 372 showing a decrease of R710 297 from the expenditure recorded in the previous period. The operating expenditure is made up of 48% fixed costs of personnel, 9% administrative expenses, 4% Audit fee, and 39% other operating expenses which constitute the core business of the organization with expense categories like exhibition expenses and advertising and promotion forming a major part, and Security expenses as major contributors as well.

The Nelson Mandela Museum is a going concern in year 2019/20. Museum will continue to adopt a going concern basis in preparing its annual financial statements in the period ahead as the budget indicates. The institution filled all key positions during 2018/19 financial year, subsequently the NMM has seen the improved results in strategic areas and performance in 2018/19 financial year.

While a great deal of work still needs to be done to improve the baseline funding to facilitate meeting targets set in the Museum`s strategic plan, the results for the year under review demonstrate progress, and management remains committed to achieving the strategic objectives set by Council.

2. Services rendered by the Nelson Mandela Museum

The core business of the Nelson Mandela Museum is education and conservation of Heritage Resources centered around Nelson Mandela in context, collecting, exhibiting and exercising stewardship over heritage resources linked to Madiba, inspire people to learn and share from his legacy, impact on development through education, culture and tourism. To achieve this objective the Museum uses guided and unguided tours, public programs (indoor and outdoors), formal outreach like use of popular programmes to reach people and make an impact. Social dialogues and seminars are also used to reach out to a wider public.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Chief Executive Officer`s Report

3 Tariffs

The museum has not charged any form of entrance fee since its establishment. It is however toying with the concept to charge a minimum entrance fee to augment its budget. The fees would be used to produce more learning materials and train tour guides. Though the museum has a conferencing and accommodation facilities in Qunu, the facility has been closed since February 2017, due to renovations. However, renovations did not immediately take place as planned. That also affected the re-opening plan of the facility. Currently, the museum tariff raising is through sale of merchandise, books, etc.

4. Donation Box

The museum does not charge entrance fee to its visitors. Instead, there is a Donation Box, which is used to encourage visitors to donate. However, there has not been much activity when it comes to donations this current year.

5. Museum Shop

The Nelson Mandela Museum Memorabilia shop has been in full operations since the upgrade of Bhunga node of the Museum. The shop has been run in partnership with the Department of Sports, Recreation, Arts and Culture in the overall objective of promoting local entrepreneurs to sell their artwork to the visitors. The museum doesn't charge for the space except to promote the local entrepreneurs. These are one of corporate social investment (CSI) initiatives of which the museum is leading.

7. Opinion

In the opinion of the Nelson Mandela Museum CEO, the Annual Financial Statements set out on pages 07 to 36 present the financial position, the results of its operations, Cash Flow information of Nelson Mandela Museum and comply with the provisions of the Treasury Regulations and the Public Finance Management Act (Act 1 of 1999, as amended) for the year then ended.

8. Conclusion

Indeed, the museum's financial accountability is aligned with its non-financial performance on its 2018/2019 annual performance plan. The museum wittingly improved its financial management capacity as a tool to improve both its performance and audit. This has worked. The improved internal systems have enhanced the capacity of the museum to provide an excellent service to the public and also be able to account for its finances. It is also safe to state that the museum remains an important resource that promotes the values and legacy of Nelson Mandela. As the museum improves its systems, so is its personnel's capacity development.

Bonke Tyhulu

Chief Executive Officer
30 May 2019

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Statement of Financial Position as at 31 March 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Current Assets			
Inventories	6	267 823	210 705
Receivables from non-exchange transactions	8	235 749	151 181
Cash and cash equivalents	9	62 661 856	28 687 745
		63 165 428	29 049 631
Non-Current Assets			
Property, plant and equipment	3	3 523 877	2 970 288
Intangible assets	4	268 015	-
Heritage assets	5	9 869 900	9 869 000
		13 661 792	12 839 288
Non-Current Assets		13 661 792	12 839 288
Current Assets		63 165 428	29 049 631
Total Assets		76 827 220	41 888 919
Liabilities			
Current Liabilities			
Finance lease obligation	12	-	105 599
Payables from exchange transactions	16	780 780	1 466 883
Unspent conditional grants and receipts	13	26 033 391	18 340 531
Provisions	15	2 228 221	3 659 831
		29 042 392	23 572 844
Non-Current Liabilities			
Unspent conditional grants and receipts	13	25 730 399	-
Non-Current Liabilities		25 730 399	-
Current Liabilities		29 042 392	23 572 844
Total Liabilities		54 772 791	23 572 844
Assets		76 827 220	41 888 919
Liabilities		(54 772 791)	(23 572 844)
Net Assets		22 054 430	18 316 075
Reserves			
Revaluation reserve	10	9 866 510	9 865 610
Accumulated surplus	11	12 187 920	8 450 465
Total Net Assets		22 054 430	18 316 075

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018
Revenue	7&19&2	29 757 229	28 089 974
Revenue		29 757 229	28 089 974
Other income	18	122 342	329 349
Operating expenses	1&22&2	(28 249 093)	(28 767 368)
		29 757 229	28 089 974
		(28 126 751)	(28 438 019)
Operating surplus (deficit)		1 630 478	(348 045)
Investment revenue	19	2 112 260	1 563 710
Finance costs	23	(5 283)	(197 302)
Profit (loss) for the period from continuing operations		3 737 455	1 018 363
Profit (loss) from discontinued operations		-	-
Surplus for the year		3 737 455	1 018 363

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Balance at 01 April 2017	9 865 610	7 432 101	17 297 711
Changes in net assets Surplus for the year	-	1 018 363	1 018 363
Balance at 01 April 2018	9 865 610	8 450 465	18 316 075
Changes in net assets			
Movements in revaluation reserves	900	-	900
Net income (losses) recognised directly in net assets	900	-	900
Surplus for the year	-	3 737 455	3 737 455
Total recognised income and expenses for the year	900	3 737 455	3 738 355
Total changes	900	3 737 455	3 738 355
Balance at 31 March 2019	9 866 510	12 187 920	22 054 430

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Receipts			
Government Grants		29 698 028	28 108 901
Interest income		2 112 260	1 563 710
Donations Received		59 201	12 492
Sundry Income		122 342	256 875
		<u>31 991 831</u>	<u>29 941 978</u>
Payments			
Cash Payments		(30 695 622)	(28 964 669)
Difference in payables		-	-
Non Cash Payments		570 318	3 485 547
Other cash item		76 248	-
		<u>(30 049 056)</u>	<u>(25 479 122)</u>
Total receipts		31 991 831	29 941 978
Total payments		(30 049 056)	(25 479 122)
Net cash flows from operating activities	27	<u>1 942 775</u>	<u>4 462 856</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 034 567)	(67 186)
Proceeds from sale of property, plant and equipment	3	-	557 137
Purchase of intangible assets	4	(357 353)	-
Net cash flows from investing activities		<u>(1 391 920)</u>	<u>489 951</u>
Cash flows from financing activities			
Repayment of other financial liabilities		-	(1 378 159)
Increase in grant payment		33 423 261	-
Net cash flows from financing activities		<u>33 423 261</u>	<u>(1 378 159)</u>
Net increase/(decrease) in cash and cash equivalents		33 974 116	3 574 648
Cash and cash equivalents at the beginning of the year		28 687 749	25 113 101
Cash and cash equivalents at the end of the year	9	<u>62 661 865</u>	<u>28 687 749</u>

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
Statement of Financial Performance					
Revenue					
Performance Revenue					
Revenue from exchange transactions					
Sale of goods	-	-	-	122 342	122 342
Interest received - investment	900 000	380 000	1 280 000	2 112 260	832 260
Total revenue from exchange transactions	900 000	380 000	1 280 000	2 234 602	954 602
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	27 103 000	2 595 028	29 698 028	29 698 028	-
Public contributions and donations	-	-	-	59 201	59 201
Rolled Over funds	-	465 000	465 000	-	(465 000)
Total revenue from non-exchange transactions	27 103 000	3 060 028	30 163 028	29 757 229	(405 799)
'Total revenue from exchange transactions'	900 000	380 000	1 280 000	2 234 602	954 602
'Total revenue from non-exchange transactions'	27 103 000	3 060 028	30 163 028	29 757 229	(405 799)
Total revenue	28 003 000	3 440 028	31 443 028	31 991 831	548 803
Expenditure					
Personnel	(14 610 582)	-	(14 610 582)	(13 469 701)	1 140 881
Administration	(4 720 116)	-	(4 720 116)	(2 671 250)	2 048 866
Depreciation and amortisation	-	-	-	(570 318)	(570 318)
Finance costs	(28 892)	-	(28 892)	(5 286)	23 606
Lease rentals on operating lease	(82 275)	-	(82 275)	(78 696)	3 579
Bad debts written off	-	-	-	(76 248)	(76 248)
Repairs and maintenance	(210 500)	-	(210 500)	(127 883)	82 617
General Expenses	(8 350 635)	(845 000)	(9 195 635)	(11 254 990)	(2 059 355)
Total expenditure	(28 003 000)	(845 000)	(28 848 000)	(28 254 372)	593 628
	-	2 595 028	2 595 028	3 737 455	1 142 427
	-	-	-2	-	-1
Surplus before taxation	-	2 595 028	595 028	3 737 455	142 427
Deficit before taxation	-	2 595 028	2 595 028	3 737 455	1 142 427
Taxation	-	-	-	-	-
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	2 595 028	2 595 028	3 737 455	1 142 427

NMM approved budget for the year was adjusted with an interest received from bank for operating budget and rolled-over funds. Refer to Note 31 for detailed explanation of variances.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1. Presentation of Financial Statements

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

The Annual Financial Statements have been prepared on an accrual basis of accounting using the going concern assumption and are in accordance with the historical cost basis incorporating the principal accounting policies as set below unless specified otherwise. Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board. Assets, Liabilities, Revenues and expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP. These accounting policies are consistent with the previous period, unless explicitly stated. The details of any changes in the accounting policies are explained in the relevant policy. The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

1.1 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the NMM. Unless stated otherwise, all figures have been rounded off to the nearest Rand.

1.2 Going concern assumption

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

1.3 Comparative information

When the presentation or classification of items in the Annual Financial Statements are amended, prior period comparative amounts are restated. The nature and the reason for reclassification are disclosed. Where accounting errors 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 practicable, and the prior year comparatives are restated accordingly.

1.4 Significant judgements and sources of estimation uncertainty

Receivables from Exchange and Non-Exchange Transactions

The entity assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the entity makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the Portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock that is identified as out of market and redundant is provided. Any stock that is physically identified as damaged is written off when discovered.

Impairment testing

Management used value in use or fair value less cost to sell to determine the recoverable amount of assets that may have been impaired.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15. Provisions are measured in the management's best estimate of the expenditure required to settle the obligation at the reporting date.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.5 Property, plant and equipment

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 constitutional institution; and
- the cost of the item can be measured reliably.

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 recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

The initial estimate of the cost 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.

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.

Subsequent Measurement

Property, plant and equipment is carried at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is written off over the useful life of the assets to the residual value using the straight line method

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

Category	Depreciation method	Average useful life
Buildings	Straight line	10 years
Furniture and fixtures	Straight line	6-20 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6-10 years
IT equipment	Straight line	3-10 years
Computer software	Straight line	3-10 Years
Other property, plant and equipment	Straight line	5-10 years

The assets residual value and the useful life are reviewed and adjusted if appropriate, at each financial year end. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognized in the profit or loss unless it is included in the carrying amount of another asset. An item of property plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the item is derecognized.

Assets held under a finance lease are depreciated over their expected useful lives on the same basis as owned assets. If there is no reasonable certainty that the entity will obtain ownership by the end of the lease term, the assets are depreciated over the shorter of the lease term and its useful life.

Impairments

The residual value, useful life of an asset and the depreciation method is reviewed annually and any changes are recognized as a change in accounting estimates in the Statement of Financial Performance.

The entity tests for impairment where there is an indication that the asset may be impaired. An assessment of whether there is an indication of impairment is done at the reporting date. Where the carrying amount of an item of property, plant, and equipment is greater than the estimated recoverable amount (or service amount) it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.6 Subsequent Expenditure

Repairs and maintenance are generally charged to expenses during the financial period in which they are incurred. However, major renovations are capitalized and included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

1.7 Heritage assets Initial Recognition

- (a) Heritage assets are recognised as an asset if, and only if
- It is probable that future economic benefits or service potential associated with the asset will flow to Nelson Mandela Museum
 - The cost or fair value of the asset can be measured reliably
- (b) For recognition of heritage assets, the assets needs to be controlled by Nelson Mandela Museum as a results of past events. Such events may include: Purchased, donated, bequeathed, transfer and loans. In the event were Nelson Mandela Museum is restricted from disposing of the asset it will still be recognised due to the fact that it is controlled by Nelson Mandela Museum. It is the judgement of Nelson Mandela Museum to assess the degree of certainty attached to the flow of future economic benefits.

Initial measurement

- Due the nature of assets controlled by Nelson Mandela Museum assets shall be valued according to circumstances
- All asset acquired by means of purchase should initially be measured at cost. Where no cost can be determined the fair value will be determine as at the date of acquisition.
- In instances where heritage assets are donated or bequeathed to Nelson Mandela Museum at no cost, the cost will then be the fair value as at the date of acquisition.
- In determining the fair value of a heritage asset acquired through a non-exchange transaction, Nelson Mandela Museum will apply the principles of revaluation in determining the fair value.

Subsequent Measurement

- In accordance GRAP 103, an entity should choose either the cost model or the revaluation model for subsequent measurement of an entire class of heritage assets
- In accordance with the Cost Model, after recognition as an asset a class of heritage assets measure in accordance with the Cost Model, shall be carried at its cost less any accumulated impairment loss
- In accordance with the Revaluation Model, after recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, shall be carried at revalued amount, being its fair value at date of the revaluation less any subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.
- Nelson Mandela Museum has elected the cost model and shall apply the policy to an entire class of heritage assets.

Elements of costs

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

- (a) The cost of the heritage asset is comprises of the following:
- (i) its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebate
 - (ii) any cost directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- (b) These costs can include cost such as:
- (i) Cost of employee benefits for example the initial assessment of the heritage asset

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.7 Heritage assets (continued)

Impairment

- (a) A heritage asset shall not be depreciated but Nelson Mandela Museum shall assess at each reporting date whether there is an indication that it may be impaired. If any such indications exist Nelson Mandela Museum shall estimate the recoverable amount or the recoverable service amount of the heritage asset in accordance with the Standards of GRAP on Impairment of Cash-generating assets and Impairment of non-cash-generating Assets.
- (b) In assessing whether there is an indication that an asset may be impaired and Nelson Mandela Museum shall consider, as a minimum the following indications:
- (i) External sources of information and,
 - (ii) internal sources of information.

Transfers

- (a) Transfers from heritage assets can only be made when an asset no longer meets the definition of a heritage asset e.g. from Heritage to PPE.
- (b) Transfers to heritage assets can only be made when an asset subsequently meets the definition of a heritage asset.

Derecognition

- (a) The carrying amount of a heritage asset shall be derecognised:
- on disposal (including disposal through a non-exchange transaction), or
 - when no future economic benefits or service potential are expected from its use or disposal.

Compensation for impairment

Compensation from third parties for heritage assets that have been impaired, lost or given up, shall be included in surplus or deficit when the compensation becomes receivable.

De-Accessioning

An item will be considered for de-accessioning if it no longer meets and complies with the statement of purpose of the archival collection of the museum or is damaged beyond repair and unusable.

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The impact on the financial statements is that heritage assets have been valued at a nominal value of R1 and will be subsequently valued at market related rates.

The carrying amount of a Heritage asset is derecognised

- (a) On disposal
- (b) When no future economic benefits or services potential are expected from use or disposal

The Collections and Gifts to Nelson Mandela are considered to be Heritage Assets (the value of these assets is determined not by the commercial but rather by their historical significance) and therefore are irreplaceable.

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 7, 11, and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

1.8 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.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.8 Financial instruments (continued)

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.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.8 Financial instruments (continued)

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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.

1.9 Tax

Current tax assets and liabilities

NMM is exempt from taxation in terms of Income Tax Act and VAT Act.

1.10 Intangible Assets

The cost of an item of intangible asset is recognised as an asset when:

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

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

Intangible assets are depreciated over their useful life taking into account residual values, where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing useful lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

1.11 Leases

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.

The discount rate used in calculating the present value of the minimum lease payments is the market related rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

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

1.12 Inventories

Inventories of the entity consists of books which are for sale and also used for donations to Invited participants to certain important museum events.

Inventories are initially measured at cost and subsequently at the lower of cost or net realizable value. Any write-down to net realizable value is recognized in the profit or loss. Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition (based on normal operating capacity). Cost is calculated using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less any costs of completion and disposal.

1.13 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Useful life is either:

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

1.14 Employee benefits Compensation of Employees

Short-term employee benefits include items such as:

- wages, salaries and third party contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service;

Defined Contribution Plan

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

1.15 Provisions and contingencies

Provisions are recognised when:

- the constitutional institution 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.

1.16 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

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

There is a specific criteria in order to determine if the entity is acting as principal or agent. The recognition criteria must be met before revenue is recognised. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to other party in exchange.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.17 Revenue from exchange transactions (continued) Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership are transferred to the buyer.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date.

1.18 Revenue from non-exchange transactions

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

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

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Recognition

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

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

1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by the entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and could 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.

1.21 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any legislation providing for procurement procedures in the 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 and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is 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.

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 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.

1.22 Budget information

Entities are 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 entities 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 2018/04/01 to 2019/03/31.

The budget for the economic entity includes all the units approved budgets under its control.

The annual financial statements and the budget are not at 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.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Accounting Policies

1.23 Non-cash generating assets

Non-cash Generating assets are assets other than Cash Generating Assets. Recoverable services amount is the higher of the Non- cash generating asset's value less costs to sell and its value in use.

Impairment of non cash generating assets

An impairment is a loss in the future economic benefits or service potential of an asset over and above the systematic recognition of the loss of the asset's future economic benefit or service potential through depreciation. Value in use of a Non-cash generating asset is the present value of the asset's remaining service potential. A commitment to discontinue or restructure an operation in the near future is an indication of a reversal of an impairment loss of an asset belonging to the operation where such commitment constitutes a significant long term change with favourable effect on the entity in the extent or manner of the use of that asset.

1.24 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

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.

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

1.25 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.

Nelson Mandela Museum

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Notes to the Financial Statements

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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the constitutional institution has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1: Presentation of Financial Statements	01 April 2018	The impact of this is not material.
• GRAP 2: Cash Flow Statements	01 April 2018	The impact of this is not material.
• GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors	01 April 2018	The impact of this is not material.
• GRAP 9: Revenue from Exchange Transactions	01 April 2018	The impact of this is not material.
• GRAP 12: Inventories	01 April 2018	The impact of this is not material.
• GRAP 13: Leases	01 April 2018	The impact of this is not material.
• GRAP 14: Events After the Reporting Date	01 April 2018	The impact of this is not material.
• GRAP 17: Property Plant and Equipment	01 April 2018	The impact of this is not material.
• GRAP 19: Provisions, Contingent Liabilities and Contingent Assets	01 April 2018	The impact of this is not material.
• GRAP 20: Related Party Disclosures	01 April 2018	The impact of this is not material.
• GRAP 21: Impairment of Non-cash-generating Assets	01 April 2018	The impact of this is not material.
• GRAP 23: Revenue from Non-exchange Transactions (Taxes and Transfers)	01 April 2018	The impact of this is not material.
• GRAP 24: Presentation of Budget Information in Financial Statements	01 April 2018	The impact of this is not material.
• GRAP 25: Employee Benefits	01 April 2018	The impact of this is not material.
• GRAP 31: Intangible Assets	01 April 2018	The impact of this is not material.

2.2 Standards and interpretations issued, but not yet effective

NMM has not applied the following standards and interpretations, which have been published and are mandatory for the accounting periods beginning on or after 01 April 2019 or later periods:

- Grap 104: Financial Instruments

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand

2019 2018

3. Property, plant and equipment

	2019				2018			
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Carrying value	
Buildings	3 044 452	(1 046 657)	1 997 795	2 414 286	(780 384)	1 633 902	1 633 902	
Furniture and fixtures	2 995 879	(2 558 567)	437 312	2 995 879	(2 340 759)	655 120	655 120	
Motor vehicles	224 228	(224 228)	-	224 228	(224 228)	-	-	
Office equipment	1 221 811	(1 180 489)	41 322	1 200 276	(1 052 144)	148 132	148 132	
IT equipment	2 023 284	(1 001 098)	1 022 186	1 640 418	(1 231 390)	409 028	409 028	
Other property, plant and equipment	1 014 344	(989 082)	25 262	1 014 344	(890 238)	124 106	124 106	
Total	10 523 998	(7 000 121)	3 523 877	9 489 431	(6 519 143)	2 970 288	2 970 288	

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Impairment	Total
Buildings	1 633 902	630 166	(266 273)	-	1 997 795
Furniture and fixtures	655 120	-	(217 808)	-	437 312
Motor vehicles	-	-	-	-	-
Office equipment	148 132	21 535	(128 346)	-	41 321
IT equipment	409 028	382 866	(380 714)	611 005	1 022 187
	-124	-	-(98)	-	-25 262
	106	-	844	-	-
Other property, plant and equipment	2 970 288	1 034 567	(1 091 985)	611 005	3 523 877

Nelson Mandela Museum

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Notes to the Financial Statements

Figures in Rand

	2019		2018		
3. Property, plant and equipment (continued)					
Reconciliation of property, plant and equipment - 2018					
Buildings	Opening balance	Disposals	Depreciation	airment loss	Total
Furniture and fixtures	2 321 935	(394 367)	(293 666)	-	1 633 902
Motor vehicles	643 878	(17 085)	103 718	(75 391)	655 120
Office equipment	9	(4)	-	(5)	-
IT equipment	269 760	(1 358)	(112 574)	(7 696)	148 132
Other property, plant and equipment	781 680	(87 566)	(318 264)	(38 008)	409 028
	20 872	(10 373)	114 171	(564)	124 106
	4 038 134	(510 753)	(506 615)	(121 664)	2 970 288

Pledged as security

None of PPE items have been pledged as security.

4. Intangible assets

	2019		2018			
Computer softwares	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	357 353	(89 338)	268 015	-	-	-

Reconciliation of intangible assets - 2019

Computer softwares	Opening balance	Additions	Amortisation	Total
	-	357 353	(89 338)	268 015

Nelson Mandela Museum

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Notes to the Financial Statements

Figures in Rand	2019			2018		
5. Heritage assets						
	Cost / Valuation	2019 Accumulated impairment losses	Carrying value	Cost / Valuation	2018 Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	7 991 850	-	7 991 850	7 991 850	-	7 991 850
Stamp collections, military insignia, medals, coin	1 724 470	-	1 724 470	1 724 470	-	1 724 470
Other Heritage Assets	153 580	-	153 580	152 680	-	152 680
Total	9 869 900	-	9 869 900	9 869 000	-	9 869 000

Reconciliation of heritage assets 2019

	Opening balance	Revaluation Increase/(decrease)	Total
Art Collections, antiquities and exhibits	7 991 850	-	7 991 850
Stamp collections, military insignia, medals, coin	1 724 470	-	1 724 470
Other Heritage Assets	152 680	900	153 580
	9 869 000	900	9 869 900

The Heritage assets consists of gifts (not limited to insignia, Medals, Coins, Stamps, objects of decorative or Fine Arts, Stationery, Precious metal and weaponry) that Nelson Mandela had been given when he was still a president of South Africa and also after he has retired.

Pledged as security

None of Heritage Assets have been pledged as security and are therefore not encumbered.

6. Inventories

Merchandise	267 823	210 705
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Inventory pledged as security

None of inventory items have been pledged as security and are therefore not encumbered.

7. Receivables from exchange transactions

Reconciliation of the doubtful debt

Receivables from exchange transactions	-	72 463
Less provision for doubtful debts	-	(72 463)
	-	-

8. Receivables from non-exchange transactions

Other receivables from non-exchange revenue	235 749	151 181
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The account consists of an overpayment by the Museum to AGSA for an amount of R139 986, miscellaneous debtors that are made by small amount of which their recovery is expected to be less than a year. There was also a provision for a long outstanding debtor that is relating to a former CEO's PAYE that was paid on his behalf. The debt is more than 120 days old and the possibility of recovery is limited.

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

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Figures in Rand

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash and balances with banks	603 500	603 500
Short-term deposits	62 058 356	28 084 245
	62 661 856	28 687 745

For the purposes of the cash flow statement:

Balance as per bank statements	62 661 856	28 687 745
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There are no restrictions attached to the funds, except for conditional grants of R51 763 790 that must be utilized according to grant specifications.

10. Revaluation reserve

In terms of GRAP 103, heritage assets were required to be revalued effective 2015/16 financial year. In 2016/17 financial year all heritage assets were revalued to their market values. This has led to a revaluation surplus as disclosed in the note below. Refer to note 5

Balance	9 865 610	9 865 610
Adjustment for heritage assets	900	-
	9 866 510	9 865 610

11. Accumulated surplus

Balance as originally stated	8 450 465	7 432 101
Surplus (Deficit) for the year	3 737 455	1 018 364
	12 187 920	8 450 465

12. Finance lease obligation

Minimum lease payments due

- within one year	-	105 559
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Present value of minimum lease payments due

- within one year	-	105 559
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The lease term is 3 years and the average effective borrowings rate is 14.83%. Interest rates are determined on inception. The Museum entered into a Lease agreement with financing company named Fusion Office Automation for three Printing Machines for a period of 3 years. The contract came to an end in the 2018/19 financial year. No arrangements have been entered into for contingent rent.

13. Unspent conditional grants and receipts

Qunu Fencing Project	25 909 488	179 089
Facilities Management	-	-
Erection of Statues	10 000 000	-
Qunu Development Project	12 335 013	13 526 408
ICT Project	3 486 206	4 601 950
Installation of burglar bars	33 083	33 083
	51 763 790	18 340 530

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
13. Unspent conditional grants and receipts (continued)		
Non-current liabilities	25 730 399	-
Current liabilities	26 033 391	18 340 530
	51 763 790	18 340 530

During the 2016/17 financial year the project management team was appointed to assist the Museum to implement infrastructure projects. This helped the Museum to reclassify the whole of the conditional grants to Current liabilities as it became evident that the implementation and spending of the project funds will be in 2018/19. However, NMM and DPW are in partnership for Qunu Development Project with NMM co-funding towards the project. DPW are the leading partner responsible for all procurement processes and implementation. DPW delayed the procurement process until end of 2018/19. NMM is anticipating that in 2019/20 the funds will be utilised as intended. In addition, NMM received additional conditional grants for both Erection of Madiba statues and Qunu maintenance towards end of 2018/19, of which R10 000 000 will be spent in a period that is less than a year.

14. Profit/(Loss) on Disposal of Non-Current Assets

Proceeds on disposal	-	541 345
Carrying Amount -	-	(512 074)
	-	29 271

15. Provisions

Reconciliation of provisions - 2019

	Opening Balance	Additions	utilised during the year	Total
Provision for incentive bonus	1 012 937	1 168 476	(1 012 938)	1 168 475
Provision for 13th cheque	166 317	370 211	(453 799)	82 729
Provision for leave	643 516	1 374 041	(1 050 994)	966 563
Provision for Municipal charges	1 837 061	-	(1 837 061)	-
	3 659 831	2 912 728	(4 354 792)	2 217 767

Reconciliation of provisions - 2018

	Opening Balance	Additions	Total
Provision for incentive bonus	1 012 937	-	1 012 937
Provision for 13th Cheque	99 238	67 079	166 317
Provision for leave	622 736	20 780	643 516
Provision for municipal charges	-	1 837 061	1 837 061
	1 734 911	1 924 920	3 659 831

For the period ending 31 March 2019 monthly contributions towards the provident Fund are minimum of 7.5% of the employee's basic salary and a 7.5% is contributed by the employer. The employee reserves the right to contribute a larger percentage. The contributions of R274 895 (31 March 2018: R 196 831) were expensed in the current period.

16. Payables from exchange transactions

Accruals	65 311	87 200
Sundry Creditors	715 469	1 379 683
	780 780	1 466 883

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
17. Revenue		
Profit on sale of non-current asset	-	29 270
Sundry Income	122 342	287 586
Interest received - investment	2 112 260	1 563 710
Government grants & subsidies	29 698 028	28 089 974
Public contributions and donations	59 201	12 492
	31 991 831	29 983 032
The amount included in revenue arising from exchanges of goods or services are as follows:		
Profit on sale of non current asset	-	29 270
Sundry Income	122 342	287 586
Interest received - investment	2 112 260	1 563 710
	2 234 602	1 880 566
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants & subsidies	29 698 028	28 089 974
Public contributions and donations	59 201	12 492
	29 757 229	28 102 466
18. Other revenue		
Profit from sale of non-current assets	-	29 270
Sundry Income	122 342	300 079
	122 342	329 349
Sundry income consists of revenue from sale of books, bid documents. t-shirts etc.		
19. Investment revenue		
Interest revenue		
Bank	2 112 260	1 563 710
	- 2	- 1
	112 260	563 710
The amount included in Investment revenue arising from exchange transactions amounted to R2 112 260 (2018: R1 563 710).		
There was no interest income, calculated using the effective interest rate for financial instruments that were not at fair value through surplus or deficit.		
20. Government grants and subsidies		
Operating grants		
Government grants from National Department	27 103 000	26 779 000
Capital grants		
Government grant (capital)	2 595 028	1 310 974
	27 103 000	26 779 000
	2 595 028	1 310 974
	29 698 028	28 089 974

Nelson Mandela Museum

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Notes to the Financial Statements

Figures in Rand	2019	2018
21. Employee related costs		
Basic	10 804 624	10 317 027
Bonus	1 131 480	1 012 936
UIF	38 809	53 319
SDL	215 138	98 248
Other payroll levies	25 459	-
Leave pay provision charge	468 046	201 225
Defined contribution plans	621 287	465 565
13th Cheques	129 506	300 004
Provision for incentive bonus	35 352	1 000
	13 469 701	12 449 324
Mr B Tyhulu - Chief Executive Officer		
Annual Remuneration	1 262 666	1 191 195
Performance Bonuses	178 109	238 241
Contributions to UIF, Medical and Pension Funds	13 697	13 697
Other	6	-
	1 454 478	1 443 133
Remuneration of Mrs N Tandwa- Senior Manager		
Annual Remuneration	368 000	-
Performance Bonuses	72 266	-
	440 266	-
Remuneration of Ms M Malapane - Acting CEO		
Other	-	27 742
Remuneration of Mr M Mdludlu- Chief Financial Officer		
Other	-	64 900
Remuneration of Mr M Msongelwa- Chief Financial Officer		
Annual Remuneration	1 027 573	969 409
Performance Bonuses	144 949	135 720
Contributions to UIF, Medical and Pension Funds	11 345	10 549
	1 183 867	1 115 678
Remeuneration of Ms N Tetani- Senior Manager		
Annual Remuneration	-	526 857
Contributions to UIF, Medical and Pension Funds	-	7 053
	-	533 910
Remuneration of Ms N Thwala - Senior Manager		
Annual Remuneration	720 000	650 000
Performance Bonuses	101 173	130 000
Contributions to UIF, Medical and Pension Funds	9 685	8 285
	830 858	788 285

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
21. Employee related costs (continued)		
Remuneration of Council		
A Vikilahle - Council Chairperson	94 000	65 820
L T Novhondwe- Deputy Chairperson	51 250	28 000
A K Kgontse - IDC Chairperson	92 500	81 400
K Buthelezi - Audit and Risk Committee Chairperson	79 500	49 700
B R Mngomezulu- Content Chairperson	62 500	56 250
S Madikizela - Finance Committee Chairperson	15 750	-
B Tema	65 250	38 250
V Booï	28 000	24 350
K Ngq;a	58 000	50 000
N Mandela	12 000	-
L Mangquku	18 000	14 000
P Motsielwa	8 000	6 000
K Gustafson	10 000	-
	594 750	413 770
S Mzamo and M Kobese are not paid honoraria for attendance of NMM business as they are the employees of the State.		
22. Administrative expenditure		
Bank Charges	40 923	58 385
Cell phone expenses	231 788	363 444
Courier Charges	37 642	31 900
Insurance: PPE	202 478	246 947
Legal Fees	193 839	396 424
Licenses	176 178	58 698
Motor Vehicle - Insurance & Licence	-	5 286
Municipal charges paid	226 010	1 837 061
Cleaning - Contracted	582 600	716 910
Internal Audit Fees	350 015	231 808
Staff Welfare	-	12 347
Stationery	12 692	160 758
Recruitment expenses	34 020	225 670
Staff Training	38 200	213 962
Membership & Subscriptions	35 598	30 206
Telephone & Fax	393 009	326 824
Workmen's compensation	38 351	19 569
	2 593 343	4 936 199
23. Finance costs		
Finance leases	5 283	28 892
Late payment of tax	-	168 410
	5 283	197 302

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
24. Other Operating expenses		
Advertising	772 480	1 337 940
Auditors remuneration	1 259 310	1 985 775
Computer expenses	540 263	327 649
Consulting and professional fees	2 393 716	1 465 955
Community development and training	-	4 972
Motor vehicle expenses	-	39 383
Fuel and oil	133 014	88 755
Printing and stationery	127 633	82 275
Security (Guarding of municipal property)	2 178 859	2 580 670
Training	38 200	-
Travel - local	3 612 217	1 898 027
Exhibition Expenses	393 575	629 458
Functions and Catering	237 712	119 056
Other Expenses	47 428	-
	14 054 130	10 559 915
25. Auditors' remuneration		
Fees	1 259 310	1 985 775
26. Depreciation and amortisation		
The depreciation for the year consist of:		
Buildings	(266 273)	179 494
Furniture and fixtures	(217 808)	(103 717)
IT equipment	230 291	318 264
Office equipment	(128 345)	112 575
Other property, plant and equipment	(98 844)	-
Intangible Assets	(89 338)	-
	(570 317)	506 616
27. Cash generated from operations		
Surplus	3 737 455	1 018 363
Adjustments for:		
Depreciation and amortisation	570 318	628 279
Loss on sale of assets and liabilities	-	(29 270)
Interest income	- 76	- 3 213
Bad debts written off	248	
Movements in provisions	(1 431 610)	2 937 857
Changes in working capital:		
Inventories	(57 118)	(11 584)
Receivables from exchange transactions	-	3 213
Consumer debtors	-	(3 213)
Other receivables from non-exchange transactions	(160 816)	(18 927)
Payables from exchange transactions	(686 103)	96 117
Finance Leases	(105 599)	(161 192)
	1 942 775	4 462 856

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
28. Commitments		
Authorised operational expenditure		
Already contracted for but not provided for		
• Leases	277 794	105 599
• Cleaning and Security	991 655	3 690 016
• Other	5 199 012	5 008 077
	6 468 461	8 803 692
Total operational commitments		
Already contracted for but not provided for	4 000 000	545 840
Already contracted for but provided for	230 950	-
	4 230 950	545 840

Other above is made of commitments that are relating to Photocopiers, Couriers, Travel Agent, Telephone line etc.

29. Contingencies

An amount of R 2 900 660 (2018: R2 900 660) relates to possible loss by NMM if the institution loses the case underway. A former employee who was dismissed in 2015 took NMM to court for unfair dismissal. The hearing was heard at the CCMA and NMM as a defendant was awarded the case. However, the former employee took the case to the Labour Court and the date has not been set as yet. As per legal representative the case can go either way.

30. Related parties

Controlling entity	The Nelson Mandela Museum has been established by the South African Government through the Department of Arts and Culture in terms of the Cultural Institutions Act1998 (Act No. 119 of 1998) and is ultimately controlled by the National Minister of Arts and Culture. The total transactional amount for the financial year is 29 698 028
Non- Executive Management	The Nelson Mandela Museum Council is the Governing Accounting Authority of the Institution (see details in note 19)
Other Related Parties	All other transactions with government entities are classified as related parties

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand

	2019	2018
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31. Explanation of material variances

Revenue

	Actual R	Budgeted R	% variance	Total
Revenue	31 991 831	(31 443 028)	1.00 %	548 804

There was a favourable variance on interest due to budgeted interest was for lesser period than actual. Management had thought the award of tenders for project funds will take place during the year.

Total Expenses

	Actual	Budgeted R	Variance	Total
	28 254 372	(28 848 000)	2.00 %	(593 626)

The variance is due to a saving on employee costs, municipal charges of the current and the previous year.

32. Risk management

Financial risk management

The entity's principal financial liability comprises trade and other payables and financial lease liability. The main purpose of these financial liabilities is to raise finance for the entity's operations. The entity has financial asset in the form of cash and short-term deposits, which arise directly from its operations.

March 19

	Short Term Investments	Financial Liability at amortised costs	Total
Cash and Cash Equivalents	62 661 856	-	62 661 856
Accounts Receivables	235 749	-	235 749
Trade and Other Liabilities	-	(780 780)	(780 780)
	62 897 605	(780 780)	62 116 825

March 2018

	Short Term Investments	Financial Liability at amortised costs	Total
Cash and cash equivalents	28 687 745	-	28 687 745
Accounts Receivables	151 181	-	151 181
Trade and other Liabilities	-	(1 466 884)	(1 466 884)
Finance lease Liability Current	-	(105 999)	(105 999)
	28 838 926	(1 572 883)	27 266 043

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand 2019 2018

32. Risk management (continued)

Liquidity risk

The entity's risk to liquidity is a result of the available to cover future commitments. The entity manages liquidity risk through on-going review future commitments and credit facilities.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2019	Less than 3 months or on demand	More than 3 months but less than 6 months	More than 6 months but less than 9 months	More than 9 months but not exceeding 1 year	More than 1 year	Total
Infrastructure funds	5 200 000	9 800 000	-	-	23 637 000	38 637 000
Provisions	1 168 457	-	-	1 059 746	-	2 228 203
Trade and other payables	742 023	-	-	-	-	742 023
	7 110 480	9 800 000	-	1 059 746	23 637 000	41 607 226

2018	Less than 3 months or on demand	More than 3 months but less than 6 months	More than 6 months but less than 9 months	More than 9 months but not exceeding 1 year	More than 1 year	Total
Infrastructure funds	-	-	18 016 815	323 715	-	18 340 530
Leases	-	105 599	-	-	-	105 599
Provisions	2 849 998	-	-	809 833	-	3 659 831
Trade and other payables	1 466 884	-	-	-	-	1 466 884
	4 316 882	105 599	18 016 815	1 133 548	-	23 572 844

Credit and Market risk

Credit Risk

The entity's activities expose it primarily to the risks of fluctuations in interest rates. Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

33. Going concern

The financial statements have been prepared on the going concern basis based on the assumption that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities. Commitments and obligations will occur in the course of business in the near future.

Events after the reporting date

There are no material transactions that have been concluded after year end.

Fruitless and wasteful expenditure

Opening Balance	251 051	71 661
Fruitless and wasteful expenditure for the current year	29 241	235 396
Transferred to debtors	(13 710)	(56 006)
Proposed write offs	(223 020)	-
Less amounts recovered	(17 564)	-
	25 998	251 051

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
35. Fruitless and wasteful expenditure (continued)		
Write offs	R223 020	
The write off relates to a fruitless expenditure that was incurred in the previous periods of which the responsible incumbents are not with the employ of the museum anymore. The application to write off was approved by Council		
Recoverables	R13 710	
All the fruitless expenditure debtors that were raised in the previous year were recovered except one debtors of which the recovery is underway.		
Prior year cases that were under investigation at year end	R10 467	
All these cases were closed, with one that was not a fruitless expenditure, 3 cases are transferred to debtors and one has been paid		
36. Irregular expenditure		
Opening balance	6 433 548	5 278 607
Add: Irregular Expenditure - current year	-	1 154 941
Less: Amounts condoned	(1 539 558)	-
Adjustment of irregular expenditure	(437 800)	-
	4 456 190	6 433 548
Details of irregular expenditure – current year		
In 2016/17 financial year there were amounts that were raised incorrectly as irregular expenditure		437 800
Treasury had condoned some amounts which were relating to 2016/17 financial		53 535
These amounts relate to 2012/13,13/14, 14/15 and 15/16 irregular expenditure. The irregular expenditure was incurred by management in the operation of the business. Council had condoned these irregularities.		1 486 022
		1 977 357
37. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus per the statement of financial performance	3 737 455	1 018 364
Adjusted for:		
Loss on the sale of assets	-	(29 270)
Finance Costs	-	-
Other variances	(544 698)	(1 317 294)
Admin expenses	(2 616 211)	-
Staff costs	(1 146 864)	(300 000)
Depreciation	570 318	628 200
Net surplus per approved budget	-	-
38. Public contributions and donations		
Various donations	59 201	12 492

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Notes to the Financial Statements

Figures in Rand 2019 2018

39. Change in estimate

Property, plant and equipment

The useful lives and residual values of property, plant and equipment were assessed in the period under review and there was no change from management estimates from the previous year

The useful lives were not changed at class level, however at an item level NMM had extended the useful lives of CCTV cameras from 3 to 6 years.

The above review of the useful lives had the following impact:

Impact	R	Total
Increase in the statement of comprehensive income	(611 005)	(611 005)
Increase in the statement of financial position	611 005	611 005
	<u>-</u>	<u>-</u>
 Depreciation effect		Total
Gross depreciation		380 714
Adjustment		<u>(611 005)</u>
Net depreciation		<u>(230 291)</u>

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Detail Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Sale of goods		-	29 270
Sundry Income		122 342	300 079
Interest received - investment		2 112 260	1 563 710
Government grants & subsidies	20	29 698 028	28 089 974
Public contributions and donations	38	59 201	-
Total revenue		31 991 831	29 983 033
Expenditure			
Employee related costs	21	(13 469 701)	(12 449 324)
Administration	22	-	-
Depreciation and amortisation	26	(570 318)	(628 278)
Finance costs	23	(5 283)	(197 302)
Lease rentals on operating lease		(78 696)	(82 275)
Bad debts written off		(76 248)	(3 213)
General Expenses	24	(14 054 130)	(15 607 487)
Total expenditure		(28 254 376)	(28 964 669)
Operating surplus/deficit		-	-
Surplus for the year		3 737 455	1 018 363

The supplementary information presented does not form part of the financial statements and is unaudited

Nelson Mandela Museum

Financial Statements for the year ended 31 March 2019

Supplementary Information

1. Donations

Type of donation	2019	2018
Various donors	<u>59 270</u>	<u>12 492</u>

Various donors is made up of all donations that were received during the year of which individually were less than R1 000.

	Donor	Amount	Column heading	Total
Donations Received	Billion Group	50 000	-	50 000
	Various donors	9 270	-	9 270
		<u>59 270</u>	-	<u>59 270</u>

The supplementary information presented does not form part of the financial statements and is unaudited

*The Time
is always ripe
To do right.
- Nelson Mandela*



in the footprints ●●●

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