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*in the footsteps* ...  
an agency of the  
Department of Sport, Arts and Culture

# PART A



GENERAL INFORMATION

## PUBLIC ENTITIES GENERAL INFORMATION

|                      |  |
|----------------------|--|
| Legal form of entity | Public Entity  |
| Registered office    | Cnr Owen Street & Nelson Mandela Drive<br>Bhunga Building<br>Mthatha<br>5100         |
| Business address     | Cnr Owen Street & Nelson Mandela Drive<br>Bhunga Building<br>Mthatha<br>5100         |
| Controlling entity   | Department of Sport, Arts and Culture  |
| Telephone number     | 047 501 9500   |
| Fax Number           | 047 532 3345   |
| Email address        | <a href="mailto:Info@nelsonmandelamuseum.org.za">Info@nelsonmandelamuseum.org.za</a> |
| Website              | <a href="http://www.nelsonmandelamuseum.org.za">www.nelsonmandelamuseum.org.za</a>   |

## ACRONYMS

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



## FOREWORD BY THE CHAIRPERSON

### BACKGROUND

The democratic dispensation was not only a political breakthrough in the history of South Africa. It also dawned on diverse ways of preserving heritage. The establishment of a national museum in a former homeland (Transkei) became a catalyst. The presence of such a museum directly addressed a need to transform heritage and tourism in the country. The Museum was a legacy project and a poignant portrayal of the former world statesman, the late Dr. Nelson Rholihlahla Mandela "Madiba". His legacy foregrounds South Africa's liberation struggle. Utilising the Bhunga building, the Museum innovatively uses visuals and narrative to portray this history.

The commemoration of Nelson Mandela's legacy is a critical heritage output and a socio-economic and political indicator reflecting a story of courage, selflessness and unity. As was the tradition of Madiba to express his views, the Museum has kept that tradition alive. During the historic Rivonia Trial, in the early 1960's, Madiba said "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." This was indeed a commitment of a life-time.

The Museum has carried and also maintained its mandate with dignity and care befitting Tata Nelson Mandela's international footprint. Global partnerships with reputable museums and universities bear testimony to this.

Though there are many strides achieved since the advent of democracy, the sporadic incidents of racial discrimination, gender-based violence, xenophobic attacks, corruption, poverty, and unemployment pose a severe challenge to the 'rainbow nation.' These incidents negate the values of Ubuntu; which South Africans stand for.

Madiba valued education and young people in particular, the Museum's programme for the winter camp and the international youth camp stemmed from his principle of youth development. In contributing to Madiba's legacy, the Museum, in partnership with Nelson Mandela University, introduced a training programme in 2018 focusing on Grade 11 learners. This is an annual programme which will continue to provide cutting edge leadership tools to our future leaders.

### GOVERNANCE

The Council in its collective played a significant role in playing its oversight role. Five Council Committees (Content and Operations; Finance, Infrastructure and Fundraising; Audit and Risk; Stakeholder and Commemoration and Institutional Development) all worked together to align the Annual Performance Plan and the Strategy (2020-2025).

The Museum has maintained an unqualified audit outcome for five years in succession through the Council's oversight role, which are two (2) Unqualified Audit 2016/2017 & 2017/2018 and three (3) Clean Audit outcomes during the 2018/2019, 2019/2020 & 2020/2021 on its financial statements.

The unqualified audit outcomes for four consecutive years, demonstrates our commitment to good corporate governance and accountability. Though this is an achievement, it is a challenge to maintain going forward. However, it is the task the Council and Management are fully equipped to deal with.

The Museum further commits itself to the *Thuma Mina* campaign (a campaign to willingly commit to serve) through various programmes aimed at social cohesion initiatives and projects to improve the livelihoods of South Africans. We also commit to utilise the museum to attract as many investors and philanthropists to Mthatha and the entire Eastern Cape.

This report is presented in the second year after the development of the new strategy of the museum. The strategy mainly focuses on the measurement of outcomes or the impact of activities delivered by the museum under the theme of "**Preservation of the legacy and dissemination of knowledge and information for social cohesion and nation-building as espoused by Nelson Mandela.**" The following strategic outcomes accompany this:

- Functional, Operational, and Successful NMM.

- Well preserved collection and heritage of Nelson Mandela.
- Improved Infrastructure Programme of NMM
- Increased number of off-site, on-site, and digital visitors.
- Educated, informed, and Action-Oriented Citizenry with regards to the Nelson Mandela Legacy.
- Informed policy decision-making based on Research and Evaluation Outcomes.
- Good corporate governance with an enabling workplace environment.
- A highly capable workforce with an enabling work-space environment

Utilizing technology to reach out to the world, and young people is still a priority for the Museum and we will continue to provide exciting programmes to our diverse audience.

During the 2020/2021 financial year, our work was hampered by the Corona Virus Disease 2019 (Covid-19) which affected the global community. As such a number of programmes were revised to enable implementation during the Covid-19 year. Not was it only detrimental to programmes, Covid-19 also affected human life. It was a terrible year in which many of us lost their loved.

As the Council of the Nelson Mandela Museum, we would like to thank the Honourable Minister, Nathi Mthethwa, and the entire Department of Sport, Arts and Culture personnel for the continued support in the execution of our oversight responsibility. As the Council we have deliberated on the new strategy (2020-2025), we are committed to ensure governance principles are entrenched within the institution. We would also like to challenge various stakeholders including but not limited to the Eastern Cape Departments - Sports, Recreation, Arts and Culture as well as Cooperative Governance and Traditional Affairs; OR Tambo District Municipality and the KSD Municipality to be available to not only shield the organisation in times of trouble but to provide meaningful partnership to ensure that we achieve on our mandate. The dedication and sterling contribution of the museum employees led by the capable Executive Management would ensure that the Museum continues to deliver on its mandate despite a number of challenges that cannot go unnoticed.

To my fellow Councillors, thank you, and indeed great things are achieved when we all work together with proficiency and professionalism.

On behalf of the Nelson Mandela Museum Council, we invite all communities to walk this road with us in making sure that the narrative of Nelson Mandela and the liberation struggle are appropriately 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 embraces, lives and propagates the key values of Ubuntu, honesty, integrity, respect and stewardship."***



Dr Nomvuselelo Songelwa  
**Chairperson: Nelson Mandela Museum**

## CEO OVERVIEW

The emergence of the Corona Virus-2019 (COVID-19) which affected the global village affected museums and many industries. Nelson Mandela Museum was one of the affected areas. The impact was in many ways. The museum was forced to completely shut down its facility (Bhunga). Thus unintentionally disenfranchising various communities to engage on the legacy of Nelson Mandela. To align with government's fight against Covid-19, a new approach was redesigned and approved.

Whilst the emergence of Covid-19 created problems, there were also opportunities that arose as a result. Innovation was opted by the museum thus providing a new platform to still share Nelson Mandela's legacy with the world. Technology became the major tool of engaging with the public. Virtual exhibitions and dialogues were held. The use of electronic media, for example, digital television and radio, was used. Through live radio programmes, the museum was able to reach out a remarkable number. These media platforms enhanced the museum's capacity to provide catalytic programmes to its diverse audience. The museum also launched new programmes like the educational programme called *elegacy programme* for learners. This programme also encouraged the museum to improve its ICT infrastructure and skills.

The Virus emerged shortly after the museum approved a new 2020-2025 Strategy and 2020/2021 Annual Performance Plan. With these two plans, the museum was able to continue with the achievements that came as a result of the centennial celebrations of the world statesman, Nelson Mandela. The museum also turned 20 years in February 2020. To mark a 20-year period of existence, a book titled 'A living Legacy' was published. The book traced the museum's early origins, its community relevance and international partners. It also exposed the museum's impact throughout.

Due to Covid-19 regulations and restrictions, the 2020 International Youth Camp, usually held in Germany, was virtually held. The museum had to ensure that learners selected from the rural areas had access to technology and network to enable their active participation. Thus showing the museum's partnership model with international organizations.

As the museum opted for technology to communicate its programmes, there was a constant increase in its social media platforms. This increased number was both domestic and international. These platforms included Facebook, Twitter, website and Instagram.

As an African museum that inspires society through the values of Nelson Mandela, the museum remained true to that philosophy and its convictions. Its programming constitutes a community developmental approach and international profiling.

The impact of financial distress was not only felt by the museum. Its impact was felt across other fields. The museum operated under a severe budget, but it managed to implement its programmes as it planned on the Annual Performance Plan.

The 2020/2021 period was used to prioritise the museum's infrastructure programmes. for example, the renovations to Nelson Mandela Youth and Heritage Centre (Qunu), the facilities management, the preliminary work on the long walk to freedom film set exhibition complex, the new generator.

On the preservation of its collections, the museum has continued to prioritise its artefacts. Plans are in place to ensure the physical safety of the collections. As such the museum has finalised and maintained its heritage inventory. New collections are still received from the public. Research in some of these gifts continues to provide more information about them.

The museum has been buoyed by the achievement of three (3) consecutive clean audit outcomes. Though this has to be sustained and internalised throughout the museum personnel. This also becomes a significant achievement to maintain such a milestone. Thus demonstrating a constant professional working relationship between management and Council and the execution of the audit implementation plan.

The museum's performance during the year under review was at 75%. The real cause of not achieving 100% was due to Covid-19 impact which saw other projects and activities being cancelled as they required physical interaction with the public. For example, visit to schools could not be undertaken as planned.

The museum's procurement during the year under review prioritised women owned businesses and enterprises. During this period, 17% procurement was dedicated to this group.





A major concern though is the continued closure of the Nelson Mandela Youth and Heritage Centre in Qunu. This was due to the renovations conducted by the Department of Public Works. This closure led to the discontinuation of many programmes and income generating streams.

The museum remains an organization willing to partner on pertinent issues with a number of organizations. In 2020/2021 the museum established partnerships with international organizations. Furthermore, the support from the United States Consul in Cape Town to fund the refurbishment of the 'Dear Mr Mandela, Dear Mrs Parks', travelling exhibition is an evidence of this international appeal.

The museum has achieved on its set targets and thus ensuring that budget is utilised for what it was made available for. This two thronged achievement also shows that the museum's financial capacity and internal controls have improved. It also showed that the museum understands the prescripts that govern its operations.

The museum also developed and approved policies to enhance its operations and adherence to the legislations. These included the ICT Governance Framework & Policies and the OHS, etc.

The non-completion of upgrades at the Nelson Mandela Youth and Heritage Centre (Qunu) remains a challenge. Firstly, the museum cancelled programmes that were run in this facility. Secondly, it was contributing towards income generation as it provided accommodation facilities for public use. Thirdly, local employment opportunities were also cut short.

### Overview of the financial results of the Museum Receipts

| Receipts           | 2019/20           |                   |                      | 2020/21           |                   |                      |
|--------------------|-------------------|-------------------|----------------------|-------------------|-------------------|----------------------|
|                    | Budgeted revenue  | Actual revenue    | Over/ Under budgeted | Budgeted revenue  | Actual revenue    | Over/ Under budgeted |
| Government subsidy | 33 686 086        | 33 686 086        | Nil                  | 32 287 602        | 32 287 602        |                      |
| Interest received  | 800 000           | 4 455 693         | 3 655 693            | 460 000           | 3 128 956         | 2 668 956            |
| Donations received | 0                 | 11 991            | 11 991               | 0                 | 670               | 670                  |
| Other revenue      | 30 000            | 100 474           | 70 474               | 60 000            | 134 011           | 82 591               |
| <b>Total</b>       | <b>34 516 086</b> | <b>38 254 244</b> | <b>3 726 167</b>     | <b>32 807 602</b> | <b>35 559 819</b> | <b>2 752 217</b>     |

The museum is not yet generating any revenue; however, the resource mobilisation strategy has been finalised. An array of revenue generation initiatives is in place and would be implemented should the Covid-19 be completely managed.

The variance above is due to the infrastructure-related interest received that has been ring-fenced to only infrastructure-related projects also, the less spending on office costs, travelling & accommodation and events due to Covid-19 pandemic.

### Programme expenditure

| Programme                 | 2019/20           |                    |                        | 2020/21           |                    |                        |
|---------------------------|-------------------|--------------------|------------------------|-------------------|--------------------|------------------------|
|                           | Final allocation  | Actual expenditure | Over/under expenditure | Final allocation  | Actual expenditure | Over/under expenditure |
| Heritage and conservation | R4 280 055        | R4 280 055         | Nil                    | 4 521 854         | 4 521 854          | 0                      |
| Public Engagements        | R4 781 829        | R4 781 829         | Nil                    | 4 935 011         | 4 935 011          | 0                      |
| Governance                | R24 389 123       | 24 769 144         | (R380 021)             | 23 350 737        | 18 784 862         | 4 565 875              |
| <b>Total</b>              | <b>33 451 007</b> | <b>33 831 028</b>  | <b>(R380 021)</b>      | <b>32 807 602</b> | <b>28 241 727</b>  | <b>4 565 875</b>       |

### Reasons for variances

The major drivers to the R812 273 variance are depreciation and savings on travelling expenses, which are non-monetary items and were not budgeted for.

The following funds are earmarked for roll-over to the next financial year

- Heritage Assets R550 000
- Procurement of vehicles R498 000
- Procurement of accommodation facility furnitre and fittings R800 000

The museum didn't incur any irregular, fruitless and wasteful expenditure in the year under review.

### **Supply Chain Management**

There were no unsolicited bids during the year in question. The internal controls and operating systems were effective for the whole year. As a result of the effectiveness of controls, there was no irregular expenditure that was incurred.

The museum is still faced with document management challenges where the bid documents were not stored in one place. Yet, we had sent an employee to document management training to manage the risk effectively.

### **Events after reporting date**

There is no event that happened after reporting date.

New programmes that included the Youth Training Programme, elegacy programme, the Women's Dialogue, International Summit have enabled the Museum to diversify its programming, thereby accommodating new audiences. Through the International Summit, the museum was able to invite international speakers to participate.

Finally, This Annual Report is also a confirmation by the Museum through its Council that it has played its role in fulfilling the mandate. With Covid-19 challenges, the 2020/2021 financial year saw the Museum rekindling Nelson Mandela's values, engage international platforms, and contribute towards economic activities.



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 2021.

Yours



**Chief Executive Officer**

Mr Bonke Tyhulu  
31 August 2021



**Chairperson of the Board**

Dr Nomvuselelo Songelwa  
31 August 2021

## 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, 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:

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

### Constitutional Mandates

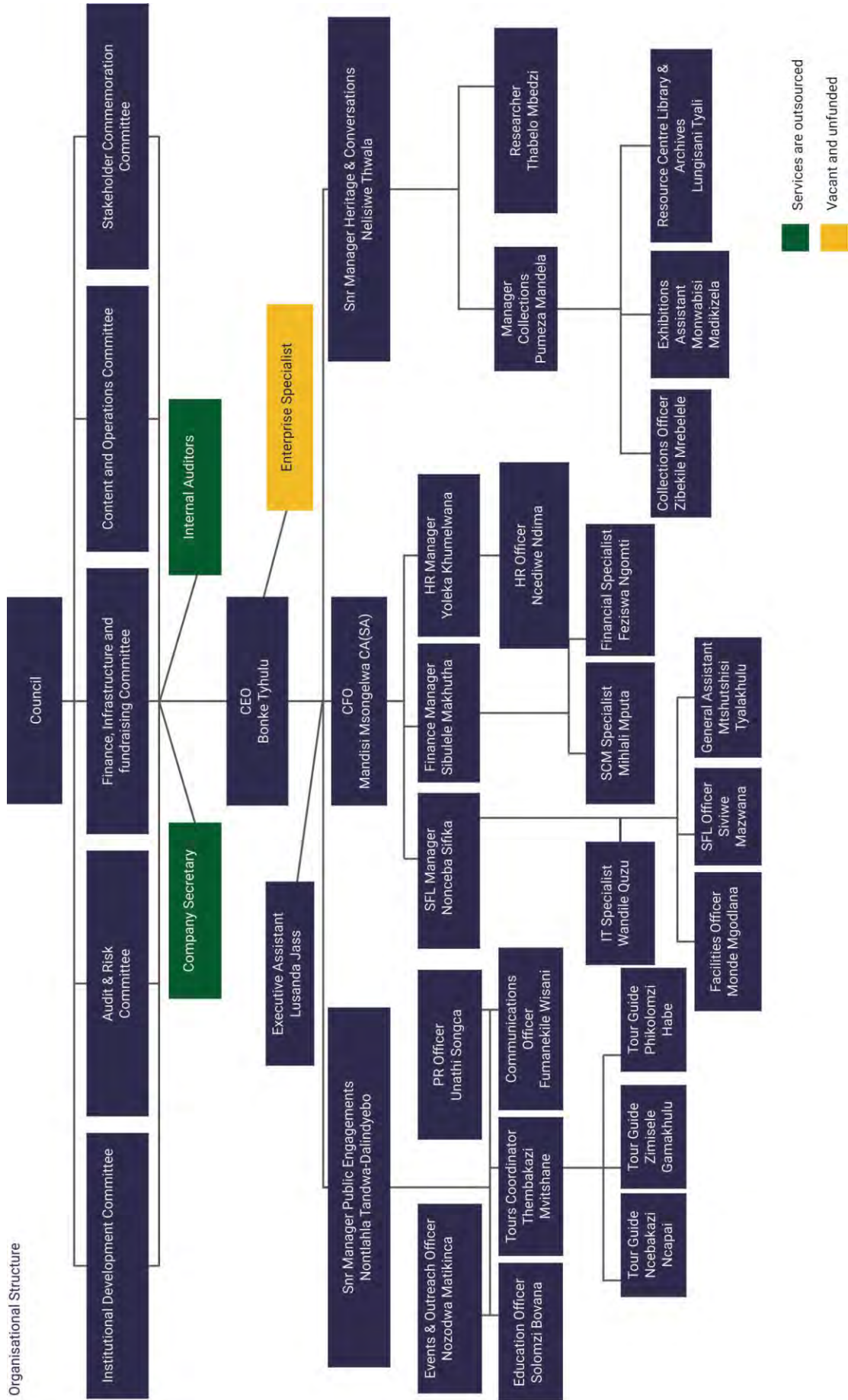
| Source                                       | Directives in terms of the constitution  |
|--|--|
| Constitution of the Republic of South Africa | <p>Recognises the injustices of the past; Honour those who suffered for justices and freedom in our land; Respect those who have worked to build and develop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

### 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

### 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.





Covid-19 awareness for NMM



NMM Management and Executive Assistance





Heritage and Conservation department



Public Engagement department



Corporate Services Department



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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 management report, 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 87 – 92 of the Report of the Auditors Report, published as Part E: Financial Information.

### Overview of Performance

#### Service Delivery Environment

This Annual report presents opportunities for the Museum to accelerate its reach of the national audience, particularly the rural landscape that has 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. The centenary year also provided opportunities for the provision and improvement of infrastructure in Qunu.

While there are general capacity challenges, there is comfort with skills within the management to enhance the Museum's ability to execute the APP. The completion of a heritage assets valuation is still a highlight that NMM categorises as a big milestone. 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 concerning 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, the expectation for museums to contribute to economic activities, Partnerships with national and international institutions, youth engagements, etc.
- Also due to Covid 19 challenges the Museum is being forced to focus more on digitising its work for both conservation purposes and to reach to wider audiences.

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 the 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 a strict financial environment, which affects the 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 the aging workforce, the Nelson Mandela Museum is affected by lower skill 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 and Infrastructure has brought some financial strain to the Museum as it was a revenue-generating facility. Since its closure, the Museum had to terminate the 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 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 the management team to run the Museum daily. The Council also plays its oversight role while also providing strategic direction. The Council was appointed beginning November 2019. Council was fully functional with its five committees, which are:

- Stakeholder and Commemoration Committee (SCC)
- Finance, Infrastructure and Fundraising Committee (FIFC)
- Content and Operations Committee (COC)
- Audit and Risk Committee (ARC)
- Institutional Development Committee (IDC)

The Committees' functioning ensures that there is accountability at management level while the Council can 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 Nelson Mandela Museum's three campuses, only Bhunga is fully operational while Nkosi Mandla Mandela manages Mvezo. Moreover, the closure of Qunu has limited the Museum's programming as some 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, while 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 the collections. Damaged collections cannot be used again, which would be a loss to the generation to come. Hence the current strategy has focuses in digitisation of the collection in consideration of future generation.

Furthermore, the Museum increased its security measures to ensure the artefacts' safety for the future generation. This was done by improving the 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           | Administration                           |
|                |  | 4.2           | Corporate Services                       |

## Performance information by programme

### PERFORMANCE MATRIX

In 2020/21 a new strategy was developed that is outcome based; due to the change on Strategy other years would be not comparable and would be disclosed in a separate table

| Strategic Outcome   | Output   | Planned Target 2020/2021                                      | Actual Achievement 2020/2021                     | Deviation from planned target to Actual Achievement for 2020/2021 | Comment on deviations  |
|---|--|---|--|---|--|
| <b>Well preserved collection and heritage of NMM</b>                    | Implemented a conservation management plan based on ICOM Standards | 2 identified and implemented projects based on ICOM standards | 0 projects                                       | <b>2 Projects</b>   | The department responsible was unable to develop the CMP in the period under review due to limitations paused by Covid 19 restrictions as it needed some research done with other institutions |
|   | New exhibition complex   | Approved new exhibition complex layout designs.               | Concept document                                 | <b>Approved new exhibition complex layout designs</b>             | Development of the layout and designs were delayed due to the interruptions caused by Covid 19 which led to delays in appointment of the technical team responsible.                           |
|   | Developed and implemented a digitization plan                      | Draft plan  | Draft plan                                       | -   |  |
| <b>Implemented Research and Evaluation Outcomes for decision making</b> | Conducted surveys and research.                                    | 0 Research Conducted or Commissioned                          | 0 Research Conducted or Commissioned             | -   |  |
|   | Hosted digital exhibitions temporary exhibitions                   | 1 Developed Comprehensive Covid-19 Response Plan              | 1 Developed Comprehensive Covid-19 Response Plan | -   |  |
| <b>Education informed and action-orientated citizenry</b>               | Install traveling exhibitions                                      | 2 hosted digital exhibitions                                  | 4 exhibitions                                    | <b>2 exhibitions</b>  | Due to Covid 19 challenges, more virtual content had to be developed.  |
|   | Install traveling exhibitions                                      | 0 travelling exhibitions installed                            | 0 travelling exhibitions installed               | <b>0 travelling exhibitions installed</b>                         |  |

| An African museum that inspires positive change in society through the legacy and values of Nelson Mandela |   |  |  |   |   |
|--|---|--|--|---|---|
| Strategic Outcome  | Output  | Planned Target 2020/2021   | Actual Achievement 2020/2021                 | Deviation from planned target to Actual Achievement for 2020/2021 | Comment on deviations   |
|  | Developed travelling exhibitions  | 2 travelling exhibitions developed   | 2 travelling exhibitions developed           | <b>1 travelling exhibitions developed</b>                         | Dear Mrs. Parks, Dear Mr. Mandela Traveling Exhibitions was revamped partially in the 2020/21 using the donated funds.  |
| <b>Increased number of off, on-site, and digital visitors.</b>   | Packaged and segmented messages for targeted markets and audiences.<br>Offsite digital visitors | 10 Platforms utilised to profile, market, and Communicate the work of the NMM (Electronic, Digital, social media)<br>15% of 1 500 000 increase in number of off- site digital visitors | 15 platforms<br>5% of 1 500 000              | <b>5 platforms</b><br><b>10% of 1 500 000</b>                     | The over-achievements are due to co-partnering with other stakeholders and other build-up programs at no additional costs<br>Due to lockdown, the museum had to close for almost 9 months, this impacted the number of visitors to the museum |
|  | Improved marketing of the Museum within South Africa and Abroad                                 | 0 international expos attended   | 0 International expos                        | -   |   |
| <b>Educated, informed, and action-oriented citizenry</b>   | The geographic spread of community engagements held   | 0 community engagements held   | 0 community engagements held                 | -   |   |
|  | Geographical spread of schools and instituted of higher learning visited                        | 0 schools visited  | 0 schools visited                            | -   |   |
|  |   | 9 learning platforms and engagements held  | 12 learning platforms and engagements        | <b>3 learning platforms and engagements</b>                       | The over-achievements are due to co-partnering with other stakeholders and other build up programmes and no additional costs incurred.  |
|  | Accessed public scholarship/fellowship, learnership and internship                              | 0 public scholarship/fellowships, learnership, and internship  | 0  | -   |   |
|  | Informed citizens about Covid-19 in response to Covid-19 plan                                   | 25 Conducted Covid-19 Awareness campaigns and supply PPEs  | 28 awareness campaigns                       | <b>2 awareness campaigns</b>                                      | Due to the number of deserving targeted people, the museum had to supply more than the expected number of PPE's within the allocated budget.  |
|  |   | 5 conducted Covid-19 awareness campaigns and supply food parcels   | 6 conducted Covid-19 awareness campaigns and | <b>1 conducted Covid-19 awareness campaign and supply food</b>    | Due to the number of deserving targeted people, the museum had to supply more than the  |

| An African museum that inspires positive change in society through the legacy and values of Nelson Mandela |   |   |   |  |  |
|--|---|---|---|--|--|
| Strategic Outcome  | Output  | Planned Target 2020/2021  | Actual Achievement 2020/2021  | Deviation from planned target to Actual Achievement for 2020/2021  | Comment on deviations  |
| <b>Functional, Operational, and Successful NMM.</b>  | Revenue Generation Strategy                         | R0 Revenue Generation.  | supply food parcels<br>R0   | parcels<br>-   | expected number of food parcels within the allocated budget.   |
|  | Signed copies of established MOUs/MOAs              | 5 signed copies of established MOUs/MOAs  | 4 signed copies of established MOUs/MOAs  | <b>1 signed copy of established MOUs/MOAs</b>                      | There were delays in concluding of MOU's between NMM and stakeholders as a result of lockdown as other institutions were unable to work virtually.   |
|  | Economic programmes created.                        | 8 stakeholder engagement platforms<br>0 sustainable economic opportunities created. | 8 stakeholder engagement platforms<br>0 sustainable economic opportunities created. | -<br>-   |  |
| <b>Improved Infrastructure Programme of NMM</b>  | Infrastructure Development Programme                | 80% of funded and implemented UAMP projects   | 50% of funded and implemented UAMP projects   | <b>30% of funded and implemented UAMP projects</b>                 | Due to the COVID-19 pandemic, the Museum had to close for almost 6 months, which resulted in halting the procurement process. As such, there was no implementation of funded UAMP projects during the lockdown period. An amendment has been done to the APP in order to mitigate the risk of not achieving the indicator in the next coming year. |
| <b>Good corporate governance and financial management systems.</b>   | Corporate Council approved and clean administration | 10% Budget of Total Infrastructure spent on qualifying SMMEs                        | 13% Budget of Total Infrastructure spent on qualifying SMMEs                        | <b>3% Budget of Total Infrastructure spent on qualifying SMMEs</b> | The over-achievement is due to many infrastructure projects awarded to deserving and qualifying SMME's during the last 2 quarters of the year.   |
|  | Developed and approved strategies                   | Approved Charter<br>Unqualified Audit Outcome                                       | Approved Charter<br>Unqualified Audit Outcome                                       | -<br>-   |  |
|  |   | 3 strategies developed and approved   | 2 strategies developed and approved   | <b>1 strategy developed and approved</b>                           | This is an issue of the timing difference between the development and approval dates.  |



| Strategic Outcome  | Output                                     | Planned Target 2020/2021           | Actual Achievement 2020/2021       | Deviation from planned target to Actual Achievement for 2020/2021 | Comment on deviations   |
|--|--|------------------------------------|------------------------------------|---|---|
| A highly capable workforce with an enabling workplace environment. | Approved Risk Maturity Barometer           | 3 Risk Maturity Barometer Level    | 5 Risk Maturity Barometer Level    | 2 Risk Maturity Barometer Level                                   | Two strategies were developed in Q4 of 2020 and approval was obtained in April 2021 (Q1). As a way forward, management will amend the APP so to ensure that no time differences exists between the development and approval dates<br>The target for the year was 3% risk maturity and the actual results<br>Per National Treasury Risk assessment tool was 5%, 2% higher than the planned target. |
|  | Approved workplace skills development plan | 1 workplace skills plan developed. | 1 workplace skills plan developed. | -   |   |

## The performance for the comparative year i.e. 2019/20

| An African museum that inspires positive change in society through the legacy and values of Nelson Mandela                  |                                       | Deviation from planned target to Actual Achievement for 2019/2020 |                                 | Comment on deviations  |
|---|---------------------------------------|---|---------------------------------|--|
| Strategic objectives  | Planned Target 2019/2020              | Actual Achievement 2019/2020                                      |                                 |  |
| To facilitate intergenerational learning platforms and conversations that discuss the values of Nelson Mandela              | 8 Platforms conducted                 | 15 Platforms conducted  | <b>7 platforms conducted</b>    | Additional programmes executed as a result of saving achieved as other partners provided additional resources                                |
| To develop and interpret values of Nelson Mandela through exhibitions   | 8 Geographical locations reached      | 10 Geographical locations reached                                 | <b>2 geographical location</b>  | There was a growing demand from other museums to access the NMM's travelling exhibitions.  |
| To apply proper maintenance of exhibitions and exhibition spaces and/or to develop new exhibitions for educational purposes | 2 exhibitions maintained or developed | 6 exhibitions maintained or developed                             | <b>4 Exhibitions</b>            | The malfunctioning air conditioners caused the painting's contraction, accumulating dust due to many visitors coming to the Museum.          |
| To research museum collections for better understanding and sustainable use   | 100 items to researched               | 115 items to researched   | <b>15 items</b>                 | The Museum conducted more research due to the collection being nominated for declaration as a national estate.                               |
| To conduct research interviews on gaps identified and unrecorded theme related topics                                       | 24 Interviews                         | 34 Interviews   | <b>10 interviews</b>            | This was a result of further referrals by the people identified for interviews for further follow-ups.                                       |
| To collect and properly record library and archives material for easy retrieval   | 60 items                              | 241 items   | <b>181 items</b>                | There was additional assistance provided.  |
| To interpret items of collection and record information database for auditing purposes                                      | 800 items                             | 850 items   | <b>50 items</b>                 | There was additional support provided due to additional personnel.   |
| To facilitate focused understanding of the Museum through the development of learning material                              | 1 Learning Material Produced          | 1 Learning Material Produced                                      | <b>0</b>                        |  |
| To create in-person and digital platforms of community engagement   | 1 Community engagements               | 2 Community engagements   | <b>1 Community engagements</b>  | The over-achievement was a result of an invite to attend the Beach Sport organised by ORTDM  |
| To brand and market museum activities   | 3 expos attended                      | 5 expos attended  | <b>2 expo</b>                   | Additional programmes caused Over-achievement as the Museum was invited by other stakeholders to participate in their programmes             |
| To profile the Nelson Mandela Museum brand through various markets  | 1 strategy                            | 0 strategy  | <b>1 strategy</b>               | Under-achievement was caused delayed analysis of data from other tourism players.  |
| To ensure a functioning Council that provides effective oversight and accountability in accordance with the Council Charter | 4 Council Meetings                    | 7 Council Meetings  | <b>3 Council Meeting</b>        | Over-achievement was due to a special Council meeting to approve AFS in May 2019 and a new Council induction and Strategy workshop.          |
| To profile the Nelson Mandela Museum brand through various markets  | 20 Committee Meetings                 | 25 Committee Meetings   | <b>5 Committee Meetings</b>     | The reason for over-achievement is the formation of the Governance, Ethics, and Social Committee in May 2019 and special Committee meetings. |
| To provide guidelines for raising of funds to finance museum programmes   | 0 fundraising strategy                | 0 fundraising strategy  | <b>0</b>                        |  |
| To create financial stability for the Museum  | 4 initiative                          | 0 initiative  | <b>4 Fundraising Initiative</b> | Late approval of the fundraising that prohibited the execution of  |

| An African museum that inspires positive change in society through the legacy and values of Nelson Mandela  |                              |                                    |  |
|---|------------------------------|------------------------------------|--|
| Strategic objectives  | Planned Target<br>2019/2020  | Actual<br>Achievement<br>2019/2020 | Deviation from planned<br>target to Actual<br>Achievement for<br>2019/2020 |
|   |                              |                                    | Comment on deviations  |
| <b>To promote good corporate Governance</b>   | 2 policies                   | 4 policies                         | <b>2 policies</b>  |
| <b>To ensure sound management and administrative systems</b>  | 1 unqualified audit outcome  | 1 unqualified audit outcome        | 0  |
| <b>To ensure sound financial management</b>   | 100% Compliance              | 100% Compliance                    | 0  |
| <b>To optimally develop and manage human capital</b>  | 1 workplace skills plan      | 1 workplace skills plan            | 0  |
|   | 100% performance agreements  | 100% performance                   | 0  |
| <b>To ensure effective utilisation, safe and clean environment of the museum infrastructure</b>   | 1 User Asset Management Plan | 1 User Asset Management Plan       | 0  |
| <b>To ensure alignment of IT goals with business strategic goals</b>  | 1 IT governance              | 0 IT governance                    | 0  |
| fundraising activities. The Museum also looks to appoint a resource mobilisation team.<br>There were delays in approving 2 policies from the previous year and were approved in the first council meeting of the 2019/20. These are policies that are required to effectively run the operations of the Museum. |                              |                                    |  |

## Strategic objectives, 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 2017/2018 | Actual Achievement 2018/2019 | Actual Achievement 2019/2020 | Planned Target 2020/2021  | Actual Achievement 2020/2021                     |
| Number of identified and implemented projects based on ICOM standards  | N/A                          | N/A                          | N/A                          | 2 identified and implemented projects based on ICOM standards   | 0 projects                                       |
| Approved new exhibition complex layout designs.  | N/A                          | N/A                          | N/A                          | Approved new exhibition complex layout designs. Draft plan  | Concept document                                 |
| Draft plan of Digitisation strategy  | N/A                          | N/A                          | N/A                          | Draft plan  | Draft plan                                       |
| Number of Research Conducted or Commissioned   | N/A                          | N/A                          | N/A                          | 0 Research Conducted or Commissioned  | 0 Research Conducted or Commissioned             |
| Developed Comprehensive Covid-19 Response Plan   | N/A                          | N/A                          | N/A                          | 1 Developed Comprehensive Covid-19 Response Plan  | 1 Developed Comprehensive Covid-19 Response Plan |
| Number of hosted digital exhibitions   | N/A                          | N/A                          | N/A                          | 2 hosted digital exhibitions  | 4 exhibitions                                    |
| Number of travelling exhibitions installed   | N/A                          | N/A                          | N/A                          | 0 travelling exhibitions installed  | 0 travelling exhibitions installed               |
| Number of travelling exhibitions developed   | N/A                          | N/A                          | N/A                          | 2 travelling exhibitions developed  | 3 travelling exhibitions developed               |
| Number of Platforms utilised to profile, market, and Communicate the work of the NMM (Electronic, Digital, social media) | N/A                          | N/A                          | N/A                          | 10 Platforms utilised to profile, market, and Communicate the work of the NMM (Electronic, Digital, social media) | 15 platforms                                     |
| % increase in number of off- site digital visitors   | N/A                          | N/A                          | N/A                          | 15% of 1 500 000 increase in number of off- site digital visitors   | 5% of 1 500 000                                  |
| Number of international expos attended   | N/A                          | N/A                          | N/A                          | 0 international expos attended  | 0 International expos                            |
| Number of community engagements held   | N/A                          | N/A                          | N/A                          | 0 community engagements held  | 0 community engagements held                     |
| Number of schools visited  | N/A                          | N/A                          | N/A                          | 0 schools visited   | 0 schools visited                                |
| Number of learning platforms and engagements held  | N/A                          | N/A                          | N/A                          | 9 learning platforms and engagements held   | 12 learning platforms and engagements            |
| Number of public scholarship/fellowships, learnership, and internship  | N/A                          | N/A                          | N/A                          | 0 public scholarship/fellowships, learnership, and internship   | 0  |
| Number of Conducted Covid-19 Awareness   | N/A                          | N/A                          | N/A                          | 25 Conducted Covid-19   | 28 awareness                                     |

| An African museum that inspires positive change in society through the legacy and values of Nelson Mandela |                                  |                                   |                                   |  |  |
|--|----------------------------------|-----------------------------------|-----------------------------------|--|--|
| Performance Indicator  | Actual Achievement 2017/2018     | Actual Achievement 2018/2019      | Actual Achievement 2019/2020      | Planned Target 2020/2021   | Actual Achievement 2020/2021                                     |
| campaigns and supply PPEs  |                                  |                                   |                                   | Awareness campaigns and supply PPEs                              | campaigns  |
| Number of conducted Covid-19 awareness campaigns and supply food parcels                                   | N/A                              | N/A                               | N/A                               | 5 conducted Covid-19 awareness campaigns and supply food parcels | 6 conducted Covid-19 awareness campaigns and supply food parcels |
| Revenue Generation.  | N/A                              | N/A                               | N/A                               | R0 Revenue Generation.   | R0   |
| Number of signed copies of established MOUs/MOAs   | N/A                              | N/A                               | N/A                               | 5 signed copies of established MOUs/MOAs                         | 4 signed copies of established MOUs/MOAs                         |
| Number of stakeholder engagement platforms   | N/A                              | N/A                               | N/A                               | 8 stakeholder engagement platforms                               | 8 stakeholder engagement platforms                               |
| Number of sustainable economic opportunities created.  | N/A                              | N/A                               | N/A                               | 0 sustainable economic opportunities created.                    | 0 sustainable economic opportunities created.                    |
| % of funded and implemented UAMP projects  | N/A                              | N/A                               | N/A                               | 80% of funded and implemented UAMP projects                      | 50% of funded and implemented UAMP projects                      |
| Budget % of Total Infrastructure spent on qualifying SMMES   | N/A                              | N/A                               | N/A                               | 10% Budget of Total Infrastructure spent on qualifying SMMES     | 13% Budget of Total Infrastructure spent on qualifying SMMES     |
| Approved Charter   | N/A                              | N/A                               | N/A                               | Approved Charter   | Approved Charter   |
| Unqualified Audit Outcome  | N/A                              | N/A                               | N/A                               | Unqualified Audit Outcome  | Unqualified Audit Outcome  |
| Number of strategies developed and approved  | N/A                              | N/A                               | N/A                               | 3 strategies developed and approved                              | 2 strategies developed and approved                              |
| Number of Risk Maturity Barometer Level  | N/A                              | N/A                               | N/A                               | 3 Risk Maturity Barometer Level                                  | 5 Risk Maturity Barometer Level                                  |
| Number of workplace skills plan developed.   | N/A                              | N/A                               | N/A                               | 1 workplace skills plan developed.                               | 1 workplace skills plan developed.                               |
| Number of learning platforms and conversations held  | 5 Platforms conducted            | 12 Platforms conducted            | 7 Platforms conducted             | N/A  | N/A  |
| Number of Geographical locations reached   | 9 Geographical locations reached | 10 Geographical locations reached | 10 Geographical locations reached | N/A  | N/A  |
| Number of collections researched   | 100 items to research            | 103 items to research             | 115 items to researched           | N/A  | N/A  |
| Number of sites included in the Liberation Heritage Route  | N/A                              | N/A                               | N/A                               | N/A  | N/A  |
| Number of exhibitions maintained/developed   | N/A                              | 7 Exhibitions                     | 6 Exhibitions                     | N/A  | N/A  |
| Number of interviewed conducted  | N/A                              | 25 Interviews                     | 34 Interviews                     | N/A  | N/A  |
| Number of library and archives material acquired, catalogued and classified                                | N/A                              | 837 items                         | 241 items                         | N/A  | N/A  |
| Number of artefacts labelled and entered into the inventory  | N/A                              | 990 items                         | 850 items                         | N/A  | N/A  |
| Number of learning material produced   | 1 Learning Material              | 1 Learning Material               | 1 Learning Material               | N/A  | N/A  |

| An African museum that inspires positive change in society through the legacy and values of Nelson Mandela |  |  |                                     |                          |                              |
|--|--|--|-------------------------------------|--------------------------|------------------------------|
| Performance Indicator  | Actual Achievement 2017/2018           | Actual Achievement 2018/2019           | Actual Achievement 2019/2020        | Planned Target 2020/2021 | Actual Achievement 2020/2021 |
| Number of community engagement platforms   | Produced<br>6 Community engagements    | Produced<br>N/A                        | Produced<br>2 Community engagements | N/A                      | N/A                          |
| Number of learning engagements and conversations held  | 4 Platforms conducted                  | 6 platforms                            | 8 platforms                         | N/A                      | N/A                          |
| Number of branding, marketing activities and expos   | 3 expos attended                       | 4 expos and shows                      | 5 expos attended                    | N/A                      | N/A                          |
| Number of marketing strategies developed   | 0                                      | 0 Strategy developed                   | 0 strategy                          | N/A                      | N/A                          |
| Number of events implemented   | 3 Activities Held                      | 6 events                               | 5 events                            | N/A                      | N/A                          |
| Number of Council and Committee meetings held  | 5 Council Meetings held                | 5 Council Meetings                     | 7 Council Meetings                  | N/A                      | N/A                          |
| Number of fundraising strategies developed   | 27 Committee Meetings                  | 20 Committee Meetings                  | 25 Committee Meetings               | N/A                      | N/A                          |
| Number of fundraising initiatives to be held   | 0 fundraising strategy                 | 1 fundraising strategy developed       | 0 fundraising strategy              | N/A                      | N/A                          |
| Number of policies, procedures and systems developed   | 0 Fundraising initiative               | 0 Fund Raising initiative              | 0 initiative                        | N/A                      | N/A                          |
| Improved Audit Outcomes  | 10 policies                            | 0 policies and Procedures              | 4 policies                          | N/A                      | N/A                          |
| Compliance with PFMA and Treasury Regulations  | 1 unqualified Audit Outcome            | 1 Unqualified Audit Outcome            | 1 unqualified audit outcome         | N/A                      | N/A                          |
| Compliance with budget and supply chain management   | 100% Compliance                        | N/A                                    |                                     | N/A                      | N/A                          |
| Compliance with SCM, PFMA and Treasury Regulation  | 100% Compliance                        | N/A                                    |                                     | N/A                      | N/A                          |
| Number of human capital initiatives  | 1 Workplace skills plan                | 1 Workplace skills plan                | 1 workplace skills plan             | N/A                      | N/A                          |
| User Asset Management Plan Completed(UAMP)   | 27 Performance Contracts               | 100% Performance contracts             | 100% performance                    | N/A                      | N/A                          |
| Number of IT governance manual developed   | 1 User Asset Management Plan Completed | 1 User Asset Management Plan Completed | 1 User Asset Management Plan        | N/A                      | N/A                          |
|  | N/A                                    | 1 IT governance manual                 | 0 IT governance                     | N/A                      | N/A                          |

The explanation of variances between actual and target for 2020/21 are as per the table above

## Strategy to overcome areas of underperformance

In the current financial year, there were only three areas underachieved, i.e., development of marketing strategy & IT governance and fundraising strategy implementation—late approval of the fundraising strategy that prohibited the execution of fundraising activities. The Museum also looks to appoint a resource mobilisation team. The underachievement in the development of IT governance was due to limited knowledge; however, the Museum is currently busy with ICT Strategy, which would detail how it would use the ICT to develop the Museum further. Lastly, the underachievement on marketing strategy was caused by delayed analysis of data from other tourism players. These would be carried over to the next financial year.

## Changes to planned targets

There were no changes during the 2020/21 financial year from the planned APP.

## Linking performance with budgets

The spending was in line with the approved budget.

| Activity          | 2019/20          |                  |                  | 2020/21    |                  |                  |
|-------------------|------------------|------------------|------------------|------------|------------------|------------------|
|                   | Budget           | Actual           | (Over)/Under     | Budget     | Actual           | (Over)/Under     |
| Total Income      | 34 516 086       | 38 254 244       | 3 738 158        | 32 287 602 | 35 559 819       | 2 752 217        |
| Total Expenditure | 33 451 007       | 33 831 028       | 380 021          | 32 807 602 | 28 241 751       | 4 565 875        |
| <b>Total</b>      | <b>1 065 079</b> | <b>4 423 216</b> | <b>4 118 179</b> | <b>0</b>   | <b>7 318 068</b> | <b>7 318 068</b> |

## Revenue Collection

DSAC allocates all revenues as operational grants except for revenue from finance income amounting to R 4 556 167 (2020: R 2 234 602) and donations from the public.

| Programme                       | Amount      | Explanation   |
|---------------------------------|-------------|---|
| Heritage and conservation       | R4 521 854  | There was no increase in the Museum's budget except the inflationary increase. Though the Museum requires additional personnel to function optimally, there was no budget for that. For example, specialist skills that include: marketing and communication specialist, designers, conservators, and web designers, entrepreneurship. The Museum has grown, and to match its growth, such skills would have been commensurate with its intended strategic focus. This inflationary increase is far from being enough for operations of the core business. As a result, this harmed the size, audience, and geographical location, etc. of programmes |
| Public engagement and marketing | R4 935 011  | The Museum had managed to meet most of the indicators linked to this programme with the limited resources allocated. However, there is still a challenge with the size, audience, and geographical location of these programmes   |
| Administration                  | R23 350 737 | The inflationary increase adjusted all running costs. Over the period, the Museum will continue adjusting employees' compensation at an average of 6,5%, which is in line with National Treasury Guidelines.  |

## Conditional grants and earmarked funds received

During the 2020/21 financial year, there were no conditional grants received.



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an agency of the  
Department of Sport, Arts and Culture

# PROGRAMME 1



**HERITAGE AND CONSERVATION**



# PROGRAMME 1

## HERITAGE AND CONSERVATION

### Background Information

The Nelson Mandela Museum Heritage and Conservation department/ Programmes Department is regarded as the Museum's primary or core department. 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 development and taking care of temporary, permanent as well as travelling exhibitions, research, archives and library services. The above activities are executed on the following key areas of delivery:

### Learning platforms and conversations

Heritage and Conservation is tasked with conducting four learning platforms per year with one in each quarter. For the year 2020/21, the actual performance was five due to a joint seminars hosted with other institutions such as University of Stellenbosch Museum, in partnership with Department of Sport, Arts and Culture and the Department of Sport, Recreation, Arts and Culture. As part of keeping Nelson Mandela memory and legacy alive, the museum hosted a seminar in July to celebrate the Mandela month, in August to celebrate a Women's month, in September to celebrate the Heritage month, in October to create awareness on GBV and an International seminar in February to commemorate the release of Nelson Mandela and museum establishment.

These learning platforms are aimed to stimulate a debate on the values that Nelson Mandela represented. These engagements also aimed to give a platform to advocate non-violent solutions towards the world peace, respect for human rights and tolerance amongst communities, and the world.

### Exhibitions

To explore Nelson Mandela's life and contexts within which he lived and worked the museum uses permanent, temporary and travelling exhibitions to educate and promote the legacy and values which Nelson Mandela embodied. Two permanent exhibitions: Meaning of Mandela and Collection of gifts. One temporary exhibition: Mandela and Luthuli: in Conversation.

Nine travelling exhibitions are:

- Parenting a nation
- Mandela and Luthuli: In conversation
- Dear Mr Mandela Dear Mrs Parks: Children's letters
- Madiba with love
- Mandela photographic exhibition
- Quilt Exhibition
- Freedom Exhibition
- Long Walk to Freedom Exhibition



Freedom Exhibition



Quilt Exhibition

## Exhibition developed

The museum developed two travelling exhibitions in partnership with other institutions. These exhibitions were “Freedom Exhibition” curated in partnership with University of Winchester and a Quilt exhibition curated in partnership with Michigan State University Museum and Quilters Network

Over and above the two above mentioned new exhibitions, uploaded on the museum’s digital platform “Dear Mr Mandela Dear Mrs Parks” and Parenting a Nation exhibition.

These exhibitions assist and extend the museum footprints and also to reach out to disadvantaged communities that cannot visit the physical structure in Mthatha, Eastern Cape. They travel to different provinces of South Africa and they are always in demand. The loaning term is six months with an allowance of one extension, provided no other institution requests to loan in after the lapse of the first loaning period.

## Exhibitions maintained

The museum does provide effective exhibit maintenance support service for various interpretive exhibits whether permanent, temporal or travelling. There were two travelling exhibitions that returned to the museum that is Madiba with Love exhibition due to security issues and Mandela and Luthuli exhibition due to some repairs that were needed in the exhibition. Basic cleaning of objects is done once a year or when need arises and vary depending on the composition of the individual object.

## Collections

### Donations

The museum has acquired 94 more objects through donations from individuals, organisations and schools and have been added to the current collection, updated and valued accordingly.

### Restored Artworks

70 Artworks were restored as per the recommendations by conservation specialists and re-valued as they were valued prior to the restoration.

## Research

Research conducted on 285 objects that were donated anonymously for scholarly purposes, publications exhibitions, public programming and declaration of the museum collection by SAHRA.



Career Expo Ngqeleni



Mandela Institute Donation

## Interviews conducted

25 interviews were conducted to fill gaps in the current museum exhibitions unearth untold and unrecorded information

## Covid -19 Stories

Twenty Covid- 19 stories were collected from people around South Africa and in London to share their experiences, whether affected or infected during and post the national lockdown and how the pandemic changed their daily activities. Out of these stories an exhibition will be fabricated. This project was done in collaboration with University of Winchester in London.

## Library

### Collection Management

The museum has a small library within the premises which also comprises an archives section. The total number of books so far is 1 670 and the collection is still continuing. These are books about Nelson Mandela, apartheid history, Museology, Anthropology, Xhosa history and culture.

The archives section is still on its establishment stage. The collection is low in number as the museum is still collecting. Donations of such material are appreciatively accepted. Both library and archives material donation will assist in enhancing the museum offering for more educational and enjoyment of its patrons.

### Outreach Programme

In February, the Library Section hosted the World Read Aloud Day in partnership with the Nelson Mandela Institute, DSRAC and O R Tambo District Municipality; an annual event celebrated in February. Participating schools were Qunu JSS, Thandokazi SPS, Mvezo JSS, Mqhekezweni JSS, Dale College and Holy Cross Education Centre.

20 T-Shirts, 20 face shields, and 20 sanitisers donated by Chemical Solutions for the participating learners. There were also 200 books from Africa Rising and another 40 books from the Nelson Mandela Institute, which were donated to the participating schools.

In February hosted Career Expo at Nyandeni in partnership with the Nkosi Nonkobongo Library (DSRAC), in March, career Expo in Clarkbury in partnership with Department of Education.





*Career Expo Ngqeleni*



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# PROGRAMME 2



**PUBLIC ENGAGEMENT**



## PROGRAMME 2

# Public Engagement

### 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/gifts (Content & Motion) and the visible authentic sites of Nelson Mandela's upbringing. The department is also used as a communication vehicle of information from all our departments and to our strategic partners, community and stakeholders. The department enhances the Museum's digital activities and promotes our cultural and heritage space, and a key responsibility to preserve Nelson Mandela's legacy and to live his value through robust programming.

### Learning platforms

Nelson Mandela Museum's learning platforms are designed to educate, inform learners and students about museum education programmes and to encourage learners and students to debate and interrogate Nelson Mandela's values towards Social Cohesion and National Building. Museum's learning platforms further involve Youth Camps, International Caps, Career Expos and outreach programming aimed at visiting schools to inform them about museum educational programmes and offerings. These platforms have expanded to the digital space where we see the Museum hosting virtual dialogues, e-legacy online classrooms for learners, developing of learning material to be distributed in schools and be accessed on the website. Some of the programmes are hosted by the Museum in partnership with different stakeholder. The target for learning platforms is 9 but the museum managed to exceed the number because of partnership with different stakeholders. The learning platforms include:

#### a. Schools outreach programmes

It must be noted that the 2020/2021 was officially at Level 5 of the Lockdown restrictions and was then adjusted to Level 3 which meant that the Museum continued to perform its activities with caution to observe all COVID-19 rules, protocols and regulations. The Museum focused on the school outreach programme activations which form part of the learning platforms and engagements during the financial year. Only one quarter that the museum could not cover the school outreach programme due to alert Level 5 Lockdown restrictions. A total number of appointments were secured with the schools in the Eastern Cape. The school outreach programmes give opportunities to communities and schools that cannot visit the museum and benefit to the services offered by the museum. Below are different learning platforms and engagement programmes conducted:



#### *School Outreach*

- **Virtual School Debate**

The Virtual Youth Debate is a solution project to the halt of interaction programmes such as the annual Youth Camp and International Youth Camp brought upon by the coronavirus pandemic. It is a project that allowed virtual interaction between the Youth of South Africa and the museum. The virtual youth debate not only served as a solution project but also presented opportunities to young people to utilise their writing skills in order of standing a chance to win digital devices to help them through the new online learning phase that South Africa is also stepping into.

The Youth of South Africa were invited in partaking in a National Youth Debate which was facilitated by the National Youth Ambassador – Nosipho Hani where learners from grade 10 – 12 were requested to write a discursive essay of 400 – 600 words in any of the South African official languages to discuss their views and opinions on **“How can the youth of today promote the culture of teaching and learning in order to uphold the vision of the youth of 1976”**. The top 3 essays were then eligible for the youth debate on Trufm and SAfm.



*School Outreach*

- **E-legacy classroom**

The museum became innovative during the COVID-19 and indulged in technological and digital platforms to continue engaging and servicing our audiences and stakeholders. The museum introduced an e-legacy online classroom for students from grade 6 to 12, working closely with the Department of Education, with topics that are curriculum inclined such as 'road to democracy', history of apartheid and that of Nelson Mandela.

The e-Legacy Online Classroom is one of the museum's ways into educating learners digitally. It is a project that will assist learners learn more on the legacy of Nelson Mandela and his values as well as how the museum upholds his legacy which so strongly shaped South Africa today.

The free online classes run on Tuesday and Thursday afternoons where learners will also have access to e-tutors who will be assisting the registered e-legacy learners with their weekly tasks, fun and interactive activities but most importantly guiding them through the digital lessons and placing them at the forefront of the digital revolution. The research content on the lessons will be uploaded to the google classroom and classes commenced on the 21<sup>st</sup> of July 2020 until to date. Applications are still open for learners to apply via museum's website.



*E-legacy Classroom with NMM*

- **E-legacy Competition**

There was a competition running during the sessions on the e-legacy classroom that was focusing on commemorating and honouring the lives that have been claimed by AIDS, a disease that Nelson Mandela championed; and also the impact of Nelson Mandela's campaign - 46664. The names of the top three (3) winners were announced on 15 December 2020. They each won Christmas hampers and a certificate of participation.

- **Heritage School Competition**

The Museum embarked on a research project to empower learners with research skills and also make them aware of their heritage and identity and also identify heritage sites in their localities and how to value their heritage. Invitations were issued to eight provinces to provide one grade 10 and grade 11 learners from each school to participate in the Museum's heritage school competition. Eastern and Western Cape Provinces, KwaZulu-Natal, Mpumalanga, Gauteng, Free State, North West and Limpopo provinces responded to the invitation and only three provinces that include North West, Limpopo and Free State that could not be able to take part in the competition. Even though some of the provinces did not take part, the response and enthusiasm was overwhelming as demonstrated by the entries the Museum received from those provinces.

Five best essays of the learners in Grade 10 and three Grade 11 were selected to present their work orally through Zoom platform. In Grade 11, Diko Ambesa from Holy Cross High in the Eastern Cape, Mhlongo Samkelisiwe from Sitintile SSS from Mpumalanga, Mnisi Nsuku from Leondale Secondary as well as Modisenyane Neo from Lebohang Secondary in Gauteng Jula Amahle from Mshweshwe High in KZN made it to the virtual oral presentations. The three who made it in Grade 10 were Mulaudzi Masase from Leondale Secondary in Gauteng, Luthuli Dineo from Mcothoyi High in KZN and Mzingeli Emihle from Qokolweni High School in the Eastern Cape.

The prizes won were in the form of tablets and cell phone. The small contribution by the museum was trying to bridge the technological divide and to enhance the innovativeness of the learners. The Museum also encouraged and promoted reading through these book vouchers so as to enquire knowledge. The project taught students research skills and to think independently and in an innovative way.

- **GBV School Dialogue**

The Museum participated in a virtual school dialogue focusing on violence against women and children which was hosted by Songe Social Change and Beyond Zero on the 8<sup>th</sup> of December. The dialogue focused on the Eastern Cape, Limpopo and Free State and the purpose was to support women who are abused and to educate learners on issues that violate the rights of women and children in the country that include femicide prevalent, HIV and AIDS, sexual transmitted infections and ukuthwala. Learners from different schools participated in the dialogue focusing on their understanding of GBV in schools and its impact, and on the understanding of ukuthwala as part of GBV, that is violating their rights and its psychological effects. The speakers in the dialogue were from Songe Social Change, Beyond Zero, Adolescent Girls and Young Women, National Youth Development Agency, Department of Justice, Department of Social Development, Department of Health and Education as well as Thuthuzela Care Centre.



*GBV Prayer and launch of 16 days of activism at Nyandeni LM*



### Human Rights Dialogue

The Department of Sport, Arts and Culture in partnership with the Nelson Mandela Museum hosted a panel discussion to continue the conversation on Human Rights from the perspective of health, the use of Indigenous Knowledge Systems and modern medicine in the battle against the pandemic. The event took place at the Nelson Mandela Museum from 15h00 until 17h00 on the 26<sup>th</sup> of March 2021. It was a live broadcast on Umhlobo Wenene FM and TruFM.

The dialogue was hosted under the 2021 Human Rights Month theme: ***“The Year of Charlotte Maxeke: Promoting Human Rights in the Age of COVID-19”***. The dialogue deliberated on the role of Indigenous Knowledge Systems in the context of traditional and modern medicine and the extent to which all forms of knowledge can be harnessed for the achievement of the greater good. Furthermore, it also discussed the issues of gender and COVID-19 pandemic given the fact that women have been affected the most by the ravages of this pandemic.

During the launch of the of Human Rights Month, the life story of struggle stalwart and human rights campaigner Charlotte Maxeke was discussed, as this year marks her 150<sup>th</sup> anniversary. During the dialogue her life was part of the discussion and not only to memorialize her but to ensure that the current generation of younger women also draw inspirations and lessons from his illustrious and rich legacy.

- **Human Rights Essay**

The Nelson Mandela Museum in collaboration with the Robben Island Museum, hosted the Human Rights Camp in Qunu, Mthatha in 2018. Learners engaged on human rights as they presented orally their

understanding of human rights. The best presenters were taken on a trip to Robben Island. The Human Rights Month falls perfectly within the scope of the museum's mandate.

This year the Museum continued with the concept and invited learners to take part in an essay competition on Human Rights Day. The essay topic was to discuss what the learners know or their understanding of human rights in South Africa and completed essays were to be submitted to the Nelson Mandela Museum on the 08<sup>th</sup> of April 2021. Ten (10) best essays will be selected for virtual oral presentation which will be adjudicated over by a team of professional adjudicators from the Department of Education. On the 15<sup>th</sup> of April 2021 three (3) best orally presented essays were selected and won an all paid trip by the Museum to visit the Sharpeville Massacre Memorial Site.

The competition was to ensure that young people or learners are aware of their rights and that of others and to understand the history of human rights in South Africa as enshrined in the South African Constitution. For learners, this was a chance to meet learners from other provinces and share their experiences.



*Human Rights Gardens Community Training*

- **International Youth Camp**

The Nelson Mandela Museum has a strong working relationship and partnership with Anne Frank House Museum in Lower Saxony, Germany which dates back from 2007. Every year around the month of March or April, the Museum is invited and to bring along five learners to be part of the yearly International Youth Camp in Germany. Through the partnership learners from disadvantaged backgrounds and schools, are afforded an opportunity to participate in the camps in Germany and also give them space to interact with other international learners from various cultural and social backgrounds.

However, in 2020 the International Youth Work Camp (IWC) was cancelled owing to the outbreak of the COVID 19 pandemic. The organisers of the youth camp which are the Museum's Germany partners decided that this year the camp should go digital from the 25<sup>th</sup> to the 31<sup>st</sup> of March 2021 under the theme: "**Transnational Youth in Remembrance – IWC goes Digital**". During the duration of the camp, learners would be engaged in research, investigative journalism, art production in a form of posters and banners. The aims and objectives of the camp was to express history through the learners' exploration of the multi-lingual materials on exhibitions in an attempt to address different ways in which history, memory and remembrance are dealt with in their respective countries.

South Africa was represented by 10 learners from the Eastern Cape, Western Cape, Mpumalanga, Gauteng as well as KwaZulu-Natal provinces. Five learners were identified during the Nelson Mandela Museum Winter Camp which took place in 2019 to be part of the International Youth Camp in 2020. Those schools where learners were identified offered another opportunity to identify learners for the 2021 digital camp. Extended invitations to other provinces and education districts provided with other five learners. The camp took place at

Green Park Lodge in Mthatha, a venue organised by the Museum with digital devices for learners to connect in class during the camp.

## Learning material produced

The museum has produced one learning material (Nelson Mandela Museum Booklet) during the year under review. The booklet caters for the Grade 7-11 learners to inspire them. It promotes social cohesion and cultural tolerance and also helps in stimulating critical thinking through analysis systems. It talks more about the history of Nelson Mandela as an internationalist embraced by the world for his democratic values and beliefs. The booklets that the Museum distributed are the products and contributions of learners that interact with the Museum's engagement.

## 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 give 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. Through these trade shows and expos, the Museum is now known globally about its offerings and has created partnerships with the international partners. There were no expos and trade shows during the financial year due to the outbreak of COVID-19 pandemic. However, there were marketing activities that were hosted virtually and physically in promoting and marketing the museum's products and offerings.

### a. Tourism Awareness

The King Sabata Dalindyebo Municipality hosted a virtual tourism and heritage awareness programme on the 18<sup>th</sup> of September 2020 in line with government priorities on tourism development. The Museum participated on the programme. The tourism cluster reported serious losses and contributed less in the Gross Domestic Product as the result of the COVID-19 restrictions on movement of people.

The programme was a platform to sensitize our communities about the importance of tourism for economic development and also a platform to promote museum's products and offerings and introducing new virtual programmes that are accessed in our digital space. The platform also assisted the museum to announce the re-opening of its doors to public to allow tourists to visit the museum and view our exhibitions and artefacts. The programme was ongoing, ensuring that the municipality and its stakeholders reach out to all communities within the KSD. It was attended by tourism practitioners in the Eastern Cape Province.

### b. Joint COVID-19 activities

The COVID-19 plan saw all units of the museum collaborate in activities that included the distribution of masks at the OR Tambo District Municipality pension pay points as well as the food parcels to the needy community members of OR Tambo District Municipality. The municipality include the King Sabata Dalindyebo, Mhlontlo, Ngquza Hill, Nyandeni and Port St Johns. With the distribution was the awareness creation of how people can protect themselves against the virus as well as compliance with the government regulations regarding the fight against the spread of COVID-19. This was done in collaboration with the SASSA team.





*COVID-19 Awareness at SASSA paypoints*

**c. Eco tourism centre**

The Nelson Mandela Museum, in partnership with Siyakhana Growth and Development, have established a project of Human Rights Gardens in the Qunu village, along Nelson Mandela Heritage Trail. The project was piloted in Qunu Junior Secondary School, Milton Mbekela High school and Qunu clinic. The objective of the project is to alleviate poverty and ensure food security and also contribute in the school nutrition programme and community beneficiation. The sites will be seen as eco-tourism centres for tourists that are visiting the museum. The partnership between the museum and Siyakhana will be exploring the wider agricultural value chain and there have been some engagements with the community, who have expressed much interest in having food gardens on these sites and their homesteads. For maintaining the gardens, the schools and School Governing Bodies will take responsibility on the project.

**d. Marketing Exhibition Launch**

On the 30<sup>th</sup> of March 2021 the community of Beaufort West had a privilege to interact with and interrogate Nelson Mandela historical journey through Mandela Photographic Exhibition that was launched at Beaufort West Museum, as part of the Human Rights month. The launch of the exhibition was a joint programme between the two museum.

The Mandela Photographic Exhibition formed part of the 2010 Soccer World Cup soccer game hosted by the South Africa and features Nelson Mandela's collection currently not in the public domain, some prominent leaders on the globe, longstanding President of the African National Congress President Oliver Tambo,

National Party leaders and African National Congress members prior 1994, and Mandela's family and an authentic place of birth and upbringing.

The Grade 11 learners from two (2) high schools around the area were part of the launch and made presentations around the Human Rights Day theme: A pragmatic approach to human rights. The learners also engaged on the history of apartheid and the democratic regime during Nelson Mandela.

## 5. Publications

The museum procured advertisement space from various publications in order to promote its geographical location and its offerings. The museum could not be able to procure the magazines in all the quarters due to restrictions of COVID-19.

### a. Skyways

The museum procured a full page advert from Skyways magazine. Skyways is the in-flight entertainment magazine exclusive to Airlink, is published with the business traveller in mind. The publication offers an unrivalled opportunity to promote, advertise and communicate with the captains of industry of Southern African business. Today, Airlink flies to more local destinations than any other regional airline, operating over 4,000 flights per month and servicing more than 37 destinations in Southern Africa. Airlink carries more than 1,400,000 passengers in more than 40 routes, completing by way of 46,000 flight missions annually and providing convenient connections through their alliance with SAA and the Star Alliance carrier's global networks throughout Southern Africa and the world

### b. African Safari

The museum further procured a full page advert from African Safaris, a prestigious, high-gloss quarterly publication aimed at those who want, and can afford to experience Africa in luxury. The quarterly magazine reaches the inbound tourists directly, through tour operators in Africa's key and emerging markets. Additional and targeted distribution ensures that African Safaris is read by the local and international corporate and niche markets.

## Events implemented

The museum hosted a number of activities in celebration of Nelson Mandela Release, Mandela Day and Commemoration Day, Human Rights Garden, soup kitchen, GBV programmes and donation of food parcels. The events assist in promoting and sending the message to the external community about our services. It is where different communities gather to celebrate and commemorate the life and times of Nelson Mandela. Our audiences showcase their talents and their intellectuals during such programmes.

### a. Soup kitchen

The museum hosted three activities on the 18<sup>th</sup> of July during Nelson Mandela's birthday. The activities were hosted to celebrate his day which is known as the International Mandela Day. The museum spent its 67 minutes with 100 street kids around Mthatha.

In preparation of the soup kitchen, the museum hosted an online public deliberations followed by a virtual launch of its two exhibitions. The planned soup kitchen took place the whole day at the Railway station in Mthatha. It was a joint programme with Ibandla LaseMthini Evangelical Movement and it targeted mainly the homeless kids of Mthatha. They were served with cooked soup, bread and coffee in the morning and with rice, cabbage, carrots and chicken and soft drinks during lunchtime. The museum further donated hundred masks to protect themselves and to comply with COVID-19 regulations.



*Soup kitchen as part of Oureach programme*



#### **b. GBV Prayer Service**

On the 26<sup>th</sup> of November 2020 the Nelson Mandela Museum joined hands with the Nyandeni Municipality in hosting a prayer service for gender based violence scourge at Nyandeni Municipality Hall. The Museum identified the prayer service, as churches have a significant role in speaking out against violence and addressing the stigma associated with issues of sex and gender inequality. The prayer service coincided with the launch of 16 days of activism against women and children. The aim of the prayer service was to raise awareness on the prevention and on the response to gender based violence, to motivate communities to speak out against injustices and not to walk away as most perpetrators of crime get away unpunished.

Faith Based Organisations, Department of Social Development, South African Police Services and Non-Governmental Organisations formed part of the programme and emphasised the need to speak out when there are acts of violence. During the sharing session there was consensus on how services of these institutions impacted the lives of women, men,

The Museum is positive that this platform encouraged a positive dialogue on issues of gender based violence and further educated women, men, girls and boys to break the silence of abuse as it was well attended, with more than 100 attendees. The programme was in an enclosed venue and the Museum expected 150 attendees due to the Lockdown restrictions. The Museum is also planning to host such programmes in other provinces to motivate communities to speak out against the acts of violence on women and children.

#### **c. Launch of 16 days of activism**

The Museum embarked on a worldwide campaign to oppose violence against women and children. The campaign was officially launched by OR Tambo District Municipality on the 26<sup>th</sup> of November at Ngqeleni municipality hall and its aim was to raise awareness of negative impact that violence and abuse have on women and children and to get rid of abuse permanently. The launch of the campaign to oppose violence against women and children formed part of the programme. In addition to being aimed at raising awareness about and eradicating gender-based violence, the 16 days of activism is also a campaign aimed at raising awareness about gender inequalities and the stereotypes that exist about gender. Gender inequality and gender stereotypes affect the everyday lives of women. Through the launch it was emphasised that there should never be a day when gender-based violence and unfair discrimination against women are tolerated. These 16 days must reflect on the fights that have been won, the people who have lost their lives and the battle that lies ahead.

#### **d. Donation of food parcels**

The launch of 16 days of activism against women and children was followed by donation of hundred food parcels to the beneficiaries of Ngqeleni and Libode under Nyandeni Municipality. The Executive Mayor of Nyandeni Municipality, OR Tambo District Councillor and the Nelson Mandela Museum distributed 100 food parcels to the beneficiaries. This initiative is one of the museum's programmes in response to COVID-19 pandemic. Since the start of Level 4 Lockdown, the museum has distributed 400 food parcels to disadvantaged communities, within the O.R Tambo District Municipality. The museum continued with the programme to Ngquza Hill that are amongst the municipalities to benefit in the programme.



Food parcels donation as part of outreach programme



#### e. Reconciliation Day

The Reconciliation Day event which was a provincial event was organised by the Department of Sport, Recreation, Arts and Culture, Office of the Premier in the Eastern Cape, Eastern Cape Legislature and the Nelson Mandela Museum. The event took place on the 15<sup>th</sup> of December on a virtual platform.

The Museum in collaboration with the Provincial Government and stakeholders planned to host the 7<sup>th</sup> commemoration of Nelson Mandela's passing in Mthatha on 05 December 2020 to immortalize his massive contribution to freedom and democracy. This was planned to be a hybrid physical and virtual commemoration as 150 guests would be hosted (125 guests and 25 Local Organizing Committee members). Those South Africans who were not going to access the event physically would be assisted through virtual livestreaming on Government Website and Facebook including radio and other online platforms. The event was postponed due to the rising numbers of COVID-19 in the Eastern Cape.

It was then celebrated together with the Day of Reconciliation. This year's event was dedicated to Nelson Mandela as a Global Champion for Reconciliation and also acknowledged formation of the armed wings of the PAC (Apla) and ANC (Umkhonto weSizwe) that were launched 59 years ago, with specific reference to Umkhonto weSizwe that was launched on 16 December 1961 with Nelson Mandela as its Commander-in-Chief. Owing to rapid spread of Covid-19 pandemic in the province, the event was hosted virtually and livestreamed on the Facebook page of the Department of Sport Recreation Arts and Culture (DSRAC). The virtual platform was used as a vehicle to take Nelson Mandela's message for peace, unity and reconciliation forward, and to plant the seed of Ubuntu in a manner that prevents acts of xenophobia from taking place again.

Different speakers were honouring the life and times of Nelson Mandela and other freedom fighters, the formation of Umkhonto Wesizwe and its importance in the liberation of the country. The Nelson Mandela Museum launched its 20<sup>th</sup> anniversary book during the event titled: **A living legacy: Nelson Mandela Museum celebrates two decades.** This book reflects on the Museum's work since its existence. It highlights the Museum's achievements, milestones, history and heritage, economic development, social capital, youth training, and international partnerships of the last 20 years and is available on the website.

#### f. International Museum Summit

To mark the release of Nelson Mandela from prison and the formation of the museum, a virtual international summit was held on 10 February 2021 with the Department of Sport, Arts and Culture; Department of Sport, Recreation, Arts and Culture and Nelson Mandela Museum partnering. The theme of the summit was **"The release of Nelson Mandela: How it shaped current South Africa and the world."** Key speakers came from the following institutions: Michigan State University (Profs Kurt Dewhurst and Marsha Macdowell), Walter Sisulu University (Dr Jongikhaya Mvenene); University of Winchester (Mr Matthew Lowden and Mr Sam Smith); George Washington University (Prof Xolela Mangcu); Department of Sport, Arts and Culture (Dr. Abraham Serote) and Department of Sport, Recreation, Arts and Culture, MEC, Honourable Fezeka Nkomonye).

#### g. Mandela Release Debate

On the 18<sup>th</sup> of February 2021, the Nelson Mandela Museum celebrated the 31<sup>st</sup> anniversary of Nelson Mandela's release from Victor Verster Prison in Paarl in 1990. The Museum celebrated this milestone through a round table discussion on SAFM from 10h00 until 12h00. The programme began at 10h00 until 12h00 featuring two (2) Mandela Reception Committee members – Mr Trevor Manuel, Dr Sydney Mufamadi and Ms. Ndileka Mandela, Nelson Mandela's grand daughter.

The discussion was a platform to honour Nelson Mandela who sacrificed his life fighting for the liberation of this country. It was also a platform to give speakers an opportunity to bring those memories and to provide clear understanding on their task at hands in preparation of his release and after the release. The speakers reminded those who participated on the programme not to look at the past through the lens of the present and that life was very difficult at that time. The discussion also provided an opportunity for listeners to interact with the speakers. The topics that were discussed during the discussion include the following:

- Political preparedness and democratic future in South Africa
- Readiness on Nelson Mandela's release and its activities
- Memoir of Nelson Mandela's years as President

The discussions also focused on Nelson Mandela's era as the first black President of the democratic country. During his presidency, Mandela worked so hard to protect South Africa's economy and to address poverty, inequalities, unequal access to social services and infrastructure.

#### **h. Human Rights Gardens**

The Museum in partnership with Siyakhana Growth and Development hosted the Human Rights Gardens event on the 18<sup>th</sup> of March at Qunu Junior Secondary School. The event was a result of a project of reviving human rights gardens and introducing eco-tourism in schools and clinics for tourism and heritage development along the Nelson Mandela Heritage Trail between the two parties. Siyakhana Growth and Development is operating in the Mqanduli district with relations with three rural based local schools used as models to implement integrated and multidisciplinary methodology to address issues such as nutrition and food security amongst the learners, water, sanitation, energy and infrastructure in schools.

Different government departments, Non-Government Organisation (NGOs), tourism sector at King Sabata Dalindyebo and OR Tambo District municipality, Sustainable Tourism Partnership Programme, local farmers, elderly centres and community members that are linked to tourism and food security attended the event. There was a handing over of AgriSETA accredited certificates to local subsistence farmers of Qunu that were trained by Siyakhana Training Academy on the day of the event. The recipients of accredited certificates acquired theoretical knowledge in food production and practical training on their existing programme. The event was celebrated to give power of Vukuzenzele as Nelson Mandela said that a garden was one of the few things in prison that one could control. It also encouraged youth and older persons to see agricultural food production as a tool to alleviate poverty and to have economic spin-offs.

### **Media and Communication**

The museum procured advertisement space from various publication in order to promote twentieth anniversary programmes that include International Mandela Day, Mandela Release Day and Reconciliation Day. In promoting and marketing the events, 20<sup>th</sup> anniversary branding was developed and the museum used various media platforms to promote its programmes, that include radio, television, print, digital media and Nelson Mandela Museum social media pages and website.

The museum also procured advertisement space during its activities and the rationale behind advertisement was to inform the audience of the planned events. Radio and print media that covered the activities include the following: Daily Dispatch, Sunday Times, Mthatha Express Media, SABC Umhlobo Wenene FM, and SAFM, SABC 404, Morning Live Trufm, UCR, Port St Johns, Ingwane FM, Thobela FM, Local Voice Media and Keith Ngesi. The museum received improved online presence as the museum introduced e-programmes for website content and social media sites. The rate of people visiting the museum platforms digitally continues to increase significantly.



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# PROGRAMME 3



**ADMINISTRATION**



## PROGRAMME 3

### Administration

The primary 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 the User Asset Management Plan.

#### Council Meetings

NMM held seven Council Meetings, which all quorate throughout the year. The first meeting for the year was held in April 2020, and the last meeting was in January 2021 for the Council to dispense their oversight duty. The additional meetings were a result of a need to approve strategies and concept documents.

#### Council Committees

All five committees were effective the whole year, with each meeting for more than four times a year, which is above the number as expected by the charter of four times. The extra meetings were necessitated by extra work that had to be completed as well.

#### Fundraising Strategy and Activities

Late approval of the fundraising strategy that prohibited the execution of fundraising activities. The Museum also is looking to appoint a resource mobilisation team.

#### Development of policies and processes

This performance indicator is linked to the CEO's office. However, in the 2017/18, the Museum reviewed and developed policies for the first time since 2010. In 2020/2021, there were four policies instead of two because there were delays in approving two policies from the previous year and were approved in the first council meeting of the 2020/2021 financial year. These are policies that are required to effectively run the operations of the Museum. All policies would be reviewed once in a 3-year cycle or when the need arises to encompass new economic changes.

#### Improvement in the Audit Report and Compliance with Laws and regulations

The Museum has retained the unqualified audit report with no material findings from the AGSA.

All the requirements of PFMA, GRAP, and Treasury regulations were adhered to.

#### Human Capital Initiatives

Only one performance indicator is within this umbrella, i.e. Work Place Skills Plan. This indicator had been adhered to as per the requirements of the strategic document.

## User Asset Management Plan

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

### Built -in environment

The Security, Facilities, and Logistics unit is responsible for the Nelson Mandela Museum's safe and clean environment. The Nelson Mandela Museum 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 is temporarily closed due to maintenance conducted by the Department of Public Works (DPW).

The main project, which is Qunu based condition maintenance, includes the upgrade of the sewer system that has been a challenge to the Museum for many years. The sewer upgrade will be accompanied by the renovation of the buildings and some facelifts of certain structures that will ensure that the material used can withstand the elements of nature and are durable. NNM has committed to co-fund the project for capital works items to be included in this project's scope. To ensure the adherence to all technical requirements.

The final handing over of the site for construction purposes was on the 12 August 2019, and practical completion will be on the 02 September 2021.



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# 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 concerning 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.

Therefore, this programme is responsible for overall institutional co-ordination, accountability, planning, policy development, monitoring, and risk management. The main entities involved in this programme are the Museum Council, Office of the CEO, and the Corporate Services Function, including 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 the 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 no material misstatements;
- Addressing issues raised by the Auditor-General and internal auditors to sustain an unqualified audit opinion with no material misstatements for the financial years 2020/21 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 the finance unit to achieve a better outcome; and
- User Asset Management Plan

In the discharge of their mandate, the Museum Council and council committees had more than 4 meetings as required by the Charter.

### Council and Council Committees

The Nelson Mandela Museum is established by an Act of parliament, the Cultural Institution Act no. 119 of 1998 as amended by the Minister of Arts and Culture.

The Minister of Arts and Culture appoints members of the public to form Council as the Accounting Authority for the Museum's affairs in terms of the enabling Act and its Regulations in line with corporate governance principles. Currently, the Museum council/Accounting Authority consists of ten (10) 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 spell out their roles and responsibilities.

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

## Council Committees and their Terms of Reference

### Executive Authority

The Ministry of Arts and Culture has 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

During the year, the term of the Council came to an end, and the Minister of DSAC appointed the new Council. The new Council, composed of 10 members, governs the Nelson Mandela Museum. The Council has 5 committees, namely:

#### 1. Content and Operations Committee (COC)

- Advise the 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 (ARC)

- 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, Infrastructure and Fundraising Committee (FIFC)

- Oversees financial planning and management
- Monitors financial performance of NMM
- Monitors compliance with financial objectives as set out by the council in line with the PFMA and Treasury Regulations
- Reviews quarterly economic forecasts and reports
- Approves the budget adjustments
- Assists the Nelson Mandela Museum Council to plan, coordinate, and implement fundraising initiatives to support the Nelson Mandela Museum's programs, projects, and activities.
- Provides direction to ensure that the Nelson Mandela Museum is donor-centric and adheres to fundraising best practices.

#### 4. Institutional Development Committee (IDC)

- Oversees human resources policy development
- Ensures workforce 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
- Provides 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. Stakeholder and Commemoration Committee (SCC)

- Planning, coordination, implementation, and evaluation and monitoring of all Museum activities.
- Reporting to Council on all the above regularly without undue delays.
- Having a duty to advise and to guide both management and the Council in line with the policy of Nelson Mandela Museum

#### Composition of Council

The following is the composition of our councillors:

## NMM COUNCIL MEMBERS



**DR N. SONGELWA**  
*Chairperson of the Council*



**ADV. T NEVONDWE**  
*Deputy Chairperson*



**CLLR K GONTSE**



**CLLR M BAVUMA**



**CLLR S MADIKIZELA**



**CLLR S MZAMO**



**CLLR Z HLATSHWAYO**



**DR MASUKU**



**CLLR J NHLAPHO-HLOPE**



**PROF. B MNGOMEZULU**

## AUDIT AND RISK COMMITTEE MEMBERS



**ADV. T NEVONDWE**



**ADV. S PETER**



**CLLR S MADIKIZELA**



**MR N. BALOYI**



| Name              | Designation   | Date of appointment | Date of Resignation | Qualifications   | Area of expertise  | Meetings attended |
|-------------------|---|---------------------|---------------------|--|--|-------------------|
| PROF B MNGOMEZULU | Chairperson of Content committee                          | 2019                | -                   | PhD in African Political History (Rice University-Texas-USA) May 2004<br>M.A in Politics (UNISA) September 2007  | Heritage and conservation                                      | 23                |
| MR K GONTSE       | Chairperson of Institutional Development Committee        | 2019                | -                   | National Diploma in Security Risk Management (UNISA)<br>National Intelligence Agency Security Managers Course  | Business and organisational development                        | 23                |
| MR S MZAMO        | Member of Community development and fundraising committee | 2019                | -                   | Master of Business Administration Business School Netherlands (BSN) -  | Community development  | 31                |
| ADV T NEVONDWE    | Member of the Institutional development committee         | 2019                | -                   | Masters of Laws (LLM) University of Venda (2005)   | Business administration, finance and Institutional development | 20                |
| DR N SONGELWA     | Council Chairperson                                       | 2019                | -                   | Doctor of Philosophy in Social Science, University of Witwatersrand, 2009<br><br>College of Agriculture and Life Sciences, Cornell University, New York International Certificate on Environmental Education, 2000<br><br>International Certificate on Environmental Education, Rhodes University, 1998<br><br>Master of Philosophy of Science Education, University of Western Cape, 1995<br><br>Bachelor of Education, University of Transkei, 1991<br><br>Bachelor of Science. University of Transkei, 1986 |  | 9                 |
| MR M R BAVUMA     | Council Member  | 2019                | -                   | National Diploma: Journalism, Nelson Mandela University,   |  | 28                |

| Name                   | Designation    | Date of appointment | Date of Resignation | Qualifications  | Area of expertise | Meetings attended |
|------------------------|----------------|---------------------|---------------------|---|-------------------|-------------------|
|                        |                |                     |                     | (2005)<br><br>Honours Degree:<br>IsiXhosa, Nelson<br>Mandela University<br>(2017)   |                   |                   |
| MS J NHLAPHO-<br>HLOPE | Council Member | 2019                | -                   | Masters of Business<br>Administration,<br>Hensley Business<br>School: University of<br>Reading, 2012<br><br>MA population and<br>Development, Institute<br>of Social Science:<br>Erasmus University,<br>The Hague, 1998.<br><br>BA Social Science,<br>University of<br>Swaziland, 1987  |                   | 15                |
| DR S MASUKU            | Council Member | 2019                | -                   | Doctor of Philosophy in<br>Education<br>(Environmental<br>Education) Rhodes<br>University,<br>Environmental<br>Learning Research<br>Centre – South Africa,<br>2015-2019<br><br>Master of Education in<br>Environmental<br>Education (cum laude)<br><br>Rhodes University -<br>South Africa, 1997 to<br>1999<br><br>Master of European<br>Leisure Studies<br><br>Vrije Universiteit<br>Brussels - Belgium,<br><br>Katholieke Universiteit<br>Brabant - The<br>Netherlands,<br><br>Loughborough<br>University - The United<br>Kingdom,<br><br>Universidad de Deusto<br>– Spain, 1991 to 1992<br><br>BA Humanities &<br>Concurrent Diploma in<br>Education – |                   | 25                |

| Name                 | Designation                              | Date of appointment | Date of Resignation | Qualifications  | Area of expertise                | Meetings attended |
|----------------------|--|---------------------|---------------------|---|----------------------------------|-------------------|
|                      |  |                     |                     | University of Swaziland, 1981 to 1986   |                                  |                   |
| MS Z<br>HLATSHWAYO   | Chairperson of Stakeholder Commemoration | 2019                | -                   | Masters class in Strategy Execution, Stellenbosch University, Business School, 2018<br>Introduction to Public Sector Monitoring & Evaluation, Stellenbosch University, Business School, 2018<br>Introduction to Project management. University of Cape Town, 2017.<br>Post graduate, Management Advancement Programme, University of the Witwatersrand.<br>Post graduate Diploma, in Education, University of Botswana, 1988<br>B.A. Humanities, University of Botswana, 1987 |                                  | 16                |
| MR S<br>MADIKIZELA** | Chairperson of Finance Committee         | 2018                | 2020                | CA (SA)<br>Bcom Hons  | Business administration, finance | 14                |

\*\* Mr S Madikizela resigned during the year.

## COMMITTEES OF COUNCIL

| Committee   | Meetings held | Members | Committee members   |
|---|---------------|---------|---|
| STAKEHOLDER<br>COMMEMORATION COMMITTEE                | 7             | 3       | Ms. Hlatshwayo<br>Mr. Bavuma<br>Mr. Mzamo   |
| FINANCE, INFRASTRUCTURE,<br>AND FUNDRAISING COMMITTEE | 5             | 4       | Mr. Madikizela<br>Mr. Gontse<br>Mr. Bavuma<br>Dr. Masuku  |
| CONTENT AND OPERATIONS<br>COMMITTEE                   | 5             | 6       | Prof Mngomezulu<br>Mr. Bavuma<br>Dr. Masuku<br>Ms. Nhlapho-Hlope<br>Mr. Mzamo<br>Ms. Hlatshwayo             |
| AUDIT AND RISK COMMITTEE                              | 5             | 4       | Adv Nevondwe<br>Mr. Madikizela<br>Adv Gugwini-Peter (independent member)<br>Mr. Baloyi (independent member) |
| INSTITUTIONAL DEVELOPMENT<br>COMMITTEE                | 8             | 4       | Mr. Gontse<br>Mr. Mzamo<br>Ms. Nhlapho-Hlope<br>Prof. Mngomezulu  |

## 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 EXCLUDING AUDIT & RISK MEMBERS

| Name              | Remuneration     | Other Allowances | Other reimbursement | Total            |
|-------------------|------------------|------------------|---------------------|------------------|
| PROF B MNGOMEZULU | R 71 737         | -                | -                   | R 71 737         |
| MR K GONTSE       | R 94 802         | -                | -                   | R 94 802         |
| MR S MZAMO        | R 83 108         | -                | -                   | R 83 108         |
| ADV T NEVONDWE    | R 67 479         | -                | -                   | R 67 479         |
| MR S MADIKIZELA   | R 36 192         | -                | -                   | R 36 192         |
| DR N SONGELWA     | R 36 494         | -                | -                   | R 36 494         |
| MR M BAVUMA       | R 70 180         | -                | -                   | R 70 180         |
| DR S MASUKU       | R 54 002         | -                | -                   | R 54 002         |
| MS NHLAPHO-HLOPE  | R0               |                  |                     | R0               |
| MS HLATSHWAYO     | R0               |                  |                     | R0               |
| <b>TOTAL</b>      | <b>R 513 994</b> |                  |                     | <b>R 513 994</b> |

*Ms. Nhlapho-Hlope and Ms. Hlatshwayo are not paid honoraria for Museum Business attendance as they are state employees.*

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

The Nelson Mandela Museum management 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)<br>ND: Journalism | Senior Manager: Public Engagement and Marketing |

## EXECUTIVE MANAGEMENT



**MR B TYHULU**  
*MA (History-UFH)*

CHIEF EXECUTIVE  
OFFICER



**MR M MSONGELWA**  
*CA (SA)*

CHIEF FINANCIAL  
OFFICER



**MS. N THWALA**  
*BA Honours (Anthropology)*

SENIOR MANAGER-  
HERITAGE & CONSERVATION



**MS. N TANDWA-DALINDYEBO**  
*Master of Arts (Media Studies)*  
*ND: Journalism*

SENIOR MANAGER: 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 an appropriate IT governance framework.
- Inadequate safety and security control measures for artefacts
- Lack of disaster management plan in place (a natural disaster may damage artefacts)
- Inadequately planned revenue generation (no charge/ tariff for tour guiding in the Museum, entrance fee, facilities rental.)

An enterprise-wide risk assessment was conducted, and the internal control system was effective for the year under review. The audit report from the Auditor-General has confirmed this.

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

## INTERNAL AUDIT AND AUDIT COMMITTEES

The work and critical activities performed by both Internal Audit and Audit Committees are outlined in the Report of the Audit and Risk Committee for the period 2020/21 below.

## COMPLIANCE WITH LAWS AND REGULATIONS

To ensure compliance, we had developed the policies that would apply 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 available for each person who suspects the fraudulent activity to contact. An anonymous box can also be used to complain if the action relates to an employee. In the 2020/21 financial year, there have 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 compete with the Museum. At the same time, the Museum still employs that employee.

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.

## Health Safety and Environmental issues

NMM has an OHS policy and policy statement which stipulates measures and compliance according to OHS regulations. The museum has appointed a Safety Officer who is ensuring safety measures are in place. The

building is compliant; there is also a Safety Committee responsible for monitoring the safety measures and making recommendations. There are first aiders that were trained, and more safety training will be conducted on staff.

#### B-BBEE Compliance performance information

| Criteria  | Response Yes/No | Discussion   |
|---|-----------------|--|
| Determining qualification criteria for the issuing of licenses concessions or other authorisations in respect of economic activity in terms of any law? | No              |  |
| Developing and implementing a preferential procurement policy?  | Yes             | Ensuring that any acquisition of goods or services between R30 000 and R50 million is evaluated using the 80/20 preference point system where price accounts for 80 points and the service provider's BBEE level of compliance accounts for 20 points.         |
| Determining qualification criteria for the sale of state-owned enterprise?  | No              | NA   |
| Developing criteria for entering into partnerships with the private sector?   | Yes             | As part of ensuring efficient service delivery to the public, the collaboration with the private sector is paramount.<br>This is done in line with our stakeholder engagement strategy to partner with reputable and value-adding private sector stakeholders. |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?                | No              | NA   |

# Report of the Audit and Risk Committee for the period 2020/21

## Introduction

The Committee is pleased to present its close-out annual report for the financial year ending 31 March 2021.

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 designed to add value and improve the Museum's operations. 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: 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
- The 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 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                   | 7 <sup>TH</sup> July 2020 | 16 <sup>th</sup> July 2020 | 28 <sup>th</sup> September 2020 | 15 <sup>th</sup> October 2020 | 20 <sup>th</sup> January 2021 |
|----------------------------------|---------------------------|----------------------------|---------------------------------|-------------------------------|-------------------------------|
| Adv. T Nevondwe<br>(Chairperson) | Present                   | Present                    | Present                         | Present                       | Present                       |
| Adv. Simthandile Peter           | Present                   | Present                    | Present                         | Present                       | Present                       |
| Mr N Baloyi                      | Present                   | Present                    | Present                         | Present                       | Present                       |

### Effectiveness of Internal controls

The internal controls system 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 sound 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 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 affect 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 therefrom. 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 Auditor-General's conclusions 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 an office.



Adv. T Nevondwe

**Audit and Risk Committee Chairperson**

Nelson Mandela Museum

31 August 2021



*in the footsteps* ...  
an agency of the  
Department of Sport, Arts and Culture

# PART D



**HUMAN RESOURCES**

## Part D: Human Resources

Nelson Mandela Museum has a staff compliment of 28 employees in different occupational categories, comprising of Chief Executive Officer (Head of Institution), three (3) senior managers, and four (4) middle managers. There are currently no (0) vacancies. Human Resource Unit, which is under the museum Corporate Services Department, is responsible for recruitment, staff wellness, development of skills capacity, and harmonising relations between staff members and the management.

NMM is undergoing a strategic analysis to assess possible gaps that may deter identifying the target human capital. It is of utmost importance that the museum identifies current and future personnel needs and finds methods to recruit and retain the right skills aligned to NMM's overall strategic objectives. The staff Retention policy is in place, and job evaluation was done to determine the value of the museum's current positions against what is offered by the labour market. There is also Performance Management policy and Payroll policy; these two policies serve as a guide to ensure that the employees are compensated, awarded with benefits, and appraised for performing above their set standards.

The museum empowers the employees to stay healthy by providing health and financial awareness programmes. Regular workshops are organised to help in improving employee health and productivity.

NMM has successfully applied for a skills levy grant to assist in developing and improving employees' skills. The museum has a major shortfall in skills development, resulting from a lack of financial resources and discouragement in staff members' participation in personal development programmes.

## NMM STAFF



Absentees: Mr B. Tyhulu; Ms P. Mandela, Mr S. Makhuta, Ms N. Matikinca, Mr Z. Mrebelele, Ms N. Ncapai & Mr M. Tyalakhulu

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

The museum also encourages its staff members to register for diplomas and degrees in fields of their choice related to museum work and in line with their responsibilities in the museum. The unit undertakes a skills audit exercise at the beginning of each financial year to analyse the training needs and plan to have the desired skills.

The following table reflects the Skills Development progress:

## HUMAN RESOURCES OVERSIGHT AND STATISTICS IN 2020/2021

- **Personnel Related Expenditure**
- The following tables summarise the final audited personnel-related expenditure by programme and by salary bands. In particular, it indicates the following:
  - amount spent on personnel
  - amount spent on salaries, overtime, homeowner's allowances, and medical aid.

### Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

| Programme                 | Total Expenditure | Personnel Expenditure | Training Expenditure | Personnel expenditure as a % of total expenditure |
|---------------------------|-------------------|-----------------------|----------------------|---|
| Heritage and Conservation | 1 814 386         | 1 502 551             | 28415                | 1.57%   |
| Public Engagement         | 3 353 107         | 1 821 088             | 20431                | 0.61%   |
| Corporate Services        | 23 074 498        | 10 842 665            | 46302                | 0.2%  |
| <b>TOTAL</b>              | <b>28 241 991</b> | <b>14 166 304</b>     | <b>95 148</b>        | <b>0.34%</b>                                      |

### Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

| Level                | Personnel Expenditure | % of total personnel cost | Number of Employees | Average Personnel costs per employee |
|----------------------|-----------------------|---------------------------|---------------------|--------------------------------------|
| Executive management | 1 502 551             | 31%                       | 4                   | 1098 881                             |
| Middle Management    | 1 821 088             | 20%                       | 4                   | 714 278                              |
| Staff                | 10 842 665            | 49%                       | 20                  | 345 684                              |
| <b>TOTAL</b>         | <b>14 166 304</b>     | <b>100%</b>               | <b>28</b>           | <b>2 158 842</b>                     |

### Salaries, overtime, Home Owner's Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

| Programme            | Salaries          |                                    | Overtime |                                    | Home Owners Allowance | % of performance Rewards to total personnel costs |
|----------------------|-------------------|------------------------------------|----------|------------------------------------|-----------------------|---|
|                      | Amount            | Salaries as a % of personnel costs | Amount   | Overtime as a % of personnel costs |                       |   |
| Executive management | 1 502 551         | 31%                                | -        | -                                  | -                     | 2%  |
| Middle Management    | 1 821 088         | 20%                                | -        | -                                  | -                     | 3%  |
| Staff                | 10 842 665        | 49%                                | -        | -                                  | 347 040               | 4%  |
| <b>TOTAL</b>         | <b>14 166 304</b> | <b>100%</b>                        | <b>-</b> | <b>-</b>                           | <b>347 040</b>        | <b>9%</b>   |

## 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 | 1 502 551             | 28 415               | 1,57%  | 6                           | 4 735                              |
| Public Engagement         | 1 821 088             | 20 431               | 0,61%  | 9                           | 2 270                              |
| Governance                | 10 842 665            | 46 302               | 0,34%  | 13                          | 3 561                              |
| <b>TOTAL</b>              | <b>14 166 304</b>     | <b>95 148</b>        | <b>0.43%</b>                                 | <b>28</b>                   | <b>192 597</b>                     |

## Employment and Vacancies by programme as on 31 March 2021

| Programme                       | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---------------------------------|---|------------------------|--------------|---|
| Heritage and Conservation       | 6   | 6                      | 0            | 0   |
| Public Engagement and Marketing | 9   | 9                      | 0            | 0   |
| Governance                      | 13  | 13                     | 0            | 0   |
| <b>TOTAL</b>                    | <b>28</b>                                 | <b>28</b>              | <b>0</b>     | <b>0</b>  |

## Employment and Vacancies by salary band as on 31 March 2021

| Salary band          | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|----------------------|---|------------------------|--------------|---|
| Executive Management | 4   | 4                      | 0            | 0   |
| Middle Management    | 4   | 4                      | 0            | 0   |
| Staff                | 20  | 20                     | 0            | 0   |
| <b>TOTAL</b>         | <b>28</b>                                 | <b>28</b>              | <b>0</b>     | <b>0</b>  |

## Filling of SMS Posts

The tables in this section provide information on employment and vacancies related to members of the Senior Management Service by salary level. It also provides information on advertising and filling SMS posts, reasons for not complying with prescribed timeframes, and disciplinary steps.

### SMS post information as on 31 March 2020

| SMS Level            | Total Number of funded SMS posts | Total Number of SMS posts filled | % of SMS posts filled | Total Number of SMS posts vacant | % of SMS posts vacant |
|----------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Executive Management | 4                                | 4                                | 100%                  | 0                                | 0%                    |
| <b>TOTAL</b>         | <b>4</b>                         | <b>4</b>                         | <b>100%</b>           | <b>0</b>                         | <b>0%</b>             |

### SMS post information as on 31 March 2021

| SMS Level            | Total Number of funded SMS posts | Total Number of SMS posts filled | % of SMS posts filled | Total Number of SMS posts vacant | % of SMS posts vacant |
|----------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Executive Management | 4                                | 4                                | 100%                  | 0                                | 0%                    |
| <b>TOTAL</b>         | <b>4</b>                         | <b>4</b>                         | <b>100%</b>           | <b>0</b>                         | <b>0%</b>             |

### Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

| SMS Level            | Advertising   | Filling of Posts  | Number of vacancies per level not filled in 6 months but filled in 12 months |
|----------------------|---|---|--|
|                      | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled in 6 months of becoming vacant |  |
| Executive management | 0   | 0   | 0  |
| <b>TOTAL</b>         | <b>0</b>  | <b>0</b>  | <b>0</b>   |

Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

#### Reasons for vacancies not advertised within six months

N/A

#### Reasons for vacancies not advertised within twelve months

N/A

#### Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not complying with the filling of SMS posts within the prescribed timeframes.

### Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 and 31 March 2021

#### Reasons for vacancies not advertised within six months

N/A

#### Reasons for vacancies not filled within six months

N/A

#### Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not complying with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of the department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.



## Job Evaluation

### Job valuation by Salary band for the period 1 April 2020 and 31 March 2021

Posts Upgraded Posts downgraded

| Salary band          | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Number | % of posts evaluated | Number | % of posts downgraded |
|----------------------|---|--------------------------|--------------------------------------|--------|----------------------|--------|-----------------------|
| Executive Management | 4   | 0                        | 0%                                   | 0      | 0%                   | 0      | 0%                    |
| Middle Management    | 4   | 0                        | 0%                                   | 0      | 0%                   | 0      | 0%                    |
| Staff                | 20  | 0                        | 0%                                   | 0      | 0%                   | 0      | 0%                    |

### Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

| Gender       | African  | Asian    | Coloured | White    | Total    |
|--------------|----------|----------|----------|----------|----------|
| Female       | 0        | 0        | 0        | 0        | 0        |
| Male         | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|                             |   |
|-----------------------------|---|
| Employees with a disability | 0 |
|-----------------------------|---|

### Employees with salary levels higher than those determined by Job Evaluation by occupation for the period 1 April 2020 and 31 March 2021

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|------------|---------------------|----------------------|--------------------|----------------------|
| N/A        | 0                   | N/A                  | N/A                | N/A                  |
| N/A        | 0                   | N/A                  | N/A                | N/A                  |
| N/A        | 0                   | N/A                  | N/A                | N/A                  |
| N/A        | 0                   | N/A                  | N/A                | N/A                  |

Total number of employees whose salaries exceeded the level determined by job evaluation

Percentage of total employed 0%

### Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

| Gender       | African  | Asian    | Coloured | White    | Total    |
|--------------|----------|----------|----------|----------|----------|
| Female       | 0        | 0        | 0        | 0        | 0        |
| Male         | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|                             |   |  |  |  |  |
|-----------------------------|---|--|--|--|--|
| Employees with a disability | 0 |  |  |  |  |
|-----------------------------|---|--|--|--|--|

## Employment Changes

### Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

| Salary band          | Number of employees at beginning of period- 1 April 2020 | Appointments and transfers into the Museum | Terminations and transfers out of the Museum | Turnover rate |
|----------------------|--|--|--|---------------|
| Executive Management | 4  | 0  | 0  | 0             |
| Middle Management    | 4  | 0  | 0  | 0             |
| Staff                | 18   | 2  | 0  | 0%            |
| <b>Total</b>         | <b>26</b>  | <b>2</b>                                   | <b>0</b>                                     | <b>0%</b>     |

**Table 3.5.2 Annual Turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021**

| Critical occupation | Number of employees at beginning of period- April 2020 | Appointments and transfers into the Museum | Terminations and transfers out of the Museum | Turnover rate |
|---------------------|--|--|--|---------------|
| N/A                 |  |  |  |               |
| <b>Total</b>        |  |  |  |               |

### Reasons why staff left the Museum for the period 1 April 2020 and 31 March 2021

| Termination Type   | Number | % of Total Resignations |
|--|--------|-------------------------|
| Death  |        |                         |
| Resignation  |        |                         |
| Expiry of contract   |        |                         |
| Dismissal – operational changes                                      |        |                         |
| Dismissal – misconduct   |        |                         |
| Dismissal – inefficiency   |        |                         |
| Discharged due to ill-health   |        |                         |
| Retirement   |        |                         |
| Transfer to other Public Service Departments                         |        |                         |
| Other  |        |                         |
| <b>Total</b>   | -      | -                       |
| <b>Total number of employees who left as a % of total employment</b> |        | -                       |

### Promotions by salary band for the period 1 April 2020 and 31 March 2021

| Occupation           | Employees 1 April 2020 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|----------------------|------------------------|------------------------------------|---|---|---|
| Executive Management | 0                      | 0                                  | 0   | 0   | 0   |
| Middle Management    | 0                      | 0                                  | 0   | 0   | 0   |
| Staff                | 0                      | 0                                  | 0   | 0   | 0   |
| <b>TOTAL</b>         | -                      | -                                  | -   | -   | -   |

### Attempts made to retain staff

Qualifying the museum staff and, as per the museum, study policy is encouraged to capacitate themselves by 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 the employer of choice, even as an institution that seeks to transform the lives of South Africans through the story of Nelson Mandela. In other words, the 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         | 0 |
| 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         | 2         | nil      | 0        | Nil      | 0        | nil      | 0        |
| Middle management    | 1         | 1         | nil      | 0        | Nil      | 0        | nil      | 0        |
| Staff                | 12        | 12        | nil      | 0        | Nil      | 0        | nil      | 0        |
| <b>TOTAL</b>         | <b>15</b> | <b>15</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

| Level                | FEMALE    |           |          |          |          |          |          |          |
|----------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|
|                      | African   |           | Coloured |          | Indian   |          | White    |          |
|                      | Current   | Target    | Current  | Target   | Current  | Target   | Current  | Target   |
| Executive management | 2         | 2         | 0        | 0        | 0        | 0        | 0        | 0        |
| Middle management    | 3         | 3         | 0        | 0        | 0        | 0        | 0        | 0        |
| Staff                | 8         | 8         | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>TOTAL</b>         | <b>13</b> | <b>13</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

## Disabled Staff

| Level                | DISABLED STAFF |          |          |          |          |          |
|----------------------|----------------|----------|----------|----------|----------|----------|
|                      | Male           |          |          | Female   |          |          |
|                      | Current        | Target   | Current  | Target   | Current  | Target   |
| Executive management | 0              | 0        | 0        | 0        | 0        | 0        |
| Middle management    | 0              | 0        | 0        | 0        | 0        | 0        |
| Staff                | 1              | 0        | 0        | 0        | 0        | 0        |
| <b>TOTAL</b>         | <b>1</b>       | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

## Organisational Development

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

## RESIGNATIONS AND TERMINATIONS

None.

## **HUMAN RESOURCES ALIGNMENT**

The restructuring process was aimed at aligning the museums' staff in accordance with 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 most staff are its members. Two staff members were appointed by NEHAWU as Shop stewards to represent the interest of their members.

## **DISCIPLINARY CASES**

None.

## **CCMA**

One CCMA case.

## **GRIEVANCES**

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

## **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 Institution's annual targets' performance.

## **POLICY REVIEW**

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



*in the footsteps* ...  
an agency of the  
Department of Sport, Arts and Culture

# PART E

AUDIT REPORT AND ANNUAL  
FINANCIAL STATEMENTS

# Report of the auditor-general to the Parliament on 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 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nelson Mandela Museum as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA standard 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 my report.
4. I am independent of the Museum in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of 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 30 to the financial statements, the balance of irregular expenditure of R4,5 million (2019/20: R4,5 million) incurred over a number of years that has not been recovered, condoned or written off.

## **Responsibilities of the accounting officer for the financial statements**

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the Public Finance Management Act and for such internal control as the accounting officer 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 officer is responsible for assessing the Museum's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Museum 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 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the Museum's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Museum enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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 selected programmes presented in the Museum's annual performance report for the year ended 31 March 2021:

| <b>Programmes</b>                  | <b>Pages in the annual performance report</b> |
|------------------------------------|---|
| Programme 1 – Business development | xx  |

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 identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 1 – Business Development

#### Other matter

17. I draw attention to the matter below.

#### Achievement of planned targets

18. Refer to the annual performance report on page xx for information on the achievement of planned targets for the year and management's explanations provided for the underachievement and overachievement of targets.

#### Adjustment of material misstatements

19. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 1: Business Development. As management subsequently corrected the misstatements, we 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

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



21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

#### Other information

22. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the director's report, the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

23. 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 on it.

24. In connection with our audit, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation.

26. I did not identify any significant deficiencies in internal control

AUDITOR - GENERAL

East London  
31 July 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor’s responsibility for the audit**

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

### **Financial statements**

2. In addition to our responsibility for the audit of the financial statements as described in this auditor’s report, we 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 our 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 type’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. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Nelson Mandela Museum to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to us at the date of this auditor’s report. However, future events or conditions may cause an entity to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. We 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 we identify during our audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021



Nelson Mandela Museum

## Annual Financial Statements for the year ended 31 March 2021

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## General Information

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|                           |  |
|---------------------------|--|
| <b>Registered office</b>  | Cnr Owen street & Nelson Mandela Drive<br>Bunga Building<br>Mthatha<br>5100  |
| <b>Business address</b>   | Cnr Owen street & Nelson Mandela Drive<br>Bunga Building<br>Mthatha<br>5100  |
| <b>Controlling entity</b> | Department of Sport, Arts and Culture  |
| <b>Bankers</b>            | ABSA Bank<br>Sutherland Street, Mthatha  |
| <b>Secretary</b>          | Taleni Godi Kupiso Inc   |
| <b>Preparer</b>           | Chief Financial Officer  |
| <b>Current Members</b>    | Dr. N Songelwa - Council<br>Chairperson<br>Adv. L T Nevondwe- Deputy<br>Chairperson and ARC Chairperson<br>Mr. S Madikizela -FIFC<br>Chairperson (Resigned in Janaury<br>2021)<br>Ms. Z Hlatshwayo - SCC<br>Chairperson<br>Mr. A K Gontse - IDC Chairperson<br>(FIFC Chairperson from January<br>2021)<br>Prof. B Mngomezulu - COC<br>Chairperson<br>Ms. J Nhlapho-Hlophe<br>Mr. M Bavuma<br>Mr. S Mzamo<br>Dr. S Masuku |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Index

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The reports and statements set out below comprise the annual financial statements presented to the Executive Authority:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

|                           |    |
|---------------------------|----|
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|       |   |
|-------|---|
| AGSA  | Auditor General South Africa                      |
| ARC   | Audit and Risk Committee                          |
| CEO   | Chief Executive Officer                           |
| COC   | Content and Operations Committee                  |
| CFO   | Chief Financial Officer                           |
| DSAC  | Department of Sport, Arts and Culture             |
| FIFC  | Finance, Infrastructure and Fundraising Committee |
| GRAP  | Generally Recognised Accounting Practice          |
| IAS   | International Accounting Standards                |
| IDC   | Institutional Development Committee               |
| IPSAS | International Public Sector Accounting Standards  |
| NMM   | Nelson Mandela Museum                             |
| NT    | National Treasury                                 |
| PFMA  | Public Finance Management Act                     |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## 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 and Auditor General SA information such as Annual Financial Statements and Performance Information within two months after the end of the financial 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 predetermined objectives and its financial position at the end of the year in terms of the Generally Recognised Accounting Practice (GRAP).

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 2021. 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 which has occurred during the year under review.

### 3. Financial Results

Full details of the financial results are set out on pages 08 to 41 of the Annual Financial Statements.

### 4. Nature of Entity and its Principal Business

The 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.

The Museum is spread over three sites, namely the Mvezo site, Bhunga Building and Nelson Mandela Youth and Heritage Centre (Qunu). It is a public entity falling under the National Department of Sports, 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.

### 5. Materiality and Significance Framework for 2020/21

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.

# **Nelson Mandela Museum**

Annual Financial Statements for the year ended 31 March 2021

## **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 08 to 39 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 08 to 41 for the year then ended were approved by the Museum Council on 31 July 2021.

Dr N Songelwa  
Council Chairperson



# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Chief Executive Officer`s Report

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### 1. General Review of the State of Affairs

The Council's commitment to provide strategic oversight and finances saw the museum continuing with its national and international footprints. The available budget was used to achieve the set objectives both on the 5 -year Strategy and Annual Performance Plan. The 2020/21 financial year's budget was effectively used to achieve the mandate of the museum.

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 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 Sport, Arts and Culture. Total revenue collected by the Nelson Mandela Museum including finance income for the period under review decreased by 7.04% from R 38 254 244 compared to the same period last year. The Nelson Mandela Museum's results for the year ended 31 March 2021 show an increase in cash reserves from R26 477 649 to R33 874 544. This is due to an operating surplus of R7 318 093 realized during the year under review. This increase is attributable to a net of inflationary increase in grant allocation, a decrease in interest received from investments as well as capital spending from rolled over funds. The grant from the Department of Sport, Arts and Culture accounted for 90.80% of the total revenue while 8.80% relates to interest from investments and 0.40% to sundry income as well as donations.

The operating expenditure for the period under review including finance costs is R28 241 991, showing a decrease of R4 894 850 from the expenditure recorded in the previous period. The operating expenditure is made up of 50% fixed costs of personnel, 11.2% administrative expenses, 4.9% Audit fee, and 33.9% 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 the year 2020/21. 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 the 2020/21 financial year. Subsequently, the NMM has seen the improved results in strategic areas and performance in the 2020/21 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 centred 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 (indoors and outdoors), formal outreach like the 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.

### 3. Tariffs

The museum has 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 reopening plan of the facility. Currently, the museum tariff raising is through the sale of merchandise, books, etc.

### 4. Donations Box

The museum does not charge an 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.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## 5. Museum Shop

The Nelson Mandela Museum Memorabilia shop has been in full operations since the upgrade of the Bhunga building of the Museum. The shop has been run in partnership with the Department of Sport, Recreation, Arts and Culture with 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 the corporate social investment (CSI) initiatives of which the museum is leading.

## 6. COVID-19 Impact

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. Since then, the virus has spread to more than 100 countries, including South Africa. On 23 March 2020, President Cyril Ramaphosa announced measures to combat the spread of the Covid-19 coronavirus in South Africa through a three-week nationwide lockdown with severe restrictions on travel and movement. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Museum for future periods. The council is not aware of any other material event which occurred after the reporting date and up to the date of this report

## 7. Opinion

In the opinion of the Nelson Mandela Museum CEO, the Annual Financial Statements set out on pages 08 to 41 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 2020/21 annual performance plan. The museum wittingly improved its financial management capacity as a tool to enhance both its performance and audit. 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.

Mr. B Tyhulu

Chief Executive Office  
31 July 2021

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Statement of Financial Position as at 31 March 2021

| Figures in Rand                            | Note(s) | 2021              | 2020              |
|--|---------|-------------------|-------------------|
| <b>Assets</b>                              |         |                   |                   |
| <b>Current Assets</b>                      |         |                   |                   |
| Inventories                                | 6       | 317 045           | 241 784           |
| Receivables from non-exchange transactions | 7       | 201 494           | 43 004            |
| Cash and cash equivalents                  | 8       | 72 247 396        | 68 241 339        |
|  |         | <b>72 765 935</b> | <b>68 526 127</b> |
| <b>Non-Current Assets</b>                  |         |                   |                   |
| Property, Plant and Equipment              | 3       | 4 727 744         | 3 576 814         |
| Intangible assets                          | 4       | 29 779            | 148 896           |
| Heritage assets                            | 5       | 9 947 120         | 9 868 320         |
|  |         | <b>14 704 643</b> | <b>13 594 030</b> |
| <b>Total Assets</b>                        |         | <b>87 470 578</b> | <b>82 120 157</b> |
| <b>Liabilities</b>                         |         |                   |                   |
| <b>Current Liabilities</b>                 |         |                   |                   |
| Payables from exchange transactions        | 13      | 2 211 104         | 615 030           |
| Unspent conditional grants and receipts    | 11      | 12 733 031        | 28 151 003        |
| Provisions                                 | 12      | 2 499 831         | 2 388 773         |
|  |         | <b>17 443 966</b> | <b>31 154 806</b> |
| <b>Non-Current Liabilities</b>             |         |                   |                   |
| Unspent conditional grants and receipts    | 11      | 36 152 072        | 24 487 702        |
| <b>Total Liabilities</b>                   |         | <b>53 596 038</b> | <b>55 642 508</b> |
| <b>Net Assets</b>                          |         | <b>33 874 540</b> | <b>26 477 649</b> |
| Reserves                                   |         |                   |                   |
| Revaluation reserve                        | 9       | 9 945 310         | 9 866 510         |
| Accumulated surplus                        | 10      | 23 929 234        | 16 611 141        |
| <b>Total Net Assets</b>                    |         | <b>33 874 544</b> | <b>26 477 651</b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Statement of Financial Performance

| Figures in Rand                                     | Note(s) | 2021                | 2020                |
|---|---------|---------------------|---------------------|
| <b>Revenue</b>                                      |         |                     |                     |
| <b>Revenue from exchange transactions</b>           |         |                     |                     |
| Sundry Income                                       | 15      | 142 856             | 100 474             |
| Interest received - investment                      | 16      | 3 128 956           | 4 455 693           |
| <b>Total revenue from exchange transactions</b>     |         | <b>3 271 812</b>    | <b>4 556 167</b>    |
| <b>Revenue from non-exchange transactions</b>       |         |                     |                     |
| <b>Transfer revenue</b>                             |         |                     |                     |
| Government grants & subsidies                       | 17      | 32 287 602          | 33 686 086          |
| Public contributions and donations                  |         | 670                 | 11 991              |
| <b>Total revenue from non-exchange transactions</b> |         | <b>32 288 272</b>   | <b>33 698 077</b>   |
| <b>Total revenue</b>                                | 14      | <b>35 560 084</b>   | <b>38 254 244</b>   |
| <b>Expenditure</b>                                  |         |                     |                     |
| Employee related costs                              | 18      | (14 166 304)        | (14 406 979)        |
| Administration                                      | 19      | (3 160 997)         | (3 864 966)         |
| Depreciation and amortisation                       | 20      | (1 021 211)         | (1 140 269)         |
| Lease rentals on operating lease                    | 21      | (170 014)           | (186 210)           |
| Provision for doubtful debts                        |         | -                   | (95 763)            |
| General Expenses                                    | 21      | (9 723 465)         | (14 136 841)        |
| <b>Total expenditure</b>                            |         | <b>(28 241 991)</b> | <b>(33 831 028)</b> |
| <b>Surplus for the year</b>                         |         | <b>7 318 093</b>    | <b>4 423 216</b>    |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Statement of Changes in Net Assets

| Figures in Rand                                       | Revaluation<br>reserve | Accumulated<br>surplus | Total net<br>assets |
|---|------------------------|------------------------|---------------------|
| <b>Balance at 01 April 2019</b>                       | <b>9 866 510</b>       | <b>12 187 925</b>      | <b>22 054 435</b>   |
| Changes in net assets                                 |                        |                        |                     |
| Surplus for the year                                  | -                      | 4 423 216              | 4 423 216           |
|   | -                      | -                      | -                   |
| <b>Balance at 01 April 2020</b>                       | <b>9 866 510</b>       | <b>16 611 141</b>      | <b>26 477 651</b>   |
| Changes in net assets                                 |                        |                        |                     |
| Change in Heritage Assets                             | 78 800                 | -                      | 78 800              |
| Net income (losses) recognised directly in net assets | 78 800                 | -                      | 78 800              |
| Surplus for the year                                  | -                      | 7 318 093              | 7 318 093           |
| Total recognised income and expenses for the year     | 78 800                 | 7 318 093              | 7 396 893           |
|   | 78 800                 | 7 318 093              | 7 396 893           |
| <b>Balance at 31 March 2021</b>                       | <b>9 945 310</b>       | <b>23 929 234</b>      | <b>33 874 544</b>   |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Cash Flow Statement

| Figures in Rand   | Note(s) | 2021                     | 2020                     |
|---|---------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                 |         |                          |                          |
| <b>Receipts</b>   |         |                          |                          |
| Government Grants   |         | 32 287 602               | 33 686 086               |
| Interest income   |         | 3 128 956                | 4 455 693                |
| Donations Received  |         | 670                      | 11 991                   |
| Sundry Income   |         | 142 591                  | 100 474                  |
|   |         | <u>35 559 819</u>        | <u>38 254 244</u>        |
| <b>Payments</b>   |         |                          |                          |
| Employee costs  |         | (14 213 736)             | (14 406 979)             |
| Suppliers   |         | (11 522 596)             | (18 068 613)             |
|   |         | -                        | -                        |
|   |         | <u>(25 736 332)</u>      | <u>(32 475 592)</u>      |
| <b>Net cash flows from operating activities</b>             | 23      | <b><u>9 823 487</u></b>  | <b><u>5 778 652</u></b>  |
| <b>Cash flows from investing activities</b>                 |         |                          |                          |
| Purchase of Property, Plant and Equipment                   | 3       | <u>(2 063 828)</u>       | <u>(1 074 082)</u>       |
| <b>Cash flows from financing activities</b>                 |         |                          |                          |
| Increase/decrease in unspent conditional grants             |         | <u>(3 753 602)</u>       | <u>874 914</u>           |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b><u>4 006 057</u></b>  | <b><u>5 579 484</u></b>  |
| Cash and cash equivalents at the beginning of the year      |         | 68 241 339               | 62 661 856               |
| <b>Cash and cash equivalents at the end of the year</b>     | 8       | <b><u>72 247 396</u></b> | <b><u>68 241 340</u></b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## 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  |                     |                    |                     |                                    |  |
| <b>Statement of Financial Performance</b>  |                     |                    |                     |                                    |  |
| <b>Revenue</b>   |                     |                    |                     |                                    |  |
| <b>Revenue from exchange transactions</b>  |                     |                    |                     |                                    |  |
| Sale of goods  | 60 000              | -                  | <b>60 000</b>       | 8 580                              | <b>(51 420)</b>                            |
| Sundry Income  | -                   | -                  | -                   | 134 011                            | <b>134 011</b>                             |
| Donations  | -                   | -                  | -                   | 670                                | <b>670</b>                                 |
| Interest received - investment   | 460 000             | -                  | <b>460 000</b>      | 3 128 956                          | <b>2 668 956</b>                           |
| <b>Total revenue from exchange transactions</b>  | <b>520 000</b>      | -                  | <b>520 000</b>      | <b>3 272 217</b>                   | <b>2 752 217</b>                           |
| <b>Revenue from non-exchange transactions</b>  |                     |                    |                     |                                    |  |
| <b>Transfer revenue</b>  |                     |                    |                     |                                    |  |
| Government grants & subsidies  | 28 534 000          | 3 753 602          | <b>32 287 602</b>   | 32 287 602                         | -  |
| <b>Total revenue</b>   | <b>29 054 000</b>   | <b>3 753 602</b>   | <b>32 807 602</b>   | <b>35 559 819</b>                  | <b>2 752 217</b>                           |
| <b>Expenditure</b>   |                     |                    |                     |                                    |  |
| Personnel  | (13 577 754)        | -                  | <b>(13 577 754)</b> | (14 166 304)                       | <b>(588 550)</b>                           |
| Remuneration of councillors  | (588 550)           | -                  | <b>(588 550)</b>    | -                                  | <b>588 550</b>                             |
| Administration   | (4 125 955)         | -                  | <b>(4 125 955)</b>  | (3 160 997)                        | <b>964 958</b>                             |
| Depreciation and amortisation  | -                   | -                  | -                   | (1 021 211)                        | <b>(1 021 211)</b>                         |
| Lease rentals on operating lease   | (170 014)           | -                  | <b>(170 014)</b>    | (170 014)                          | -  |
| General Expenses   | (10 591 727)        | (3 753 602)        | <b>(14 345 329)</b> | (9 723 201)                        | <b>4 622 128</b>                           |
| <b>Total expenditure</b>   | <b>(29 054 000)</b> | <b>(3 753 602)</b> | <b>(32 807 602)</b> | <b>(28 241 727)</b>                | <b>4 565 875</b>                           |
| <b>Surplus before taxation</b>   | -                   | -                  | -                   | <b>7 318 092</b>                   | <b>7 318 092</b>                           |
| <b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b> | -                   | -                  | -                   | <b>7 318 092</b>                   | <b>7 318 092</b>                           |
| <b>Reconciliation</b>  |                     |                    |                     |                                    |  |

Refer to note 32 for a detailed explanation of variances.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

| Figures in Rand | Note(s) | 2021 | 2020 |
|-----------------|---------|------|------|
|-----------------|---------|------|------|

### 1. Presentation of Annual Financial Statements

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

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 annual 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 annual 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

##### Trade receivables / Held to maturity investments and/or loans and receivables

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 for. 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 the note of AFS. Provisions are measured in the management's best estimate of the expenditure required to settle the obligation at the reporting date.



# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 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 NMM; 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 recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

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.

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

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| Item                                | Depreciation method | Average useful life |
|-------------------------------------|---------------------|---------------------|
| Buildings                           | Straight-line       | 10-20 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          |
| 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 and useful life 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 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 (recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

### 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.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.7 Intangible assets

The cost of an intangible asset is recognised when:

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

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 reassessing 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.

### 1.8 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 need to be controlled by Nelson Mandela Museum as a result of past events. Such events may include: Purchased, donated, bequeathed, transfer and loans. In the event where 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 to 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 determined 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.

#### 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:
  - its purchase price, including import duties and non-refundable purchases taxes, after deducting trade discounts and rebate
  - 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:
  - Cost of employee benefits, for example the initial assessment of the heritage asset

#### Subsequent measurement

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

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.8 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 are only made when the asset 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.

### 1.9 Financial instruments

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

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

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.9 Financial instruments (continued)

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.

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

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.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

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### 1.9 Financial instruments (continued)

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 unithised 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;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- 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.

### 1.10 Tax

#### Current tax assets and liabilities

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

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 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 the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

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 consist of books that 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.

Useful life is either:

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

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 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;

#### Other post retirement obligations

The entity does not provide post-retirement health care benefits, housing subsidies and gratuities.

#### Recognition Criteria

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

(a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, an entity shall recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

(b) as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset (see, for example, the Standards of GRAP on Inventories (GRAP 12), Property, Plant and Equipment (GRAP 17), Intangible Assets (GRAP 31) and Heritage Assets (GRAP 103)).

An entity shall recognise the expected cost of short-term employee benefits in the form of compensated absences under paragraph as follows:

(a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and

(b) in the case of non-accumulating compensated absences, when the absences occur.

An entity may compensate employees for absence for various reasons including annual leave, sick leave, short-term disability and maternity or paternity leave.

Entitlement to compensated absences falls into two categories:

(a) accumulating; and

(b) non-accumulating.

Accumulating compensated absences are those that are carried forward and can be used in future periods if the current period's entitlement is not used in full. Accumulating compensated absences may be either vesting (in other words, employees are entitled to a cash payment for unused entitlement on leaving the entity) or non-vesting (when employees are not entitled to a cash payment for unused entitlement on leaving). An obligation arises as employees render service that increases their entitlement to future compensated absences. The obligation exists, and is recognised, even if the compensated absences are non-vesting, although the possibility that employees may leave before they use an accumulated non-vesting entitlement affects the measurement of that obligation

### 1.15 Provisions and contingencies

Provisions are recognised when:

- the NMM 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.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.16 Commitments (continued)

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.

#### 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 NMM;
- 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 NMM, which represents an increase in net assets other than increases relating to contributions from owners.

Control of an asset arises when the NMM 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.



# Nelson Mandela Museum

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### 1.18 Revenue from non-exchange transactions (continued)

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

#### Measurement

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

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

### 1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

### 1.20 Fruitless and wasteful expenditure

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

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

### 1.21 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.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.21 Irregular expenditure (continued)

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 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 a favourable effect on the entity in the extent or manner of the use of that asset.

### 1.23 Budget information

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

General-purpose financial reporting by NMM 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 2020/04/01 to 2021/03/31.

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

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.24 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 certain entities within the national sphere of government are considered to be related parties.

Related parties refers to all transactions with parties that have the ability to control (or jointly control) the NMM or exercise significant influence over the NMM, or vice versa, or an entity that is subject to common control or joint control.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

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### 1.24 Related parties (continued)

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

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

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 NMM 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 Annual 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 NMM has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

| <b>Standard/ Interpretation:</b>  | <b>Effective date:<br/>Years beginning on or<br/>after</b> | <b>Expected impact:</b>            |
|---|--|------------------------------------|
| • GRAP1: Presentation of Financial Statements                             | 01 April 2020  | The impact of the is not material. |
| • GRAP 2: Cash Flow Statements  | 01 April 2020  | The impact of the is not material. |
| • GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors | 01 April 2020  | The impact of the is not material. |
| • GRAP 9: Revenue from Exchange Transactions                              | 01 April 2020  | The impact of the is not material. |
| • GRAP 12: Inventories  | 01 April 2020  | The impact of the is not material. |
| • GRAP 13: Leases   | 01 April 2020  | The impact of the is not material. |
| • GRAP 14: Events After Reporting Date                                    | 01 April 2020  | The impact of the is not material. |
| • GRAP 17: Property, Plant and Equipment                                  | 01 April 2020  | The impact of the is not material. |
| • GRAP 19: Provisions, Contingent Liabilities and Contingent Assets       | 01 April 2020  | The impact of the is not material. |
| • GRAP 21: Impairment on Non-Cash Generating Assets                       | 01 April 2020  | The impact of the is not material. |
| • GRAP 23: Revenue from Non- Exchange Transactions                        | 01 April 2020  | The impact of the is not material. |
| • GRAP 24: Presentation of Budget Information in Financial Statements     | 01 April 2020  | The impact of the is not material. |
| • GRAP 25: Employee Benefits  | 01 April 2020  | The impact of the is not material. |
| • GRAP 31: Intangible Assets  | 01 April 2020  | The impact of the is not material. |
| • GRAP 103: Heritage Assets   | 01 April 2020  | The impact of the is not material. |
| • GRAP 20: Related parties  | 01 April 2020  | The impact of the is not material. |
| • GRAP 108: Statutory Receivables   | 01 April 2020  | The impact of the is not material. |

#### 2.2 Standards and interpretations issued, but not yet effective

The NMM has not applied the following standards and interpretations, which have been published and are mandatory for the NMM's accounting periods beginning on or after 01 April 2021 or later periods:

|   |               |  |
|---|---------------|--|
| • GRAP 104 (amended): Financial Instruments | 01 April 2021 | Unlikely there will be a material impact |
|---|---------------|--|

# Nelson Mandela Museum

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## Notes to the Annual Financial Statements

Figures in Rand

### 3. Property, Plant and Equipment

|                                     | 2021                |  | 2020             |                     |  |                  |
|-------------------------------------|---------------------|--|------------------|---------------------|--|------------------|
|                                     | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>impairment | Carrying value   | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>impairment | Carrying value   |
| Buildings                           | 3 184 920           | (1 680 129)                                      | 1 504 791        | 3 184 920           | (1 361 636)                                      | 1 823 284        |
| Furniture and fixtures              | 3 118 172           | (2 934 759)                                      | 183 413          | 3 118 086           | (2 809 653)                                      | 308 433          |
| Motor vehicles                      | 713 128             | (399 192)  | 313 936          | 713 128             | (301 412)  | 411 716          |
| Office equipment                    | 1 155 723           | (803 446)  | 352 277          | 785 895             | (751 003)  | 34 892           |
| IT equipment                        | 2 512 359           | (1 599 480)                                      | 912 879          | 2 319 784           | (1 325 057)                                      | 994 727          |
| Other property, plant and equipment | 2 499 614           | (1 039 166)                                      | 1 460 448        | 1 018 190           | (1 014 428)                                      | 3 762            |
| <b>Total</b>                        | <b>13 183 916</b>   | <b>(8 456 172)</b>                               | <b>4 727 744</b> | <b>11 140 003</b>   | <b>(7 563 189)</b>                               | <b>3 576 814</b> |

### Reconciliation of property, plant and equipment - 2021

|                                     | Opening<br>balance | Additions        | Disposals       | Depreciation     | Total            |
|-------------------------------------|--------------------|------------------|-----------------|------------------|------------------|
| Buildings                           | 1 823 284          | -                | -               | (318 493)        | 1 504 791        |
| Furniture and fixtures              | 308 433            | -                | -               | (125 383)        | 183 050          |
| Motor vehicles                      | 411 716            | -                | -               | (97 780)         | 313 936          |
| Office equipment                    | 34 892             | 369 828          | -               | (52 443)         | 352 277          |
| IT equipment                        | 994 727            | 212 576          | (12 222)        | (282 202)        | 912 879          |
| Other property, plant and equipment | 3 762              | 1 481 424        | -               | (25 792)         | 1 459 394        |
|                                     | <b>3 576 814</b>   | <b>2 063 828</b> | <b>(12 222)</b> | <b>(902 093)</b> | <b>4 726 327</b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

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### 3. Property, Plant and Equipment (continued)

#### Reconciliation of property, plant and equipment - 2020

|                                     | Opening balance  | Additions        | Depreciation       | Total            |
|-------------------------------------|------------------|------------------|--------------------|------------------|
| Buildings                           | 1 997 796        | 140 468          | (314 980)          | 1 823 284        |
| Furniture and fixtures              | 437 312          | 122 208          | (251 087)          | 308 433          |
| Motor vehicles                      | -                | 488 900          | (77 184)           | 411 716          |
| Office equipment                    | 41 321           | 22 160           | (28 596)           | 34 885           |
| IT equipment                        | 1 022 187        | 296 500          | (323 960)          | 994 727          |
| Other property, plant and equipment | 25 262           | 3 846            | (25 346)           | 3 762            |
|                                     | <b>3 523 878</b> | <b>1 074 082</b> | <b>(1 021 153)</b> | <b>3 576 807</b> |

None of the PPE items have been pledged as security

# Nelson Mandela Museum

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## Notes to the Annual Financial Statements

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### 4. Intangible assets

|                   | 2021                |  | 2020           |                     |  |                |
|-------------------|---------------------|--|----------------|---------------------|--|----------------|
|                   | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>impairment | Carrying value |
| Computer software | 357 360             | (327 581)  | 29 779         | 357 360             | (208 464)  | 148 896        |

### Reconciliation of intangible assets - 2021

Computer software

|                 |         |          |        |
|-----------------|---------|----------|--------|
| Opening balance | 148 896 | (19 117) | 29 779 |
|-----------------|---------|----------|--------|

### Reconciliation of intangible assets - 2020

Computer software, other

|                 |         |           |         |
|-----------------|---------|-----------|---------|
| Opening balance | 357 360 | (208 464) | 148 896 |
|-----------------|---------|-----------|---------|

### Pledged as security

None of the intangible assets were pledged as security:

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 5. Heritage assets

|  | 2021                |                                     | 2020             |                     |                                     |                  |
|--|---------------------|-------------------------------------|------------------|---------------------|-------------------------------------|------------------|
|  | Cost /<br>Valuation | Accumulated<br>impairment<br>losses | Carrying value   | Cost /<br>Valuation | Accumulated<br>impairment<br>losses | Carrying value   |
| Art Collections, antiquities and exhibits          | 7 991 850           | -                                   | 7 991 850        | 7 991 850           | (1 580)                             | 7 990 270        |
| Stamp collections, military insignia, medals, coin | 1 722 890           | -                                   | 1 722 890        | 1 724 470           | -                                   | 1 724 470        |
| Other Heritage Assets                              | 232 380             | -                                   | 232 380          | 153 580             | -                                   | 153 580          |
| <b>Total</b>                                       | <b>9 947 120</b>    | <b>-</b>                            | <b>9 947 120</b> | <b>9 869 900</b>    | <b>(1 580)</b>                      | <b>9 868 320</b> |

### Reconciliation of heritage assets 2021

Art Collections, antiquities and exhibits  
Stamp collections, military insignia, medals, coin  
Other Heritage Assets

|  | Opening<br>balance | Additions<br>through<br>transfer of<br>functions /<br>mergers | Total            |
|--|--------------------|---|------------------|
| Art Collections, antiquities and exhibits          | 7 991 850          | -   | 7 991 850        |
| Stamp collections, military insignia, medals, coin | 1 722 890          | -   | 1 722 890        |
| Other Heritage Assets                              | 153 580            | 78 800  | 232 380          |
| <b>Total</b>                                       | <b>9 868 320</b>   | <b>78 800</b>   | <b>9 947 120</b> |

### Reconciliation of heritage assets 2020

Art Collections, antiquities and exhibits  
Stamp collections, military insignia, medals, coin  
Other Heritage Assets

|  | Opening<br>balance | Impairment<br>losses<br>(recognised)/re<br>versed directly<br>in Net assets | Total            |
|--|--------------------|---|------------------|
| Art Collections, antiquities and exhibits          | 7 991 850          | -   | 7 991 850        |
| Stamp collections, military insignia, medals, coin | 1 724 470          | (1 580)   | 1 722 890        |
| Other Heritage Assets                              | 153 580            | -   | 153 580          |
| <b>Total</b>                                       | <b>9 869 900</b>   | <b>(1 580)</b>  | <b>9 868 320</b> |



# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

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### 5. Heritage assets (continued)

The heritage assets consist 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 the heritage assets have been pledged as security and are therefore not incumbered.

### 6. Inventories

Finished goods

|  |         |         |
|--|---------|---------|
|  | 317 045 | 241 784 |
|--|---------|---------|

### 7. Receivables from non-exchange transactions

|   |                |               |
|---|----------------|---------------|
| Opening Balance                             | 138 767        | 235 749       |
| Recoverables                                | (42 638)       | (139 986)     |
| Other receivables from non-exchange revenue | 201 128        | 43 004        |
| Provision for doubtful debts                | (95 763)       | (95 763)      |
|   | <b>201 494</b> | <b>43 004</b> |

The amount is made up of wasteful and fruitless expenditure debts, debts from over-payment and recovery of lost assets.

### 8. Cash and cash equivalents

Cash and cash equivalents consist of:

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Bank balances       | 603 500           | 603 500           |
| Short-term deposits | 71 643 896        | 67 637 839        |
|                     | <b>72 247 396</b> | <b>68 241 339</b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

| Figures in Rand               | 2021             | 2020             |
|-------------------------------|------------------|------------------|
| <b>9. Revaluation reserve</b> |                  |                  |
| Opening balance               | 9 866 510        | 9 866 510        |
| Change during the year        | 78 800           | -                |
|                               | <b>9 945 310</b> | <b>9 866 510</b> |

In terms of GRAP 103, heritage assets were required to be revalued effectively 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 above. Refer to note 5

### 10. Accumulated surplus

|                                 |                   |                   |
|---------------------------------|-------------------|-------------------|
| Balance as originally stated    | 16 611 134        | 12 187 920        |
| Surplus /(Deficit for the year) | 7 318 092         | 4 423 214         |
|                                 | <b>23 929 234</b> | <b>16 611 134</b> |

### 11. Unspent conditional grants and receipts

#### Unspent conditional grants and receipts

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| Qunu Development Project              | 10 684 535        | 11 319 496        |
| Installation of burglar bars          | -                 | -                 |
| ICT Project                           | 1 378 621         | 2 669 999         |
| Installation of burglar bars          | 33 083            | 33 083            |
| Erection of Public Sculptures         | 636 792           | 8 089 804         |
| Facilities Management                 | 2 450 085         | 2 757 303         |
| Long Walk to Freedom Film Set         | 33 300 000        | 6 000 000         |
| Back-Up Generator                     | 401 987           | -                 |
| Qunu Development Construction Project | -                 | 21 769 020        |
|                                       | <b>48 885 103</b> | <b>52 638 705</b> |

#### Movement during the year

|   |                   |                   |
|---|-------------------|-------------------|
| Balance at the beginning of the year      | 52 638 705        | 51 763 790        |
| Additions during the year                 | -                 | 6 000 000         |
| Conditions met and transferred to revenue | (3 753 602)       | (5 125 085)       |
|   | <b>48 885 103</b> | <b>52 638 705</b> |

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| Non-current liabilities | 36 152 072        | 24 487 702        |
| Current liabilities     | 12 733 031        | 28 151 003        |
|                         | <b>48 885 103</b> | <b>52 638 705</b> |

| Reconciliation of conditional grants  | Opening Balance   | Additions | Conditions met and transferred to revenue | Transfers    | Total             |
|---------------------------------------|-------------------|-----------|---|--------------|-------------------|
| Qunu Development Project              | 11 319 496        | -         | (673 582)                                 | 38 621       | 10 684 535        |
| ICT Project                           | 2 669 999         | -         | (1 291 378)                               | -            | 1 378 621         |
| Installation of burglar bars          | 33 083            | -         | -   | -            | 33 083            |
| Erection of Public Sculptures         | 8 089 804         | -         | -   | (7 453 012)  | 636 792           |
| Facilities Management                 | 2 757 303         | -         | (307 218)                                 | -            | 2 450 085         |
| Long Walk To Freedom Film Set         | 6 000 000         | -         | -   | 27 300 000   | 33 300 000        |
| Back-up generator                     | -                 | -         | (1 481 424)                               | 1 883 411    | 401 987           |
| Qunu Development Construction Project | 21 769 020        | -         | -   | (21 769 020) | -                 |
|                                       | <b>52 638 705</b> | <b>-</b>  | <b>(3 753 602)</b>                        | <b>-</b>     | <b>48 885 103</b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 11. Unspent conditional grants and receipts (continued)

Qunu Development construction projects-This grant can be utilised to construct of Long walk to freedom (LWTF) film set.  
 Facilities Management- These funds are for the maintenance and improvement of existing structures  
 Long walk to freedom - Allocated funds relates to Long walk to freedom film set consultants and the remainder would be transferred to the LWTF construction project.  
 Erection of Statues- These funds are for the construction of 2 Nelson Mandela statues in Bhunga and Qunu.  
 Qunu Development project- This grant is for both the project management team and Qunu improvements.  
 ICT Project- These funds are for ICT infrastructure development and equipment.  
 Installation of burglar bars- These funds were allocated for installing burglar bars at the Museum.

The current portion, as disclosed above, is made of; Consultants for long walk to freedom film set that are expected to start utilising the budget in a period that is less than 12 months. Also, other projects, namely erection of public sculptures, ICT project, Facilities Management and Project Management are also anticipated to continue spending allocated funds as per budget in the period less than 12 months.

### 12. Provisions

#### Reconciliation of provisions - 2021

|                               | Opening Balance  | Additions        | Utilised during the year | Total            |
|-------------------------------|------------------|------------------|--------------------------|------------------|
| Provision for incentive bonus | 1 717 585        | 1 794 477        | (1 717 585)              | 1 794 477        |
| Provision for 13th cheque     | 78 736           | 93 738           | (78 736)                 | 93 738           |
| Provision for leave           | 592 452          | 1 144 854        | (1 125 691)              | 611 615          |
|                               | <b>2 388 773</b> | <b>3 033 069</b> | <b>(2 922 012)</b>       | <b>2 499 830</b> |

#### Reconciliation of provisions - 2020

|                               | Opening Balance  | Additions        | Utilised during the year | Total            |
|-------------------------------|------------------|------------------|--------------------------|------------------|
| Provision for incentive bonus | 1 168 475        | 1 717 585        | (1 168 475)              | 1 717 585        |
| Provision for 13th Cheque     | 82 729           | 78 736           | (82 729)                 | 78 736           |
| Provision for leave           | 977 017          | 374 838          | (759 403)                | 592 452          |
|                               | <b>2 228 221</b> | <b>2 171 159</b> | <b>(2 010 607)</b>       | <b>2 388 773</b> |

### 13. Payables from exchange transactions

|                |           |         |
|----------------|-----------|---------|
| Trade payables | 2 211 104 | 615 030 |
|----------------|-----------|---------|

### 14. Revenue

|                                    |            |            |
|------------------------------------|------------|------------|
| Sundry Income                      | 142 856    | 100 474    |
| Interest received - investment     | 3 128 956  | 4 455 693  |
| Government grants & subsidies      | 32 287 602 | 33 686 086 |
| Public contributions and donations | 670        | 11 991     |

#### The amount included in revenue arising from exchanges of goods or services are as follows:

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Sundry Income                  | 142 856          | 100 474          |
| Interest received - investment | 3 128 956        | 4 455 693        |
|                                | <b>3 271 812</b> | <b>4 556 167</b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021                      2020

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### 14. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

**Taxation revenue**

**Transfer revenue**

Government grants & subsidies

32 287 602      33 686 086

Public contributions and donations

670                      11 991

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**32 288 272      33 698 077**

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### 15. Other revenue

Sundry Income

142 856                      100 474

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Sundry income consists of revenue from the sale of books, bid documents, t-shirts etc.

### 16. Investment revenue

**Interest revenue**

Bank

3 128 956                      4 455 693

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The amount included in Investment revenue arising from exchange transactions amounted to 3 148 421 (2019: R4 455 693).

There was no interest income, calculated using the effective interest rate for financial instruments that were not at fair value through surplus or deficit.

### 17. Government grants and subsidies

**Operating grants**

Government grants from National Department

28 534 000                      28 561 000

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**Capital grants**

Government grant (capital)

3 753 602                      5 125 086

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**Total Grants (refer to note14)**

**32 287 602      33 686 086**

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# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

| Figures in Rand  | 2021              | 2020              |
|--|-------------------|-------------------|
| <b>18. Employee related costs</b>                              |                   |                   |
| Basic  | 11 945 170        | 11 577 889        |
| Casual Labour  | 18 273            | 46 291            |
| Incentive Bonus  | 896 820           | 1 717 585         |
| UIF  | 47 458            | 43 482            |
| SDL  | 125 838           | 105 966           |
| Other payroll levies   | 26 305            | 26 539            |
| Leave pay provision charge                                     | 44 871            | 14 132            |
| Defined contribution plans                                     | 790 561           | 636 024           |
| 13th Cheques   | 271 008           | 239 071           |
|  | <b>14 166 304</b> | <b>14 406 979</b> |
| <b>Mr B Tyhulu - Chief Executive Officer</b>                   |                   |                   |
| Annual Remuneration  | 949 206           | 1 371 517         |
| Performance Bonuses  | -                 | 258 639           |
| Contributions to UIF, Medical and Pension Funds                | 10 682            | 13 715            |
|  | <b>959 888</b>    | <b>1 643 871</b>  |
| <b>Remuneration of Mrs N Tandwa- Senior Manager</b>            |                   |                   |
| Annual Remuneration  | 810 811           | 779 484           |
| Performance Bonuses  | 122 140           | 193 313           |
| Contributions to UIF, Medical and Pension Funds                | 10 215            | 7 484             |
|  | <b>943 166</b>    | <b>980 281</b>    |
| <b>Remuneration of Mr M Msongelwa- Chief Financial Officer</b> |                   |                   |
| Annual Remuneration  | 1 119 525         | 1 075 751         |
| Acting Allowance   | 214 989           | -                 |
| Performance Bonuses  | 212 869           | 276 957           |
| Contributions to UIF, Medical and Pension Funds                | 16 211            | 10 757            |
|  | <b>1 563 594</b>  | <b>1 363 465</b>  |
| <b>Remuneration of Ms N Thwala - Senior Manager</b>            |                   |                   |
| Annual Remuneration  | 810 811           | 779 000           |
| Performance Bonuses  | 107 850           | 115 988           |
| Contributions to UIF, Medical and Pension Funds                | 10 215            | 7 790             |
|  | <b>928 876</b>    | <b>902 778</b>    |
| <b>Remuneration of Council</b>                                 |                   |                   |
| Dr N Songelwa - Chairperson                                    | 36 494            | 14 763            |
| Adv T Nevondwe Deputy Chairperson and ARC Chairperson          | 67 479            | 104 996           |
| Mr S Madikizela FIFC Chairperson                               | 36 192            | 47 093            |
| Prof B Mngomezulu - COC Chairperson                            | 71 737            | 75 433            |
| Mr A Gontse - IDC Chairperson                                  | 94 802            | 104 866           |
| Mr M Bavuma  | 70 180            | 6 968             |
| Mr S Mzamo   | 83 108            | 84 850            |
| Dr S Masuku  | 54 002            | 10 452            |
| Adv S Peter- Audit and Risk Committee Member                   | 37 428            | -                 |
| Mr N Baloyi - Audit and Risk Committee Member                  | 37 428            | -                 |
| Ms A Vikilahle   | -                 | 59 153            |
| Ms K Buthelezi   | -                 | 83 795            |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

| Figures in Rand   | 2021             | 2020             |
|---|------------------|------------------|
| <b>18. Employee related costs (continued)</b>                     |                  |                  |
| Dr O Tema   | -                | 63 340           |
| Mr V Booï   | -                | 27 396           |
| Ms N Mandela  | -                | 20 904           |
| Mr L Mangquku - Audit Committee Member                            | -                | 28 430           |
| Ms O Motsielwa - Audit Committee Member                           | -                | 15 678           |
| Dr N Ngqila   | -                | 59 744           |
| Ms K Gustafson  | -                | 38 282           |
|   | <b>588 850</b>   | <b>846 143</b>   |
| <b>19. Administrative expenditure</b>                             |                  |                  |
| Administration and management fees - third party                  | 3 160 997        | 3 864 966        |
| The above Administrative expenditure is made up of the following: |                  |                  |
| Bank Charges  | 33 932           | 47 124           |
| Cell phone expenses   | 314 069          | 220 164          |
| Cleaning - Contracted   | 527 370          | 770 650          |
| Courier Charges - Contracted                                      | 17 430           | 16 101           |
| Electricity & Water   | 713 433          | 1 236 469        |
| Insurance: PPE  | 287 311          | 245 398          |
| Legal Fees  | 52 801           | 185 058          |
| Accounting Software   | 165 365          | 136 687          |
| Internal Audit Fees   | 70 984           | 214 349          |
| Workmen's compensation  |                  | 29 415           |
| Staff Training  | 95 147           | 394 049          |
| Staff Welfare   | 587 221          | 19 827           |
| Membership & Subscriptions  | 24 837           | 53 142           |
| Telephone & Fax   | 271 095          | 296 488          |
| <b>20. Depreciation and amortisation</b>                          |                  |                  |
| Property, Plant and Equipment                                     | 318 492          | 314 980          |
| Furniture and fittings  | 125 384          | 251 087          |
| IT Equipment  | 282 202          | 323 958          |
| Office Equipment  | 52 443           | 28 596           |
| Other Property, Plant and Equipment                               | 25 792           | 25 346           |
| Intangible Assets   | 119 118          | 119 118          |
| Motor Vehicles  | 97 780           | 77 184           |
|   | <b>1 021 211</b> | <b>1 140 269</b> |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

| Figures in Rand                                  | 2021             | 2020              |
|--|------------------|-------------------|
| <b>21. Other Operating expenses</b>              |                  |                   |
| Advertising                                      | 867 057          | 993 817           |
| Auditors remuneration                            | 1 388 414        | 1 314 021         |
| Computer expenses                                | 246 543          | 641 724           |
| Consulting and professional fees                 | 2 729 498        | 4 754 475         |
| Provision for Doubtful Debts                     | -                | 95 763            |
| Leasing Charges                                  | 170 014          | 186 209           |
| Motor vehicle expenses                           | 1 708            | 1 707             |
| Fuel and oil                                     | 62 564           | 79 898            |
| Printing and stationery                          | 135 464          | 140 663           |
| Repairs and maintenance                          | 64 151           | 64 952            |
| Security Expenses                                | 2 586 870        | 2 337 889         |
| Subscriptions and membership fees                | -                | -                 |
| Travel - local                                   | 279 333          | 3 179 756         |
| Exhibition Expenses                              | 927 680          | 309 650           |
| Functions and Catering                           | 8 379            | 187 893           |
| Other Expenses                                   | 425 804          | 130 397           |
|  | <b>9 893 479</b> | <b>14 418 814</b> |
| <b>22. Auditors' remuneration</b>                |                  |                   |
| Fees   | 1 388 414        | 1 314 021         |
| <b>23. Cash generated from operations</b>        |                  |                   |
| Surplus  | 7 318 093        | 4 423 216         |
| <b>Adjustments for:</b>                          |                  |                   |
| Depreciation and amortisation                    | 1 021 211        | 1 140 269         |
| Finance costs                                    | -                | 1 580             |
| Assets impairment                                | -                | -                 |
| Debt impairment                                  | -                | 96 983            |
| Movements in provisions                          | 111 058          | 160 552           |
| <b>Changes in working capital:</b>               |                  |                   |
| Inventories                                      | (75 261)         | 26 039            |
| Consumer debtors                                 | -                | 95 763            |
| Other receivables from non-exchange transactions | (158 490)        | (165 750)         |
| Payables from exchange transactions              | 1 606 876        | -                 |
|  | <b>9 823 487</b> | <b>5 778 652</b>  |

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 24. Commitments

#### Authorised operational expenditure

##### Already contracted for but not provided for

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| • Leases                | 373 987           | 107 406           |
| • Cleaning and Security | 5 402 862         | 8 451 426         |
| • Professional team     | 2 033 054         | 1 816 981         |
| • Facilities Management | 2 450 085         | 2 757 303         |
| • Other                 | 868 462           | 2 495 354         |
|                         | <b>11 128 450</b> | <b>15 628 470</b> |

##### Total operational commitments

|   |            |            |
|---|------------|------------|
| Already contracted for but not provided for | 11 128 450 | 15 628 470 |
|---|------------|------------|

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

#### Operating leases - as lessee (expense)

##### Minimum lease payments due

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| - within one year                   | 140 245        | 107 406        |
| - in second to fifth year inclusive | 233 742        | -              |
|                                     | <b>373 987</b> | <b>107 406</b> |

Operating lease payments represent rentals payable by the NMM for the rental of 3 printers from XEROX for a period of 3 years.

### 25. Related parties

#### Relationships

Non- Executive Management

The Nelson Mandela Museum Council is the Governing Accounting Authority of the Institution (see details in note 18) 18

Controlling entity

The Nelson Mandela Museum has been established by the South African Government through the Department of Sport, Arts and Culture in terms of the Cultural Institutions Act 1998 (Act No. 119 of 1998) and is ultimately controlled by the National Minister of Arts and Culture (see note 14)

Executive Management

All senior managers of the Nelson Mandela Museum are classified as Executive Management (See details in note 18)

Other Related Parties

All transactions with parties that have the ability to control (or jointly control) the NMM or exercise significant influence over the NMM, or vice versa, or an entity that is subject to common control or joint control



# Nelson Mandela Museum

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## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 26. Risk management

#### Financial risk management

The entity's principal financial liability comprises of 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 a financial asset in the form of cash and short-term deposits, which arise directly from its operations.

| <b>March 2021</b>           | Short Term<br>Investments | Financial<br>Liability at<br>Amortised Cost | Total             |
|-----------------------------|---------------------------|---|-------------------|
| Cash and Cash Equivalents   | 72 247 396                | -   | 72 247 396        |
| Trade and Other Receivables | 201 494                   | -   | 201 494           |
| Trade and Other Payables    | -                         | (2 211 104)                                 | (2 211 104)       |
|                             | <b>72 448 890</b>         | <b>(2 211 104)</b>                          | <b>70 237 786</b> |

| <b>March 2020</b>           | Short Term<br>Investments | Financial<br>Liability at<br>Amortised Cost | Total             |
|-----------------------------|---------------------------|---|-------------------|
| Cash and Cash Equivalents   | 68 241 339                | -   | 68 241 339        |
| Trade and Other Receivables | 43 004                    | -   | 43 004            |
| Trade and Other Payables    | -                         | (615 030)                                   | (615 030)         |
|                             | <b>68 284 343</b>         | <b>(615 030)</b>                            | <b>67 669 313</b> |

#### Liquidity risk

The entity's risk to liquidity is a result of the ability to cover future commitments. The entity manages liquidity risk through ongoing review future commitments and credit facilities. The table below analyses the constitutional institution'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.

| <b>March 2021</b>        | Less than 3<br>months or on<br>demand | More than 3<br>months but<br>less than 6<br>months | More than 6<br>months but<br>less than 9<br>months | More than 9<br>months but<br>not exceeding<br>1 year | More than 1<br>year | Total             |
|--------------------------|---------------------------------------|--|--|--|---------------------|-------------------|
| Infrastructure funds     | -                                     | 450 000  | 2 100 000  | 10 183 031   | 36 152 072          | 48 885 103        |
| Trade and other payables | 2 211 104                             | -  | -  | -  | -                   | 2 211 104         |
| Subtotal                 | 2 211 104                             | 450 000  | 2 100 000  | 10 183 031   | 36 152 072          | 51 096 207        |
|                          | <b>2 211 104</b>                      | <b>450 000</b>                                     | <b>2 100 000</b>                                   | <b>10 183 031</b>                                    | <b>36 152 072</b>   | <b>51 096 207</b> |

| <b>March 2020</b>        | Less than 3<br>months or on<br>demand | More than 3<br>months but<br>less than 6<br>months | More than 6<br>months but<br>less than 9<br>months | More than 9<br>months but<br>not exceeding<br>1 year | More than 1<br>year | Total             |
|--------------------------|---------------------------------------|--|--|--|---------------------|-------------------|
| Infrastructure funds     | -                                     | 200 000  | 1 500 000  | 6 937 326  | 44 001 379          | 52 638 705        |
| Trade and other payables | 615 030                               | -  | -  | -  | -                   | 615 030           |
| <b>TOTAL</b>             | <b>615 030</b>                        | <b>200 000</b>                                     | <b>1 500 000</b>                                   | <b>6 937 326</b>                                     | <b>44 001 379</b>   | <b>53 253 735</b> |

#### 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.

# Nelson Mandela Museum

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

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### 27. 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.

### 28. Events after the reporting date

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

### 29. Fruitless and wasteful expenditure

|  |               |               |
|--|---------------|---------------|
| Opening balance as previously reported           | 22 801        | 25 998        |
| <b>Opening balance as restated</b>               | <b>22 801</b> | <b>25 998</b> |
| Add: Expenditure identified - current            | -             | 17 472        |
| Add: Expenditure identified - prior period       | -             | 5 807         |
| Less: Amounts recoverable - current              | -             | (1 447)       |
| Less: Amounts recoverable transferred to debtors | (22 801)      | (23 892)      |
| [Other]  | -             | (1 137)       |
| <b>Closing balance</b>                           | <b>-</b>      | <b>22 801</b> |

#### Additions

**R5 807**

The fruitless incurred in the prior year relates to an overpayment of service provider and has been transferred to debtors

#### Recoverables

**R22 801**

The fruitless expenditure debtors that were raised in the previous year and current the year that were recovered/ closed.

### 30. Irregular expenditure

|  |           |           |
|--|-----------|-----------|
| Opening balance as previously reported | 4 456 190 | 4 456 190 |
|--|-----------|-----------|

# Nelson Mandela Museum

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2021 2020

### 30. Irregular expenditure (continued)

#### Details of irregular expenditure not condoned

|   | Amount    |
|---|-----------|
| An application has been made to National Treasury requesting a condonation of the irregular expenditure incurred during the previous year | 4 456 190 |
|   | 4 456 190 |

### 31. 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 | 7 318 093        | 4 421 480      |
| <b>Adjusted for:</b>                                   |                  |                |
| Sundry Income  | -                | (1 074 080)    |
| Infrastructure interest                                | (2 668 956)      | (3 131 513)    |
| <b>Net surplus per approved budget</b>                 | <b>4 649 137</b> | <b>215 887</b> |

### 32. Budget differences

#### Material differences between budget and actual amounts

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### 32. Budget differences (continued)

| Revenue | Actual     | Budget       | Variance % | Total     |
|---------|------------|--------------|------------|-----------|
|         | 35 560 084 | (33 147 126) | 7.23 %     | 2 412 965 |

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There was a favourable variance in revenue due to budgeted interest which was lesser than the actual amount. The majority of the interest accumulated relates to infrastructure funds as disclosed on note 14 above. Management had thought that the progress on awarded projects would be at advanced stages before year-end; however, due to challenges that were since managed that halted the progress.

| Expenditure | Actual     | Budget       | Variance % | Column heading | Total       |
|-------------|------------|--------------|------------|----------------|-------------|
|             | 28 241 991 | (33 147 126) | 14.31 %    | -              | (4 905 121) |

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The above variances are explained below:

**Remuneration of councillors** - The expenditure for the year is mapped under personnel costs above. The overall variance between the actual and budget is immaterial.

**Depreciation** - This is a non-monetary item, and the wear and tear is not budgeted for. The allocation from DSAC is only limited to the operational budget.

**General Expenses** - There has been some savings due to closure as a result of the COVID-19 pandemic; the savings are in municipal charges, travel expenses, logistics and some postponed events.

# Nelson Mandela Museum

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## Annexures

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### 1. Donations

|                         | 2021 | 2020   |
|-------------------------|------|--------|
| <b>Type of donation</b> |      |        |
| Various donors          | 670  | 11 990 |

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

| <b>Donations</b> | <b>Donor</b>   | <b>Amount</b> | <b>Total</b> |
|------------------|----------------|---------------|--------------|
|                  | Various Donors | 670           | 670          |

