William Humphreys Art Gallery

Annual 2023 Report 2024

sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

William Humphreys Art Gallery
an agency of the
Department of Sports, Arts and Culture

WILLIAM HUMPHREYS ART GALLERY

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ANNUAL REPORT

2023/2024 FINANCIAL YEAR

1 Cullinan Crescent
Kimberley
South Africa

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Cover Image:
Go Ahead, Make Your Day, It's a "Free Country" - 10th May 1994 South Africa
Nhlanhla Xaba
Colour Etching

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PART A:

General Information

African Kitchen
Sam Nhlengethwa, 1988
Collage

General Information

Registered Name:

William Humphreys Art Gallery

Physical Address:

1 Cullinan Crescent
Kimberley
8300

Postal Address:

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Kimberley
8300

Telephone Number:

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Website Address:

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External Auditors:

Auditor-General of South Africa

Bankers:

Nedbank

List of Abbreviations & Acronyms

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
B-BBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CCMA	Commission for Conciliation, Mediation and Arbitration
CFO	Chief Financial Officer
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts, and Culture
GRAP	Generally Recognised Accounting Practice
HVAC	Heating, Ventilation & Air-condition system
ICOM	International Council of Museums
PAA	Public Audit Act 25 of 2004
PFMA	Public Finance Management Act, Act 1 of 1999
PPE	Property, Plant, and Equipment
SAMA	South African Museum Associations
SCM	Supply Chain Management
TR	Treasury Regulations
WHAG	William Humphreys Art Gallery

Learners from Floors No 2 High School watching a movie at the WHAG Film Auditorium.

Foreword by Chairperson

Introduction

The William Humphreys Art Gallery (WHAG), established in 1952 and located in Kimberley, is a national art museum with the mandate to collect, preserve, conserve, document, research, and exhibit works of art that represent the artistic heritage of all South Africans. The Gallery is also tasked to utilize its assets for the edification, enrichment, and enjoyment of the people of South Africa, Africa, and beyond.

It gives great pleasure to present the annual report of the William Humphreys Art Gallery for the 2023/24 fiscal year. This report details the stellar work done by the Gallery under the stewardship of the council led by Mr Popo Masilo. The former council of WHAG handed over a well-managed and excelling institution to the Iziko council on 30 June 2024, after WHAG was formally amalgamated into the Iziko Museums of South Africa by the Minister of Arts and Culture on 28 May 2024.

On behalf of the Iziko Museums of South Africa, it is my distinct pleasure to welcome the William Humphreys Art Gallery into our fold as one of Iziko's museums, effective from July 1, 2024.

High-Level Overview of Strategy and Performance

In the 2023/24 fiscal year, the William Humphreys Art Gallery achieved a clean audit for the fourth consecutive year. Beyond this remarkable achievement, the Gallery exceeded its performance targets for the year, demonstrating excellence in its operations and fulfilling its mandate with distinction.

Strategic Relationships

The Gallery has a long-standing relationship with the MTN Foundation, which sponsors an outreach programme that brings the museum experience to remote towns in the Northern Cape, especially targeting school learners. This relationship remains strong and is poised to continue into the future. The Gallery will also seek to establish new strategic partnerships to bolster its capacity to deliver on its mandate.

Challenges Faced by the Board

During the tenure of the outgoing WHAG Council, significant progress was made despite various challenges. The Council focused on strengthening institutional frameworks, human resource management, and core functions essential to WHAG's mission.

Key achievements include the successful implementation of job grading and salary adjustments, development of HR policies and performance management frameworks, and the termination of lease agreements to alleviate storage constraints. Additionally, WHAG maintained clean audits for four consecutive years, and essential policies were developed to enhance asset management and supply chain operations.

However, challenges persisted, including insufficient funding for critical positions, inadequate budgets for acquiring significant artworks, and ongoing issues with storage capacity, HVAC systems, and security measures. To address these challenges, the Council initiated various measures, including job grading and salary adjustments, the drafting of new HR policies, and the development of an artwork acquisition strategy. Efforts were also made to initiate repairs to the HVAC systems and secure funding for storage expansion.

Strategic Focus Over the Medium to Long Term

It is essential to prioritize unresolved matters such as training on new systems, securing sustainable funding, finalizing HVAC repairs, and developing comprehensive financial and risk management policies. By building on past achievements and addressing outstanding challenges, WHAG can ensure continued growth and stability.

Acknowledgements

I extend my deepest gratitude to the management of the William Humphreys Art Gallery, led by Ms. Nelisiwe Mkhize, and to the former council, under the leadership of Mr. Masilo, for their exceptional work and performance. The support of the Department of Sport, Arts, and Culture has been instrumental to our success, and we are deeply thankful to the Minister and all DSAC officials for their unwavering support to the council and management.

Conclusion

The amalgamation of the William Humphreys Art Gallery into the Iziko Museums of South Africa bodes well for the future of the Gallery and enhances the reach and stature of Iziko as a national institution of excellence.

The Council of Iziko Museums appreciate the leadership of the WHAG Council, management, and staff for delivering on their mandate and in achieving an unqualified audit during the 2023/24 financial year.

J Sithole

Council Chairperson

Director's Overview

General Financial Review of the Public Entity

The William Humphreys Art Gallery maintained a sound financial position during the 2023/24 fiscal year, achieving a clean audit for the fourth consecutive year. Our prudent financial management ensured that we met our operational objectives despite ongoing budgetary constraints. Revenue grew by a modest 4% to R16.373million, while expenditure rose by 3% to R16million, resulting in a surplus of R396,000. This is in line with a 3% increase in government subsidy, from R12.121 million in 2023 to R12.454 million in 2024. Total assets rose by 0.72% to R239million, with heritage assets up by R1.2 million. Despite a 4.75% increase in liabilities, net assets grew by 0.2%, indicating stability. Budget variances included a 6% revenue surplus, 3% overspending on expenditure, and a 16% overrun in capital expenditure. Performance targets have been met, with performance in 8 of the 12 indicators exceeding target.

Spending Trends of the Public Entity

Expenditure during the 2023/24 fiscal year was carefully managed to align with available resources. The bulk of the spending was directed towards personnel costs, heritage collection, and community outreach programmes. While there were slight increases in operational costs due to inflation, the Gallery's spending trends remained within budgetary limits. Implementation of the HVAC project from deferred revenue led to 209% increase in fees for building consultants. More spending is expected on this project and other infrastructure projects in the next financial year. Employee costs rose by 12% due to an effective cost-of-living increment of 6,8%, and implementation of salary benchmarking and funding of the new organisational structure.

Capacity Constraints and Challenges Facing the Public Entity

WHAG continues to face capacity constraints, particularly in human resources. The inability to attract and retain skilled staff due to non-competitive salaries has placed additional pressure on existing employees, often leading to fatigue and reduced morale. Additionally, the Gallery faces challenges in maintaining its aging infrastructure, particularly HVAC systems and storage facilities, which are critical for the conservation of artworks. These challenges have necessitated a reevaluation of resource allocation and strategic planning.

Discontinued Key Activities

As part of our strategic review, the Gallery has decided to discontinue its longstanding lease agreement with De Beers Consolidated Mines, which involved storing and exhibiting their collection. This decision will free up much-needed space for WHAG's own collection and allow for better utilization of our resources.

New or Proposed Key Activities

Moving forward, WHAG will focus on expanding its digital outreach through the continuation of the digitization project. This initiative will enhance access to our collection, reaching a wider audience and preserving our heritage for future generations. Additionally, we are exploring new partnerships with other cultural institutions to strengthen our programme offerings and community engagement.

Requests for Roll Over of Funds

Request for permission to roll-over funds will be made to the National Treasury through DSAC. The funds in question are deferred revenue and surpluses that the Gallery wishes to roll-over in order to continue with the planned infrastructure project and to cover other shortfalls during the course of its operations.

Supply Chain Management

WHAG continues to adhere to stringent Supply Chain Management (SCM) practices, ensuring transparency and compliance with regulatory requirements. Our SCM processes are designed to promote fair competition, achieve value for money, and mitigate risks associated with procurement.

All Concluded Unsolicited Bid Proposals for the Year Under Review

There were no unsolicited bid proposals concluded during the 2023/24 fiscal year. All procurement activities were conducted through open and competitive bidding processes in line with SCM policies.

Challenges Experienced and How Resolved

One of the main challenge the Gallery faced during the year under review was shortage of critical skills in the area of curation. To remedy the situation, the Gallery appointed a chief curator to lead the efforts to build, present, care for, and conserve the Gallery’s collection, and is responsible for the support and content of the exhibitions and related efforts. The Gallery also experienced high turnover of curatorial staff, and this was compounded by the moratorium imposed by DSAC on appointments pending amalgamation.

Audit Report Matters in the Previous Year and How They Would Be Addressed

The Gallery achieved a clean audit in the previous year, therefore there were no audit report matters to be addressed.

Outlook/Plans for the Future to Address Financial Challenges

To address ongoing financial challenges, WHAG will focus on diversifying its revenue streams by exploring new funding opportunities and partnerships. Additionally, we will continue to advocate for increased government funding to support critical positions and infrastructure needs. The Gallery will also intensify its efforts in cost-saving initiatives without compromising the quality of its programmes and services.

Events After the Reporting Date

Following the amalgamation of WHAG into the Iziko Museums of South Africa as of July 1, 2024, the Gallery is now part of a larger entity, which presents both opportunities and challenges. This transition will require careful management to ensure that WHAG's unique identity and mission are preserved within the broader structure of Iziko.

WHAG has also terminated its loan agreement with De Beers Consolidated Mines in May of 2024, which led to a deaccessioning of artworks worth R31million from the asset register.

Economic Viability

WHAG remains economically viable, with a strong foundation built on prudent financial management and strategic partnerships. However, the Gallery must remain vigilant in navigating the challenges posed by budgetary constraints and increasing operational costs. Continued focus on financial sustainability will be crucial as we move forward within the Iziko framework.

Acknowledgement/Appreciation

I would like to extend my sincere gratitude to the management and staff of WHAG, whose dedication and hard work have been instrumental in achieving our goals. I also wish to thank the Department of Sport, Arts, and Culture for their ongoing support, as well as our partners and stakeholders, whose contributions have been invaluable. As we embark on this new chapter within Iziko Museums of South Africa, I am confident that WHAG will continue to thrive and contribute to the cultural landscape of our nation.

N Mkhize

Director

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 of South Africa.

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 F) have been prepared in accordance with the GRAP standards applicable to the public entity.

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 which 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 2024.

Yours faithfully;

N Mkhize
Director
31 August 2024

J Sithole
Chairperson
31 August 2024

Strategic Overiew

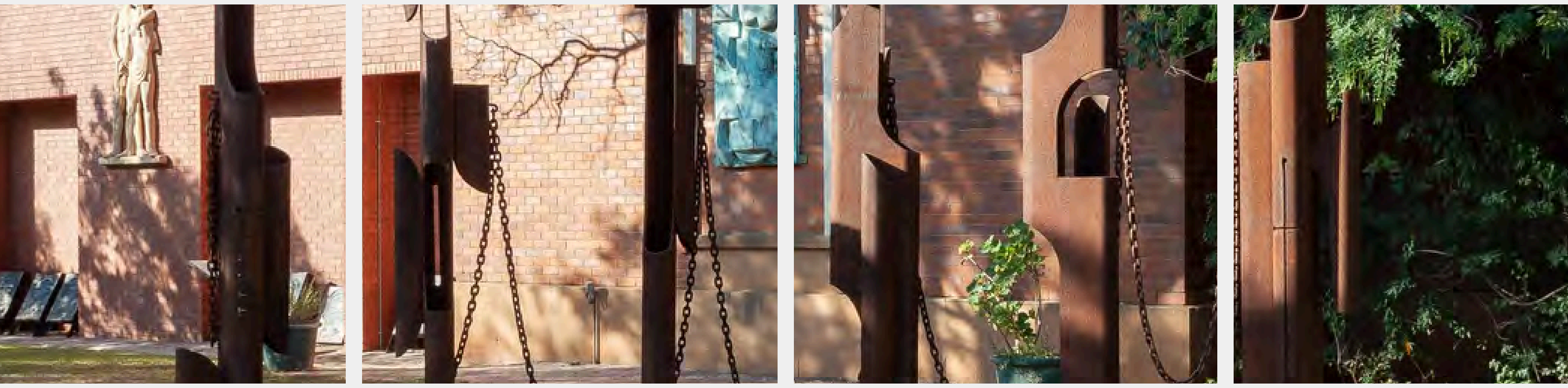
Values

The values that the Gallery and staff subscribe to are documented in the South African Museums Association Code of Conduct, the ICOM Code of Ethics for Museums, and the Code of Conduct for Public Servants.

The values the WHAG and staff subscribe to are:

- Ubuntu – Compassion and humanity shown to visitors, and stakeholders.
- Excellence – In everything we do.
- Professionalism – Showcased in all areas of stakeholder engagement.
- Teamwork – is central to creating a shared vision for the institution.
- Community engagement and empowerment – is at the core of all our projects and programmes.

VISION:
A world class art gallery of excellence that is accessible and relevant to all.



MISSION:
To collect, preserve, and conserve artworks that are representative of the cultural diversity and heritage of South Africa, Africa, and beyond.

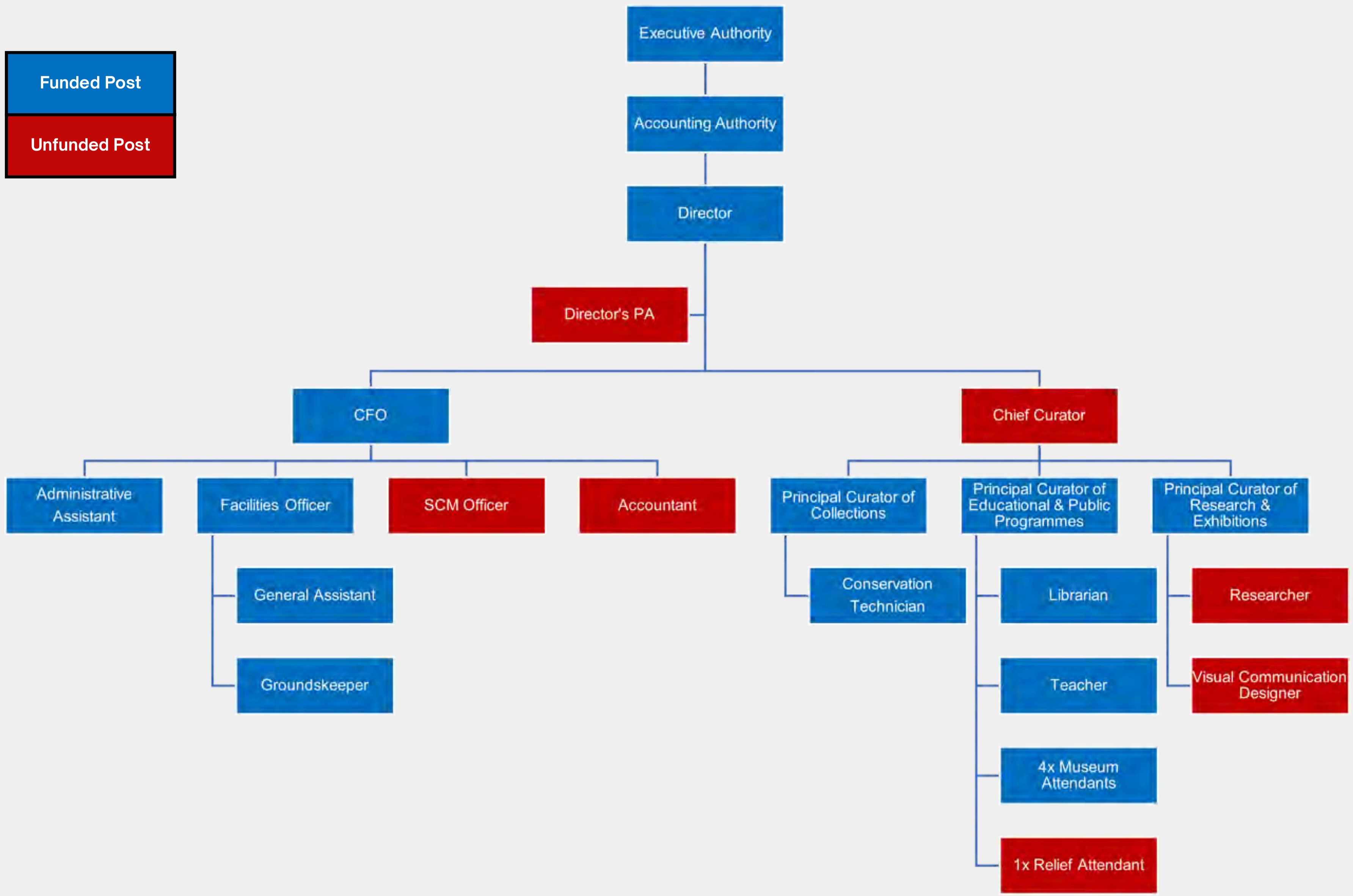
Legislative and Other Mandates

WHAG has been established in terms of the Cultural Institution's Act 119 of 1998 within the Department of Sport, Arts, and Culture, and operates as a public entity under schedule 3A of the Public Finance Management Act (PFMA) with its mandate prescribed as:

"To collect, preserve, conserve and document, research as well as to exhibit works of art which represent the artistic heritage of all South Africans and utilises its assets for the edification, enrichment and enjoyment of the people."

WHAG is governed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) The Public Finance Management Act, 1999 (Act No.1 of 1999) as amended by Act No. 29 of 1999); and the Treasury Regulations, 2001.

Organizational Structure



PART B:

Performance Information

Digital Gothic
Dolla Sapeta
Acrylic on canvas

Auditor’s Report: Predetermined Objectives

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

Refer to page 59 of the Report of the Auditors Report, published as Part F: Financial Information.

Overview of Performance

The Gallery's strategic goals are guided by the President's seven key priorities and the Department of Sport, Arts and Culture's overarching mandate to contribute to the development of an inclusive society that encourages the promotion of social cohesion and nation-building. The Northern Cape and specifically Kimberley in which the Gallery is situated continues to be hampered by a legacy of racial segregation, poverty, and exclusion from socio-economic opportunities of previously and currently excluded groups. The Gallery has been in existence for seventy years and has been affected by these legacies.

The Gallery has in recent years sought more proactive ways to combat these glaring legacies through its various public programmes and projects offered to the general public such as exhibitions that showcase the creative production of artists from more diverse backgrounds, and that provide an insight into the lived realities of the people that make up South Africa. The pandemic has disrupted the strides that the Gallery had been making towards establishing partnerships with local entrepreneurs to provide a platform to showcase their talent to audiences. These events attract visitors from local communities that previously have not stepped into the Gallery's premises.

Newton Primary School learners during a guided tour of 'Stories of Sublimity' exhibition.

Service Delivery Environment

In the year under review, the Gallery focused on assessing the responsiveness to current national and global factors that have affected the delivery of services to stakeholders. The seven areas identified by the President as priorities are as follows:

- Economic transformation and job creation
- Education, skills, and health
- Consolidating the social wage through reliable and quality basic services
- Spatial integration, human settlements, and local government
- Social cohesion and safe communities
- A capable, ethical, and developmental state
- A better Africa and World

Out of the seven key priorities WHAG identified the following three that speak to its core mandate:

Economic transformation and job creation
This key priority is unpacked through WHAG's Prison Project, an initiative that provides marketable craft skills to female offenders in the Kimberly area. The women can make use of these skills by creating marketable products for sale.

Social cohesion and nation building
The Gallery's exhibition programme has in recent times made a concerted effort to showcase the work of artists from diverse socio-economic backgrounds. In addition to the workshops and public discussions, the programme has contributed to encouraging social-cohesion and nation-building by attracting visitors from varied backgrounds that would not have previously engaged with the artworks.

A better Africa and World
WHAG's acquisitions policy addresses the under-representation of Black African creative productions by ensuring that artists who are from excluded communities or are under-represented on conventional platforms are supported through the acquisition of their artworks into the Gallery's collections.

WHAG's membership to the International Committee of Museums (ICOM) provides access to global museum best practice and provide its staff with access to professional development through its exchange programmes and conferences hosted annually.

Unemployment

In its quest to contribute to the alleviation of the high unemployment rates in South Africa, the Gallery provides youth graduates with additional hands-on training and experience in the museum sector through workshops and workplace learning to assist in preparing them for the job market. In addition to this, WHAG's Prison Project, provides marketable arts and craft skills to female offenders within the Kimberley prison system who then use these newly acquired skills to create sellable products that can financially support their families upon release from the correctional centre.

The Gallery has made a concerted effort to secure its goods and services mainly from organizations and individuals from previously excluded communities through its procurement processes. The development of an acquisitions policy that mandates the Gallery to acquire artworks from emerging artists from previously excluded communities who are not represented by formal art galleries is an important step to provide much needed income to artists who are on the margins of the arts sector.

The 4th Industrial Revolution

The 4th Industrial Revolution (4IR) envisions a society in which there is a greater fusion and convergence between digital technologies, virtual reality, and artificial intelligence. The incorporation of technology into the daily operations of WHAG has begun through the use of cloud technology that will safely allow the Gallery to store its data virtually providing for greater assurance of its safety and security.

The Gallery is committed to expanding and leading in incorporating interdisciplinary, experimental and media arts into the collection (directly linked to technological advances from the 4IR) through commission and/or purchasing of work that utilizes technology as a medium itself.

The ongoing digitization of the Gallery's collection also allows for greater access beyond the four walled confines of the physical building, thereby contributing to ensuring greater inclusivity in the dissemination of knowledge through web-based technologies. Digitization also supports the conservation effort of the Gallery's collections by minimizing risks associated with handling artworks.

The Gallery is committed to making a greater effort to utilize other forms of media such as social media in order to ensure that there is a greater awareness of its activities, programmes, and available opportunities to the community.

Organisational Environment

The Gallery's internal environment has been reviewed to assess and uncover the strategies required to make improvements in all areas of its daily operations. The Gallery built on its strengths and addressed weaknesses to show tangible evidence of change and improvement by ensuring the implementation of its core mandate and the actualization of the national imperatives, as outlined in government's seven key priority areas.

The Gallery continued to strengthen its internal controls through policy development and improving of its supply chain processes.

Skills Development

Post-1994 South Africa continues to have unacceptably high levels of inequality in all levels of society with the gap between the rich and the poor at an all-time high. Within our sector, museum expertise is a rarity with far too many skills being outsourced to international candidates. Greater effort needs to be made to develop tertiary training and development of museum practitioners in South Africa.

The Gallery will achieve this by strengthening and continuing to partner with its local secondary and tertiary institutions by engaging students in hands on classes and workshops. Thereby transferring knowledge and skills to the next generation of museum practitioners.

Human Resources

The Gallery continues to face human resource challenges. With a small staff complement roles and responsibilities have become blurred as the necessary staff to ensure the adequate day to day activities are lacking. As such the Gallery runs the risk of good governance processes not adequately being adhered to. The services of an HR consultant were acquired to assist in the much-needed development of policies and job evaluations to ensure compliance in line with best practices.

Infrastructure

Since the opening of the William Humphreys Art Gallery in 1952 very little has been done to improve the infrastructure of the building. Renovations to its Humidity, Ventilation and Air Conditioning (HVAC) systems, leaking roofs, old electric wiring, deteriorating pipe system which renders the building's water not fit for human consumption, updated lighting and additional storage spaces is sorely needed. The securing of a project manager to orchestrate renovations will place the Gallery on par with international museums and ensure we meet the stipulated minimum requirements.

Key Policy Developments and Legislative Changes

There were no major changes to relevant policies or legislation that may have affected operations during the period under review or future financial periods.

Heritage Studies students from Sol Plaatje University at the Northern Cape Artists' Exhibition

Progress Towards Achievement of Institutional Impacts and Outcomes

Programme 1: Administration

Strategic Objective:	To ensure that the William Humphreys Art Gallery is compliant with Legislation and Accounting Standards.
Goal:	Develop an enabling and efficient workforce to deliver on WHAG objectives.
Priority Focus:	The aim is to streamline the internal business processes, systems, and procedures to meet WHAGs' strategic objectives and to ensure compliance with all legislation.

Programme 2: Collection Management

Strategic Objective:	Grow the collections in line with strategic priorities and to address historic inequalities.
Goal:	Transformation and development of the WHAG permanent collection.

Programme 3: Public Engagement

Strategic Objective:	Promote the creative production of South African artists and heritage through the display of temporary and permanent exhibitions and public programmes.
Goal:	Increase awareness of South African culture and heritage. To improve conditions for the collection to ensure greater access. To ensure the efficient development and management of exhibitions and public programmes.
Priority Focus:	Interventions related to strengthening awareness of WHAG activities and showcasing the contributions these programmes make on the socio-economic development and upliftment to local communities.

MTN/WHAG Outreach team with school learners at the JJ Dreyer Primary School in Prieska.

Institutional Programme Performance Information

Programme 1: Administration

This programme is to ensure efficient and effective governance and oversight accountability within the Gallery in line with the Executive Authority and that the Gallery is compliant with legislation and accounting standards. This programme is focused on timeous reporting activities, management of funds, and capacity building efforts of the Gallery towards the realisation of its vision.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Administration programme contributes to the following strategic outcome-oriented goals: To ensure that the William Humphreys Art Gallery is compliant with legislation and accounting standards. The Gallery has run a clean administration in the year under review, maintaining it's clean audit report and meeting the target under this programme. The Gallery's supply chain management policy's specific goals prioritize empowering women, youth, and persons with disabilities in its service delivery environment. To foster economic participation, the Gallery awards preference points to businesses that are owned by these groups. WHAG also offers free access to the gallery for children and students.

Programme 1: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Improved governance by obtaining an unqualified audit opinion	Full compliance with PFMA and Accounting Standards	Unqualified Audit Report without findings	Unqualified Audit Report without findings	Unqualified Audit Report without findings	Unqualified Audit Report	Unqualified Audit Report without findings	Target exceeded	Improved administration

Linking performance with budgets

Programme 1: Administration	2023/2024			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	10 568	9 242	1 326	8 801	11 142	3 218

The underspending was affected by the late approval for the use of retained funds which delayed the procurement process and resulting in the procuring of goods and services after year end.

Strategy to overcome areas of under performance

There were no areas of underperformance in this programme.

Programme 2: Collection Management

This programme is to manage and grow a collection that is representative of the people of South Africa, to correct unethical collection practices, and to promote and encourage relevant research related to the collection.

Strategic objectives, performance indicators planned targets and actual achievements

The Collections Management programme contributes to the following strategic outcome-oriented goals:

- The transformation and development of the WHAG permanent collection;
- The preservation of the permanent collection; and
- The digitisation of the permanent collection

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Acquisitions - The William Humphreys Art Gallery has made significant strides in its collection management, particularly through the acquisition of substantial works by women artists. This marks a major milestone in our ongoing efforts to ensure that our collection is inclusively representative of diverse voices and perspectives.

Our latest acquisition includes a remarkable portfolio featuring works by 50 South African artists who represent a rich tapestry of cultures, genders, ages, creeds, and racial backgrounds. This diverse collection was specifically curated to commemorate the 50th anniversary of the forced removals in District Six during the apartheid era, reflecting on a poignant chapter in our nation's history through the lens of contemporary art. Incorporating new voices into our collection not only enhances its diversity but also deepens its narrative complexity, allowing us to present a more comprehensive view of South African art. Despite not having a dedicated team or specialist, our digitisation and conservation efforts have been commendable, ensuring that our collection is well-preserved and accessible to the public.

Through these efforts, WHAG continues to play a pivotal role in the cultural landscape, championing inclusivity and representation while engaging and inspiring the community. Our ongoing initiatives in collection management, digitisation, conservation, and exhibition programming reflect our dedication to preserving and celebrating the rich artistic heritage of South Africa.

Art Workshop Participants from the Yonder Centre for Adults Living with Intellectual Disabilities.

Preservation and Conservation Management – The Acquisition of an artwork into the permanent collection follows two strategies to ensure its longevity and safety, one requires the safe storage or exhibition display of an art object the other requires specialised processes to repair art objects that have been damaged with time, environmental conditions, or human error. To combat these risks, the Gallery provided training to key staff members in conservation. In addition, site visit by conservation specialist during the revaluation exercise provided invaluable assessment of the condition of artworks.

Digitisation – The systematic archiving of the collection in the form of a photographic archive will be integral to the institutions goal of ensuring access to all. By including information on the contents of the WHAG collection online this initiative will enable citizens in the far reaches of the country to have visual access through a digital form. The Gallery built a new website and data management system to exhibit and house its growing digital collection.

William Humphreys Art Gallery staff

Programme 2: Collections Management

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Transformed and developed WHAG permanent collection	To purchase artwork for the WHAG permanent collection in order to redress imbalance and representivity	To purchase artwork for the WHAG permanent collection in order to redress imbalance and representivity	23	11	16	21	+5	Purchase of a portfolio of 50 artworks
		Number of artworks acquired from artists from previously disadvantaged established artists	38	16	24	34	+10	Purchase of a portfolio of 50 artworks
Preservation of collections	To maintain an optimum environment for the preservation of the art collection environment for the preservation of the art collection	Number of artworks conserved	17	59	8	12	+4	Preventative conservation attention was given to artworks that were due for exhibition
	Digitisation of collection	Number of artworks digitised	21	94	24	32	+8	High volume of artworks digitized to populate planned catalogue

Linking performance with budgets

Programme 2: Collections Management	2023/2024			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	**2 497**	**2 168**	**329**	**1 782**	**1 616**	**166**

The underspending was due to vacancies of the Principal Curator of Collections and the Chief Curator.

Strategy to overcome areas of under performance

There were no areas of underperformance in this programme.

Programme 3: Public Engagement

This programme is to increase awareness of South Africa's culture and heritage, improve conditions for the collection to ensure greater access and to ensure the efficient development and management of exhibitions and public programs.

Strategic objectives, performance indicators planned targets and actual achievements

The public engagement programme contributes to the following strategic outcome-oriented goals;

- Increased awareness of South African cultural identity;
- An integrated and inclusive society by bringing people of diverse socio-economic backgrounds together;
- A professional and capacitated arts, culture, and heritage sector.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Exhibitions

Our exhibition programming has seen a significant uptick in community engagement, particularly from the Kimberley community. The increasing turnout at our exhibition openings is a testament to the growing interest and support from local audiences. This heightened community involvement enriches our exhibitions and fosters a deeper connection between the gallery and its patrons.

We have exceeded our targets for the number of permanent exhibitions, which has allowed us to showcase rarely seen artworks from our collection. This not only broadens public access to our collection but also highlights the gallery's commitment to sharing our artistic treasures with a wider audience.

Additionally, the media coverage of our exhibitions and programs has extended our reach beyond local borders, effectively exporting the work we do to the world. This international exposure not only elevates the profile of our artists but also positions WHAG as a significant player in the global art scene.

Through the curated exhibitions from the Gallery's collection, the target of producing six permanent exhibitions that largely align itself with the national celebration calendar was achieved. Both the temporary loan exhibitions as well as the curated exhibitions of artworks from the Gallery's permanent collection are supported by public engagements such as walkabouts, panel discussions and other engagements that add context and depth to the programming for visitors, thus contributing to visual literacy through engagement and education.

Special Community Projects and Outreach

The William Humphreys Art Gallery is committed to serving vulnerable and marginalized communities through special community projects. The following programs formed part of this year's programming:

The ***Yonder Centre for Adults with Intellectual Disabilities*** is a valuable community partnership created by WHAG over several years. The programme engages individuals with intellectual disabilities in art appreciation and hands-on skills development in visual and tactile arts during school quarters. During the past financial year, 26 classes were presented. These workshops empower and nurture the participant's skills and contribute to their well-being and self-expression.

The ***WHAG Prison Project*** is an initiative that aims to empower women who are currently imprisoned. This year, there were a total of 34 visits to the Kimberley Correctional Centre as part of this project. By providing skills transfer training in arts and crafts, the project equips the participants with practical abilities that can be used beyond the prison walls. These newfound skills contribute significantly to their upliftment and enhance their prospects for successful reintegration into society upon their release.

The ***Keadumela Early Childhood Development Programme*** is a programme designed for underprivileged children and takes place on the premises of the Gallery. During the past financial year, five crèches participated in this weekly programme which runs during the school quarter. A total of 119 contact sessions took place. The purpose of this programme is to aid in the development of a more equal and just society by providing access to education for all.

The ***WHAG Outreach Programme*** aims to bridge the gap in resources, knowledge and access to cultural heritage for primary and intermediary phase learners in remote areas of the Northern Cape province. This is achieved by providing Arts and Culture teaching activities and resources to learners and educators in their respective school districts on a rotational basis. During the 2023-2024 financial year this programme visited the following schools demonstrating WHAG's commitment to excellence and accessibility for all:

- Oranje-Suid Primêra Skool (Kakamas)
- Van Rensburg Primêra Skool (Britstown)
- Carnarvon Primary School (Carnarvon)
- JJ Dreyer Primêra Skool (Prieska)

Insufficient human resources, ageing infrastructure, and financial limitations pose significant barriers to maximizing our programming's impact on reaching vulnerable audiences and artists. Despite facing additional financial constraints in engaging youth and learners, forging additional partnerships with the private sector has empowered the Gallery to persist in implementing outreach activities.

Access and audience development

WHAGfilm offers valuable opportunities for promoting social cohesion through the screening of South African and African films. The program features regular screenings of local and/or international films as well as English literature 'set work' films for school groups on request. Screenings are also presented for youths from places of safety and NGOs to alleviate boredom and truancy during holidays. The program exceeded its targets, receiving additional screening requests from external partners.

The ***WHAG Reference Library*** serves as a valuable resource for school learners and students studying art and art-related courses. The WHAG are committed to enhancing this facility by acquiring new publications regularly. During the financial year under review, our efforts exceeded expectations, thanks to a generous donation of books from an external partner.

Residencies Presented

The ***Artist-In-Residency*** programme commenced with the invitation of Professor Zakes Mda for a two-week residency. Professor Mda, a distinguished artist and writer, showcased his works under the title "Always The Sun" during his residency. In addition to his exhibition, Professor Mda delivered a public lecture titled "Father Frans Clearhout Lecture" and conducted a Creative Writing Masterclass titled "Write What You Don't Know," enriching the cultural discourse within the Kimberley community.

Following this, WHAG reinstated its Artist-In-Residency programme through an open call, with Jonathan Van Der Walt selected as the recipient. Van Der Walt's residency spanned seven weeks in the WHAG studio, providing a platform for him to develop his artistic practice. His exhibition, "From the Woods to the Soil," explored themes of identity, legacy, and cultural practices in contemporary South Africa, contributing to a dynamic dialogue within the artistic community.

The Artist-In-Residency programme not only facilitated the creation of new artworks but also fostered cross-cultural exchange and collaboration. Through exhibitions, public discussions, and workshops initiated by the resident artists, the programme served as a catalyst for knowledge exchange and professional development, benefiting both local and visiting artists.

In addition to the Artist-In-Residency programme, WHAG launched a new initiative called the ***Art Writer In Residence*** programme. This programme aimed to nurture emerging writers and foster critical engagement with the gallery's collection. Two young graduates of Creative Writing at Sol Plaatje University, Khumo Mcunu and Karabo Tshenyego, were invited to participate in a month-long residency. During their residency, Mcunu and Tshenyego engaged with WHAG's collection through textual exploration, producing written reflections that offered new perspectives on the artworks and their significance.

Programme 3: Public Engagement

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Increased awareness of South African cultural identity	Increased awareness of South African cultural identity	Number of temporary loan exhibitions presented	4	5	4	4	-	N/A
		Number of permanent collection exhibitions presented	6	6	6	7	+1	An extra exhibition in the Foyer due to refurbishments.
		Number of outreach programmes presented	4	4	4	4	-	N/A
		Number of artist residencies presented	-	-	1	4	+3	Refurbishments of the apartment and studio still pending. Residency hosted using retained surplus funds
Mainstream role of arts, culture and heritage	Implementation of specific community projects	Number of special community projects implemented	3	3	3	3	-	N/A
Access and Audience development	Film, music, and literature set work screenings to add value to visitor experience	Number of film screenings presented	37	33	30	37	+7	Additional screenings due to increased demand from schools and Yonder
	Developed specialist reference library	Number of publications acquired	44	41	40	413	+373	Donation from the Phiroshaw Camay Collection

Linking performance with budgets

Programme 3: Collections Management	2023/2024			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	**2 010**	**2 772**	**(762)**	**1 782**	**1 616**	**166**

Over expenditure is due to expenditure related to the sponsored outreach programme that was not budgeted for.

Strategy to overcome areas of under performance

There were no areas of underperformance in this programme.

REVENUE COLLECTION

Sources of revenue	2023/2024			2022/2023		
	Estimate	Actual Amount Collected	(Over)/Under Expenditure	Estimate	Actual Amount Collected	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transfer and subsidies	12 454	13 517	(1 063)	12 121	12 613	(492)
Interest income	104	410	(306)	100	328	(229)
Other income	149	623	(474)	143	362	(219)
Total	**12 707**	**14 550**	**(1 843)**	**12 363**	**13 303**	**(940)**

Transfer and subsidies

The over collection is a deferred conditional grants for the purpose of HVAC repairs and maintenance that were collected in the previous years which were unspent, the portion of the conditioned grants was spent in 2023/24 and was recognised in revenue this year after meeting the recognition criteria.

Interest income

Interest income received on deferred income which was not budgeted because of the expected spending of funds during the 2023/24 financial year.

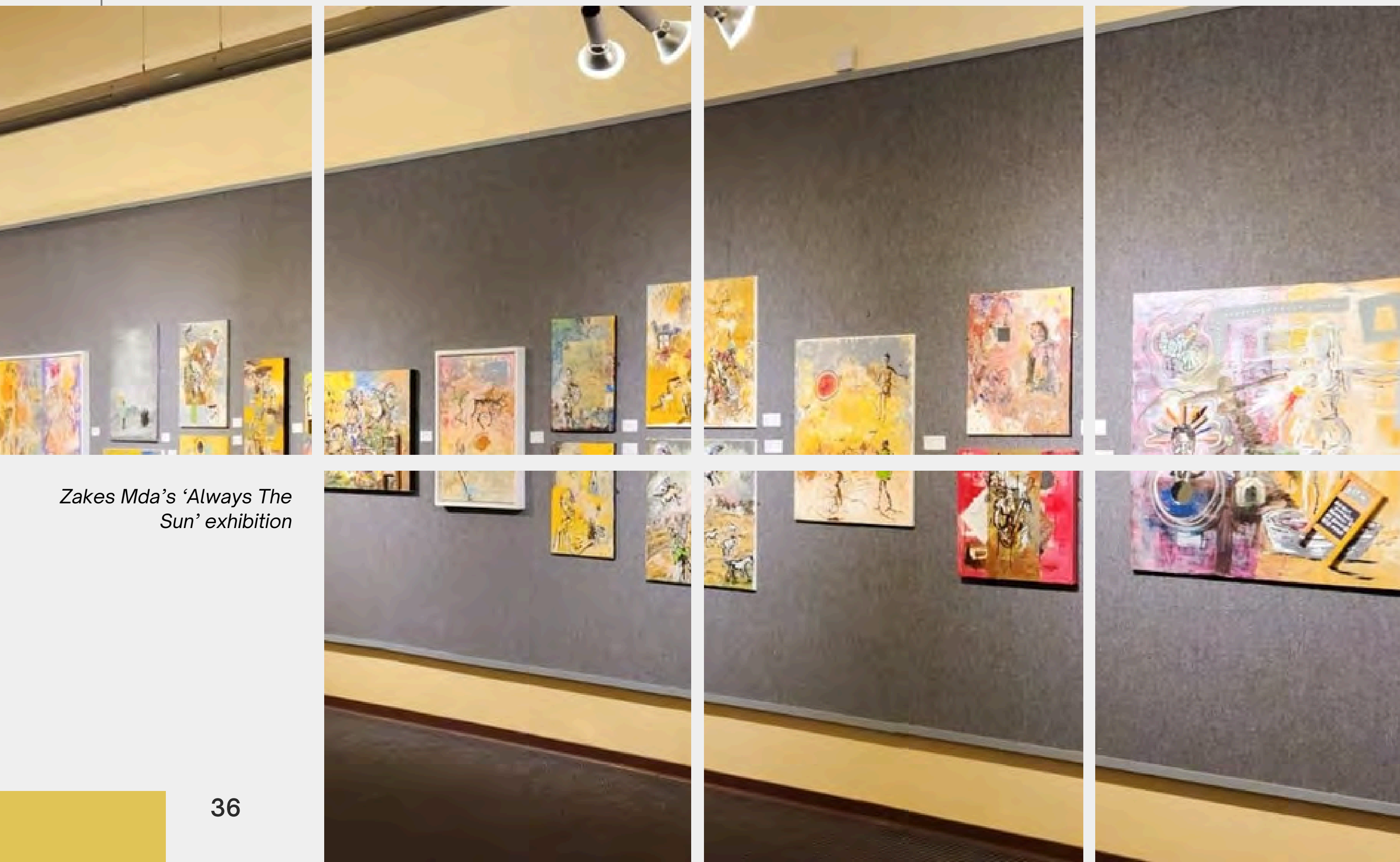
Other income

The overcollection is due to donations which were not budgeted for as there was no commitment, as well as positive movement in the leave provision.

CAPITAL INVESTMENT

The building that houses the Gallery is on lease from the Department of Public Works and Infrastructure (DPWI). The building is slowly deteriorating with the HVAC system needing attention as it is not fully functional and was last upgraded in November 2014. The Gallery received capital grant allocations and received funds from DSAC for the purpose of upgrading the HVAC system that handles the climate control within the gallery. Due to the large scope of this facility upgrade project, and the lack of the required skills within the institution, the implementation of the capital works requires that a tender process be followed to appoint a project manager. The appointment of the project manager is in progress. Greater collaboration with DPWI is needed to have progress on this project as the building belongs to DPWI.

Infrastructure projects	2023/2024			2022/2023		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Capital Grant	26 872	1 063	25 809	25 539	345	25 194
Total	**26 872**	**1 063**	**25 809**	**25 539**	**345**	**25 194**



Zakes Mda's 'Always The Sun' exhibition

PART C:

Governance

Coming Of Age
Lucas Ledwaba
Acrylic on canvas

INTRODUCTION

The William Humphreys Art Gallery is governed by a Council that is appointed by the Executive Authority, the Minister of the Department of Sports, Arts and Culture, for a period of three years. The Council is the accounting authority and is governed by the Cultural Institutions Act No. 119 of 1998. The Council and Management are committed to ensuring compliance in all aspects of corporate governance. Adherence to processes and procedures ensuring that the institution practises ethical and transparent measures in reaching its strategic objectives and goals.

EXECUTIVE AUTHORITY

The Gallery has submitted quarterly performance and financial reports to the Department of Sports, Arts and Culture. The reports were submitted on these dates:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
30 July 2023	**30 October 2023**	**30 January 2024**	**30 April 2024**

The reports are compiled by management and quality assured by the internal audit function which reports to the Audit and Risk Committee. The reports are then submitted to Council for review and approval.

THE ACCOUNTING AUTHORITY

Introduction

The William Humphreys Art Gallery Council consists of independent Non-Executive Members appointed by the Minister of Sports, Arts, and Culture. The responsibilities of the Council are to ensure that the Gallery adheres to all relevant laws and regulations in line with corporate governance and best practice and provides oversight over the operations of the Gallery.

The role of the Council is as per the Charter as follows:

- The Council is responsible for the performance of the Gallery and is fully accountable to the Executive Authority (the responsible Minister). As a result, the Council gives strategic direction to the Gallery's Management and Staff.
- The Council retains full and effective control over the Gallery and monitors management in implementing plans, strategies, and resolutions. This includes the operational performance.
- The Council ensures that Management and Staff are fully aware of and comply to applicable laws, regulations, policies, and code of business practice in dealing with communities and stakeholders openly and promptly with substance prevailing over form.
- The Council ensures that there are effective policies, procedures, practices, and systems of internal control in place that protect the Gallery's assets, resources, and reputation.
- The Council must ensure that management has implemented an effective system of risk management.

- Council members should ensure that they have unrestricted access to accurate, relevant, and timely information of the Gallery and act on fully informed basis, in good faith, with diligence, skill and care and in the best interest of the Gallery, whilst taking into account the interests of the various stakeholders, including employees, creditors, suppliers and local communities.
- The Council must monitor closely the process of disclosure and communication and exercise objective judgement on the affairs of the Gallery.
- The Council should monitor and manage potential conflicts of interest of Council members and management. The Council as a whole and each individual member must not accept any payment of commission, any form of bribery, gift, or profit for themselves.
- The Council should develop a clear definition of the levels of materiality or sensitivity to determine the scope of delegation of authority and ensure that it reserves specific powers and authority to itself. Delegated authority must be in writing.
- The Council must ensure that financial statements are prepared for each financial year, which fairly represents the affairs of the Gallery.
- The Council shall appoint sub-committees when necessary and shall require reports from each of these committees are presented and approved by Council.
- The Council should at least annually assess its performance.

Council Charter

The Council Charter serves to set out the high-level responsibilities of the William Humphreys Art Gallery Council, read in conjunction with the Cultural Institutions Act, the PFMA and applicable Treasury Regulations. The Council has fully complied with the Charter.

WHAG Staff and members of Council.

Composition of the Council

Name	Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings attended
Mr A Masilo	Chairperson	27 Nov 2017	• Baccalaureus Procurations • Certificate in Finance for Directors • Certificate in Municipal Finance Management Act	• Legal advisor • Leadership • Management • Financial management leadership	• Law Society of the Northern Provinces Johannesburg Law Council • Johannesburg Development Agency • Department of Agricultural and Rural Development • Gauteng Liquor Council	• EDC REMCO	5
Ms C Fani	Deputy Chairperson	09 Dec 2020	• Bachelor of Administration • Hons Public Administration • NSC • Certified Director (IoDSA) • King IV	• Public Policy • Corporate Governance • Transformation and leadership • Administrative law • Project administration • Intergovernmental relations • Monitoring and Evaluation • Human Capital management	• Western Cape Gambling Board • Western Cape Liquor Licensing Tribunal • uMsunduzi and Ncome Museums • Ditsong Museums		5
Ms D Maraka	Council Member	09 Dec 2020	• Bachelor of Arts • Bachelor of Arts Hons • Bachelor of Education • Master's Diploma in HRM • Further Diploma in Education • Certified Ethics Officer (TEIUSB- ED)	• Human Resources and Employment Relations • Agile HR Systems Remuneration • Corporate Governance • Ethics Leadership Strategic Management • Psychometrist • Governance of Psychological Assessments • HR Auditing	• South African Library for the Blind • Heraldry National Council and Committee • South African Health Products Regulatory Authority • South African Council for People Practice • HPCSA	• Film and Publications Council • National School of Government Panel of Experts	5
Mr B Mgijima	Council Member	09 Dec 2020	• Bachelor of Arts Honours • Bachelor of Public Admin • PGDip in Museum and Heritage Studies • Master of Philosophy • Master of Public Admin	• Museology • Heritage Studies • Governance • Management • Integrated Reporting	• Yakhanani Tourism Solutions	• Western Cape Archives Advisory Committee	5

Name	Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings attended
Mr P Phukubje	Council Member	19 Dec 2018	• BCom Accounting • Diploma in Accounting Hons BCom Acc • Diploma in Accounting Hons BCom Acc/CTA	• Auditing Financial management • Accounting and taxation	• SAIGA • South African Institute of Directors • SAIBA • South African Institute of Tax Practitioner		5
Adv. T Moeeng	Council Member	09 Dec 2020	• Master of Business Leadership • Post Graduate Programme in Executive Development • Advanced Management Development Programme • LLB Degree • B. Luris Degree	• Legal; • Cooperate Governance; • Audit & Risk management; Investigations; • Strategy Management; Leadership management	• PACOFS • FETC • EAPASA	• W&RSETA (Audit & Risk Committee); • Ephraim Mogale Municipality (Audit & Performance committee)	5
Mr A Latchu	Council Member	09 Dec 2020	• PhD Student • Masters in computing • Honours in Computing • B.Sc. in Computing • MCSE, MCSD, MCDBA, MCSA	• Information Technology and Corporate Governance.	• PACOFS • National Arts Council • Tertiary Education and Research Network of South Africa • Social Housing Regulatory Authority • Ekurhuleni East College • Gauteng Industrial Development Zone • Southern African Trust • Council for the Built Environment • Edenvale Hospital • Postbank • South African Nuclear Energy Corporation • South African Council for the Quantity Surveying Profession	• Advisory Board - UNISA School of Computing • Audit & Risk Committees: • Public Service Commission; eThekwini Municipality; Mayibuye Transport Corp; Postbank; Social Housing Regulatory Authority; Department of Justice; King Sabata Dalindyebo TVET College • Research & Innovation Committee: Quality Control for Trades & Occupations • Compliance Accreditation and Regulations Committee: Social Housing Regulatory Authority • ICT Committees: • South African State Theatre; National Regulator for Compulsory Specifications; Umalusi; • Sol Plaatje University	5

Committees

Committee	No. of meetings held	No. of members	Name of members
Human Resources Management Committee	8	3	Ms D Maraka Mr A Masilo Adv. T Moeeng
Audit and Risk Committee	6	4	Mr P Phukubje Mr A Latchu Ms V Khuse Mr N Mashabane
Core Functions Committee	4	3	Ms C Fani Adv. T Moeeng Mr B Mgijima

Remuneration of Council members

Council members are remunerated for meetings attended in line with the applicable tariffs as approved by the National Treasury. Subsistence and travel expenses are reimbursed in line with actual expenditure and the Department of Transport tariffs respectively.

Name	Remuneration	Subsistence and travel allowance	Total
Mr A Masilo	36 935	5 870	**42 805**
Ms C Fani	25 797	-	**25 797**
Adv. T Moeeng	40 163	-	**40 163**
Mr B Mgijima	14 018	-	**14 018**
Mr A Latchu	31 794	-	**31 794**
Mr P Phukubje	33 590	-	**33 590**
Ms D Maraka	25 522	-	**25 522**

RISK MANAGEMENT

The William Humphreys Art Gallery in line with the Public Finance Management Act No. 1 of 1999, amended by Act No. 29 of 1999, continues to improve in lessening the risks related to financial transactions and specific operational activities. Approval processes are in place to ensure compliance with policies and legislation. The Audit and Risk Committee, which advises on and monitors the effectiveness of risk management system, continued to serve a vital oversight role in ensuring that risk management process is implemented.

The review of the risk management policy and strategy is a continuous process undertaken by the Gallery throughout the year. The risk register is updated regularly as and when new and emerging risks are identified. In the year under review, the improved management of risks has resulted in better than expected operational and financial performance despite the limited budget.

The Gallery is also currently working on a disaster management policy and plan. Attention to these factors will go a long way in reducing the institution's risks by ensuring a safe work environment, and safe keeping of the heritage assets.

INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit

Due to capacity constraints, the Gallery outsources its internal audit function. The outsourced internal audit function has performed financial and non-financial information audits at a quarterly basis, as well as reviews of expenditure and SCM compliance.

The internal audit function has:

- Provided reasonable assurance whether the key management controls in place are adequate, effective, and efficient to eliminate and or minimize high-risk areas within the process and manage these risks to an acceptable level.
- Provided reasonable assurance that the controls in place are adequate, effective, and efficient and are operating as intended.
- Provided reasonable assurance, where applicable to the process being audited, on the following:
  - Reliability and integrity of financial and operational information;
  - Effectiveness and efficiency of operations;
  - Safeguarding of assets; and
  - Compliance with applicable laws, regulations, and contracts.
- Highlighted deficiencies and areas of improvement and make recommendations to management, which if implemented will improve the system of internal control, risk management and governance processes.

Audit and Risk Committee

The audit and risk committee reviews the internal audit work and ascertain that the internal audit function is adequately resourced and that it has appropriate standing within the Gallery and reviews the internal auditor's reports on the effectiveness of systems for internal financial control, financial reporting, and risk management.

The audit and risk committee reviews the annual financial statements to ensure compliance with accounting standards and legal requirements before submission to the council for approval, as well as the adequacy, maintenance, and effectiveness of the Gallery systems of internal controls, including internal financial controls business risks management, computerised information system controls and security.

The audit committee is also tasked with reviewing and monitoring the corporate governance practices, in particular the ethical conduct of the Gallery, its council members, and officials.

Anne Gordon with librarian Keabetswe Koloi. Ms Gordon donated over 400 books to the WHAG Reference Library.

The table below discloses relevant information on the audit and risk committee members:

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr P Phukubje (Chairperson)	• BCom (Accounting) • Advance Diploma in Accounting and Business • Hons B COMM Accounting/CTA	Internal	Council Member	19 Dec 2018	Active	5
Mr A Latchu	• Doctorate (current study) • Masters, Bachelors, Dip in Networking, MCSE, MCSD, MCDBA, MCSA	Internal	Council Member	9 Dec 2020	Active	6
Ms V Khuse	• BCom (Accounting) • BCom (Accounting) Honours	External		28 Feb 2021	Active	6
Mr N Mashabane	• Bachelor of Commerce • Certificate in Theory of Accountancy • Honours Bachelor of Accounting Science	External		01 Apr 2022	Active	6

COMPLIANCE WITH LAWS AND REGULATIONS

The Gallery has in place internal control, internal audit and governance structures that regularly review the adequacy, maintenance, and effectiveness of the internal controls to ensure compliance with laws and regulations.

FRAUD AND CORRUPTION

Management makes use of the PFMA, Treasury Regulations and SCM policy processes to minimise issues of fraud and corruption. The Gallery is in the process of developing a fraud prevention plan.

MINIMISING CONFLICT OF INTEREST

Supply Chain Management processes are followed in line with National Treasury regulations. Management of conflict of interest does not only extend to service providers who are required to declare any interests or relationships with WHAG staff member but is also required at Council level. The regular scrutiny by Council of Management's procurement processes continues to be a vital mechanism in minimising potential conflicts of interest.

CODE OF CONDUCT

WHAG's Museum best practice principles are guided by the code of ethics as prescribed by the South African Museums Association (SAMA) as well as the International Council of Museums (ICOM).

HEALTH, SAFETY, AND ENVIRONMENTAL ISSUES

The Gallery has no SHE committees in place. There is a need for 24/7 security personnel to guard the museum and construction of a fire escape in the admin block.

SOCIAL RESPONSIBILITY

The social responsibility of the William Humphreys Art Gallery extends far beyond its role as a custodian of artistic treasures. It encompasses a commitment to fostering cultural enrichment, promoting inclusivity, and engaging with diverse communities.

Through strategic partnership brokering, the WHAG Outreach Programme actively bridges the resource gap and geographical isolation that often hinder primary and intermediate-phase learners' access to cultural heritage. In the past year, the MTN/WHAG Outreach team conducted visits to schools in Prieska, Kakamas, Britstown, and Carnarvon, providing learners with the invaluable opportunity to engage with artworks and participate in art-related activities. These interactions serve to enrich their educational experience and foster personal development.

The WHAG Prison Project invests in the upliftment of women who have entered correctional facilities. These women are visited once a week where skills transfer in arts and crafts takes place. These art-related activities not only develop their skill set but are also a positive outlet.

The WHAG Reference Library is a valuable resource for students and learners studying art. Research at this facility is at no cost.

The Gallery hosts temporary loan exhibitions and curated displays of artworks from its permanent collection. These exhibitions are supported by various educational events such as walkabouts and panel discussions, which add context and depth to the programming for visitors. These public engagements are completely free of cost and open to the public.

WHAGfilm provides free screenings for school groups, NGOs, children's homes, and places of safety during the school quarter or as part of their holiday program. This programme is a fantastic way to engage and empower communities through the medium of film.

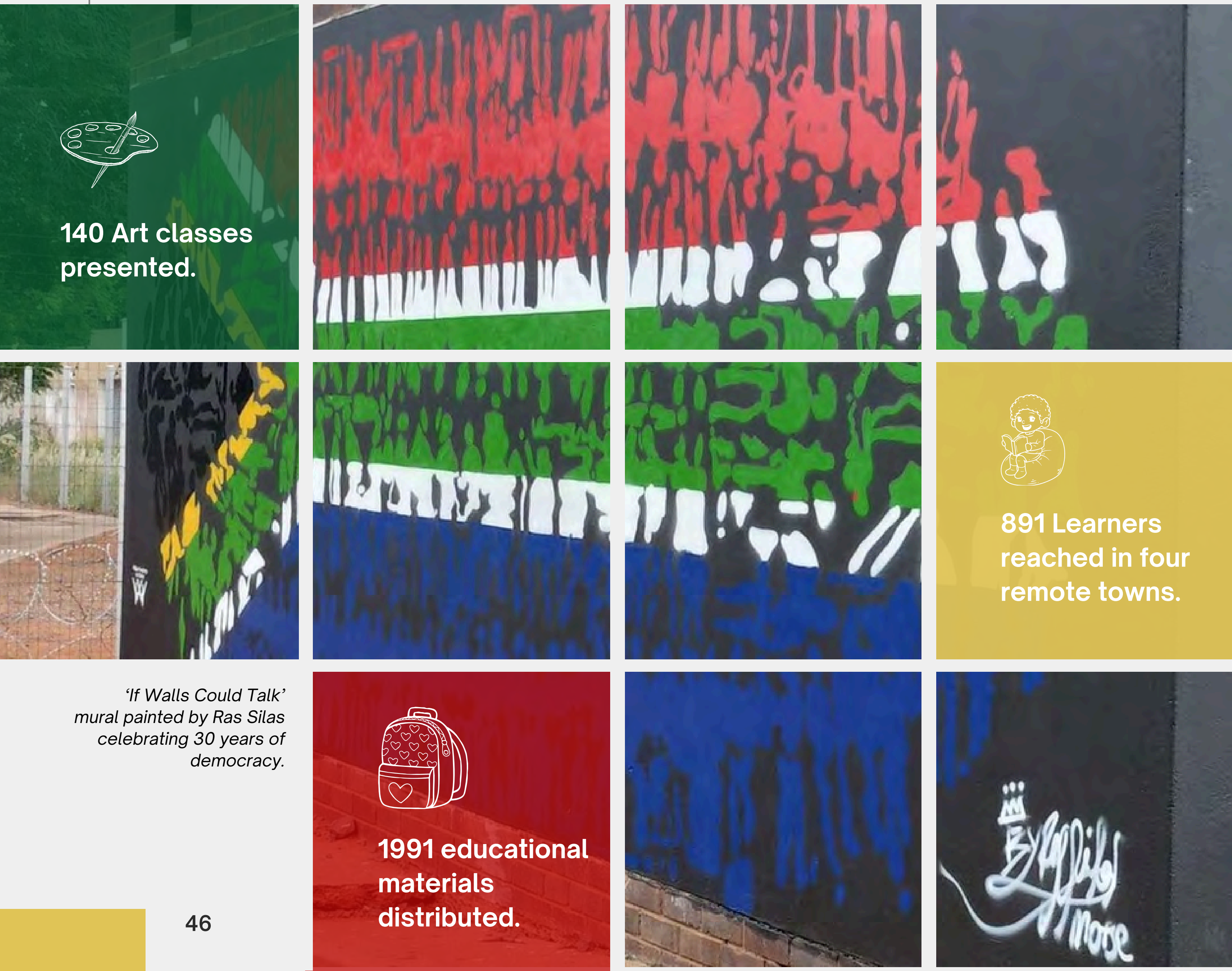
The "If Walls Could Talk" programme's main objective was to take art beyond the walls of the WHAG Gallery space into the Kimberley community. The programme aimed to positively contribute to the visual regeneration of the city landscape while bringing together local and national artists to share knowledge and transfer skills to Kimberley-based artists. Cape Town-based artist Ras Silas Motse was selected to create a mural in Kimberley with the theme "Celebrating 30 years of Democracy".

During the financial year under review, William Humphreys Art Gallery (WHAG) continued its commitment to fostering artistic innovation and cultural exchange through its Artist-In-Residency and Arts Writer In Residence programmes.

These initiatives provided opportunities for artists and writers to immerse themselves in a creative environment, develop their practice, and engage with the public through exhibitions, lectures, and workshops.

Conclusion

WHAG remains committed to its social responsibility by ensuring access to cultural heritage and promoting inclusivity within the community. Through its residency programmes and exhibitions, WHAG strives to make art accessible to marginalized and underserved communities, fostering a sense of belonging and cultural enrichment for all.
In conclusion, the Artist-In-Residency and Arts Writer In Residence programmes at WHAG have continued to uphold the gallery's mission of supporting artistic excellence, cultural exchange, and community engagement. These initiatives have not only enriched the artistic landscape but have also contributed to the broader social and cultural fabric of the region.



'If Walls Could Talk' mural painted by Ras Silas celebrating 30 years of democracy.

Artwork by Ragel Plaaitjies - WHAG Prison Project

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit and Risk Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:
- Performance Information
- Payroll Management
- IT General Controls
- Risk Management
- Review of AFS and Annual Performance Plan

The following were areas of concern:
- IT General Controls
- Risk Management

In-Year Management and Monthly/Quarterly Report

The public entity has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited annual financial statements and performance report to be included in the annual report with the AGSA and the Director, and recommended the same for approval by Council;
- Reviewed the AGSA's audit report and management report on the findings of the audit and management's response; and
- Reviewed all changes in accounting policies and practices;

Auditor's Report

We have reviewed the Gallery's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Committee has noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined.

The Audit and Risk Committee concurs and accepts the conclusions of the external auditor 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.

MCJ Gunther

J Gunther

Chairperson of the Audit and Risk Committee
31 August 2024

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has William Humphreys Art Gallery applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	Supply Chain Management policies were developed and approved.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	

PART D:

Human Resource Management

Mabel Mathibe
Manyatsa Manyamane
Photography

INTRODUCTION

The William Humphreys Art Gallery's staff complement consists of sixteen staff members. Two senior staff members, the Director and CFO, are on fixed term contracts. The rest of the employees are on long term appointment. The Gallery had five interns during the year, and the contracts of two temporary workers were extended to mitigate the challenge of capacity constraint the Gallery is plagued by.

In order to deal with the perennial capacity constraints in the Gallery sustainably, Council approved a new structure that includes six new roles in critical functions. The six roles are Chief Curator, SCM Officer, Accountant, Director's PA, Researcher, Visual Communication Designer, and a relief Museum Attendant. These posts are unfunded, and the Gallery will engage DSAC to avail funds in order to fill these critical roles.

The Gallery has also availed opportunities to staff to acquire new skills through formal and informal training to meet the needs of a changing work environment, and for personal development.

HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel related expenditure

Personnel cost by programme

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Administration	11 065	4 665	42%	9	518
Collections Management	2 168	981	45%	4	245
Public Engagement	2 772	2 413	87%	10	241

Personnel cost by salary band

Programme	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 367	17%	1	1 367
Senior Management	1 576	20%	2	788
Professional qualified	792	10%	2	396
Skilled	2 322	29%	7	332
Semi-skilled	774	10%	5	155
Unskilled	1 227	15%	6	205
TOTAL	**8 059**	**100%**	**23**	**350**

Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee (R'000)
Administration	4 665	9	0.2%	1	9
Collections Management	981	14	1.4%	2	7
Public Engagement	2 413	14	0.6%	2	7

Employment and vacancies

Programme	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Administration	9	5	9	-	-
Collections Management	7	3	4	1	25%
Public Engagement	10	8	10	-	-

Salary Band	2022/2023 No. of Employees	2023/2024 Approved Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
Top Management	1	1	1	-	-
Senior Management	1	1	2	-	-
Professional qualified	3	3	2	-	-
Skilled	7	4	7	1	14%
Semi-skilled	8	1	5	-	-
Unskilled	6	6	6	-	-
TOTAL	**26**	**16**	**23**	**1**	**4%**

The vacancy remained unfilled for eight months, this was due to a moratorium on appointments imposed by DSAC pending amalgamation.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	-	-	1
Senior Management	1	1	-	2
Professional qualified	2	-	-	2
Skilled	7	-	2	5
Semi-skilled	5	1	1	5
Unskilled	6	-	-	6
TOTAL	**22**	**2**	**3**	**21**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	2	66%
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	1	50%
Other	-	-
TOTAL	**3**	**100%**

Labour Relations: Misconduct and disciplinary action

There were no misconduct or disciplinary action in this financial year.

Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	2	2	-	-	-	-	-	-
Professional qualified	2	2	-	-	-	-	-	-
Skilled	2	2	-	-	-	-	-	-
Semi-skilled	1	1	1	1	-	-	-	-
Unskilled	1	1	2	2	-	-	1	1
TOTAL	**8**	**8**	**3**	**3**	**0**	**0**	**1**	**1**

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	-	-	-	-	-	-
Senior Management	1	1	-	-	-	-	-	-
Professional qualified	-	-	-	-	-	-	-	-
Skilled	1	1	1	1	-	-	1	1
Semi-skilled	3	3	-	-	1	1	-	-
Unskilled	1	1	-	-	-	-	-	-
TOTAL	**7**	**7**	**1**	**1**	**1**	**1**	**1**	**1**

PART E:

PFMA Compliance Report

Untitled
Stephen Inggs
Digital Print

RREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE, AND MATERIAL LOSSES

Irregular Expenditure

Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	115	115
Add: Irregular expenditure confirmed	12	-
Closing balance	**127**	**115**

Irregular expenditure of R12 000 has been identified in the current year

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	115	115
Irregular expenditure for the current year	12	-
Total	**127**	**115**

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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under investigation	127	115
Total	**127**	**115**

Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	17
Total	**-**	**17**

LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	934	7 919
Invoices paid **within** 30 days or agreed period	933	7 786
Invoices paid **after** 30 days or agreed period	1	133

Dispute regarding billed hours resulted in late payment of the invoice after a credit note was performed.

SUPPLY CHAIN MANAGEMENT

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Value of contract R'000
Access Control System	Status Communication	Deviation	49
Software Subscription	Mindex System	Deviation	16
Advertising	Arena Holdings	Deviation	21
Reception Renovation	Stokes Interiors	Deviation	412
Software Subscription	Mindex System	Deviation	4
Accommodation	Sweetfontien Lodge	Deviation	12
Accommodation	Zimbali Lodge	Deviation	18
Repairs	C-Pac Pumps & Valves	Deviation	4
Accommodation	Garden Court Kimberley	Deviation	5
Advertising	NC Chamber of Commerce and Industry	Deviation	5
Software Subscription	Adobe Systems Software	Deviation	3
Total			**549**

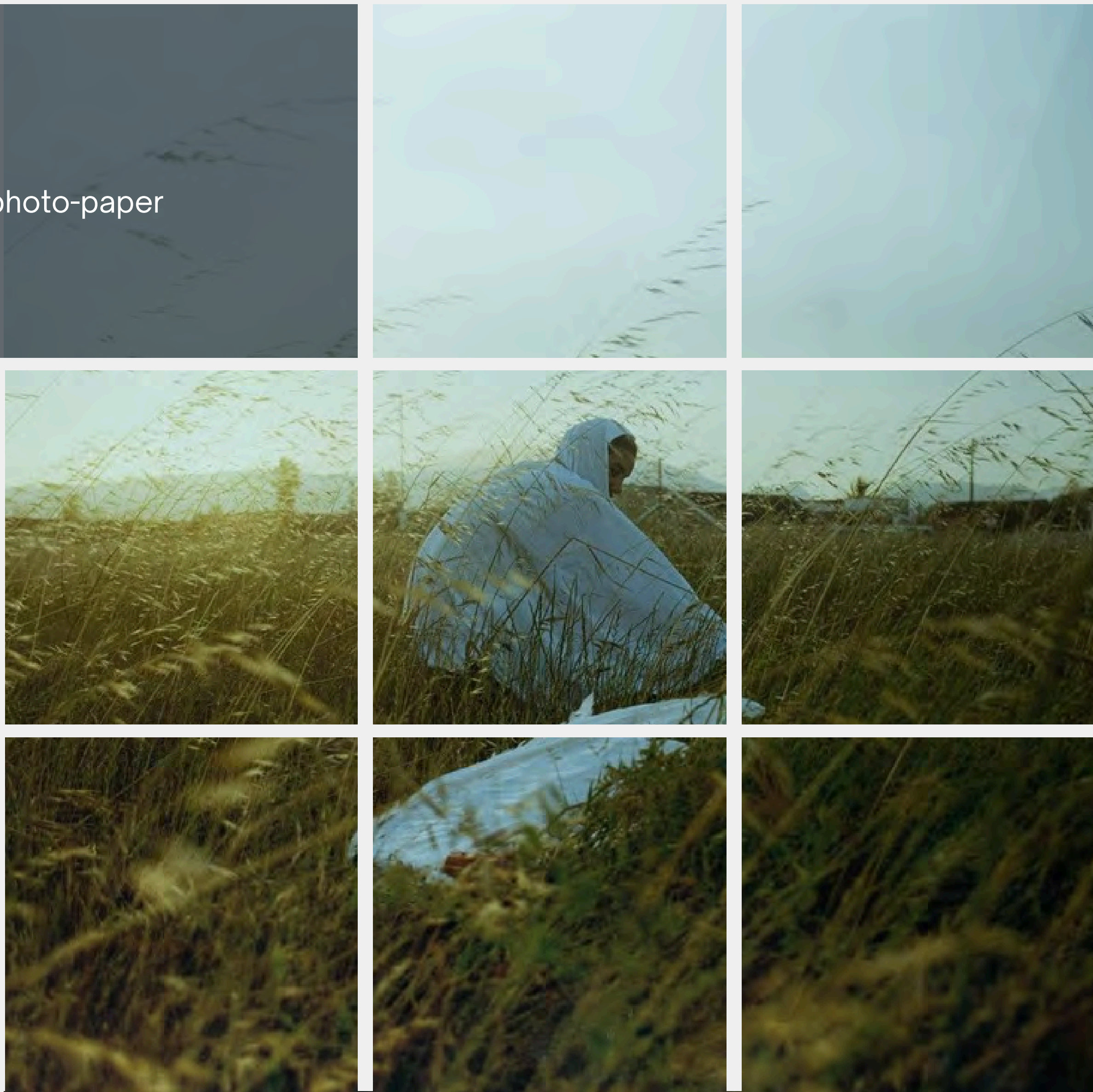
Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Original contract value	Value of previous contract expansion/s or variation/s	Value of current contract expansion or variation
			R'000	R'000	R'000
Installation of Air Conditioner	Kim Fire Quip	Expansion	121	-	13
Reception Renovation	Suzanne Stokes	Expansion	206	-	4
Security Services	Hard Core Security Investigation Services	Extension	21	-	2
Cleaning Services	MWorks Enterprise	Extension	311	-	26
Consulting Services	BVI Consulting Engineers	Expansion	692	-	571
Total			**1 351**	**-**	**616**

PART F:

Financial Information

Fallen
Imraan Christian
Archival print on photo-paper



REPORT OF THE EXTERNAL AUDITOR

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON WILLIAM HUMPHREYS ART GALLERY

Report on the audit of the financial statements

1. I have reviewed the financial statements of the William Humphreys Art Gallery set out on pages 65 to 108, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, statement of cash flows 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.

Conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the William Humphreys Art Gallery as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1of 1999 (PFMA).

Emphasis of matter

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

Significant subsequent event

4. We draw attention to note 26 in the financial statements. The auditee is in the process of amalgamation. The detail of the amalgamation is further described in the disclosure note. The matter was treated as a non-adjusting subsequent event.

Responsibilities of the accounting authority for the financial statements

5. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

7. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.
8. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
9. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to Collection Management and Public Engagement presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    Collection Management:

    - Number of artworks acquired from previously disadvantaged emerging artists
    - Number of artworks acquired from artists from previously disadvantaged established artists
    - Number of artworks conserved
    - Number of artworks digitised

    Public Engagement:

    - Number of temporary loan exhibitions presented
    - Number of permanent collection exhibitions presented
    - Number of outreach programmes presented
    - Number of artists residencies presented
    - Number of special community projects implemented
    - Number of film screening presented
    - Number of publications acquired

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.
19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
21. I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

22. I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
23. I did not identify any significant deficiencies in internal control.

Professional ethics and quality control

24. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
25. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor General

Kimberley

29 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	PFMA 38(1)(b) PFMA 45(b) PFMA 57(b) PFMA Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii)PFMA 51(1)(b)(i) PFMA 55(1)(a); 55(1)(b); 55(1)(c)(i) PFMA 51(1)(b)(ii); 53(4); 57(b) PFMA 54(2)(c); 54(2)(d) PFMA 66(4) PFMA 51(1)(e)(iii) PFMA 51(1)(b)(ii); 51(1)(a)(iv); 56(1); 56(2); 57(b)
Treasury regulations	Treasury Regulation 31.1.2(c) Treasury Regulation 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 31.2.1; 31.3.3 Treasury Regulation 31.2.5; 31.2.7(a) Treasury Regulation 30.1.1; 30.1.3(a-d); 30.2.1 Treasury Regulation 16A9.1(b)(ii); 16A9.1(e); 16A9.1(d) 16A9.1(f); 33.1.1; 33.1.3 Treasury Regulation 16A 3.1; 16A 3.2 (fairness); 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 16A 9.2; 16A 9.2(a)(ii); 16A 9.2(a)(iii); 8.2.1; 8.2.2
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections I(i); 2.1(a),(b) and (f)
Preferential Procurement regulations (PPR), 2017	Regulations 4.1; 4.2; 5.1 ; 5.3; 5.6; 5.7; Regulations 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; Regulations 1 1 .1 ; 11 .2
PPR 2022	Paragraph 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act 12 of 2004 PRECCA	PRECCA Section 29
Public service regulation	Public service regulation 13(c);18; 18(1) and (2)
PFMA SCM Instruction no. 09 of 2022/2023	Par. 3.1; par. 3.3 (b); par. 3.3 (c); par. 3.3 (e); par 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4 (c) - (d); 4.6; 5.4; 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2; 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
NT Instruction Note 1 1 of 2020-21	Par 3.1; 3.4(b); 3.9
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
NT Instruction Note 1 1 of 2020-21	Par 3.1; 3.4(b); 3.9
Practice note 11 of 2008/9	Paragraph 3.1; 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30(1)
Competition Act	Section 4(1)(b)(ii)

ANNUAL FINANCIAL STATEMENTS

General Information

Country of incorporation	South Africa
Nature of Business	A National Cultural Institution in terms of the Cultural Institutions Act No.119 of 1998
Council Members	Mr AS Masilo - Chairperson Ms C Fani - Deputy Chairperson Mr PN Phukubje - Member Adv. T Moeeng - Member Mr B Mgijima - Member Mr A Latchu - Member Ms D Maraka - Member
Registered office	1 Cullinan Crescent Kimberley, 8301
Business address	1 Cullinan Crescent Kimberley, 8301
Executive authority	Minister of the Department of Sports, Arts, and Culture
Bankers	Nedbank
External auditors	Auditor-General of South Africa
Director	Nelisiwe Mkhize
Chief Financial Officer	Martha Ramafalo
Reporting framework	South African Standards of General Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Council
Published date	31 August 2024

The reports and statements set out below comprise the Financial Statements for the year ended 31 March 2024

Accounting Authority's Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as they stand at the end of the financial year and the results of its operations and cash flows. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Council.

The annual financial statements set out on pages 68 to 108 which have been prepared on the going concern basis was approved by the accounting authority on 31 May 2024 and were signed on its behalf by:

N Mkhize
Director
31 May 2024

J Sithole
Chairperson
31 May 2024

Statement of Financial Performance for the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000 Restated
Revenue		**16 373**	**15 734**
Revenue from non-exchange transactions		**15 819**	**15 305**
Government grants and subsidies	2	13 517	12 613
Other non-exchange revenue	3	479	261
Rental subsidy	4	1 823	2 431
Revenue from exchange transactions		**554**	**429**
Rental of facilities and equipment		12	7
Interest earned - External investments	5	410	328
Other income	6	132	94
Expenditure		**16 005**	**15 553**
Employee related costs	7	8 059	7 224
Repairs and maintenance		54	241
Depreciation	11	548	483
Finance costs		41	31
Rental expense	4	1 823	2 431
General expenses	8	5 480	5 142
Operating surplus/(deficit)		**368**	**180**
Profit/(loss) on PPE		-	(278)
Actuarial gain/(loss)	15	28	(11)
Surplus/(Deficit) for the year		**396**	**(108)**

Statement of Financial Position for the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000 Restated
Assets			
Current assets		**31 729**	**31 735**
Prepayments	9	860	884
Cash and cash equivalents	10	30 869	30 851
Non-current assets		**206 875**	**205 154**
Property, plant, and equipment	11	4 498	3 953
Heritage assets	12	202 377	201 201
Total assets		**238 604**	**236 889**
Liabilities			
Current liabilities		**28 790**	**27 453**
Trade and other payables from exchange transactions	13	1 196	364
Deferred income	14	27 316	26 702
Short term portion of retirement benefit obligation	15	31	31
Short term accruals	16	247	356
Non-current liabilities		**306**	**324**
Long term retirement benefit obligation	15	306	324
Total Liabilities		**29 096**	**27 777**
Net Assets		**209 508**	**209 112**
Reserves		**209 508**	**209 112**
Accumulated surpluses		30 045	29 649
Revaluation surplus		179 463	179 463

Statement of Changes in Net Assets for the year ended 31 March 2024

	Notes	Accumulated surpluses R'000	Revaluation surpluses R'000	Total R'000
Balance at 31 March 2022	26	**29 757**	**143 482**	**173 239**
Net surplus for the year - 2023		(108)	35 981	35 873
Balance at 31 March 2023		**29 649**	**179 463**	**209 112**
Net surplus/(deficit) for the year - 2024		396	-	396
Balance at 31 March 2024		**30 045**	**179 463**	**209 508**

Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Cash receipts from customers	17	16 987	16 821
Cash paid to suppliers and employees	18	(14 700)	(15 972)
Net Cash inflows from operating activities	19	**2 287**	**849**
Cash flows from investing activities			
Purchase of Property, Plant and Equipment		(1 093)	(1 202)
Disposal of Property, Plant and Equipment		-	278
Purchase of Heritage Assets		(1 176)	(767)
Net cash outflows from investing activities		**(2 269)**	**(1 691)**
Net increase/(decrease) in cash and cash equivalents		18	(843)
Cash and cash equivalents at the beginning of the year		30 851	31 694
Cash and cash equivalents at the end of the year		**30 869**	**30 851**

Statement of Comparison of Budget and Actual Amounts as at 31 March 2024 Budget on Accrual Basis

Statement of Financial Performance	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual R '000	Variance R '000	Variance %
Revenue from non-exchange transactions	**12 498**	**2 368**	**14 866**	**13 996**	**(870)**	
Government grants and subsidies	12 454		12 454	13 517	1 063	9%
Other non-exchange revenue	44	-	44	479	435	989%
Retained surplus	-	2 368	2 368		(2 368)	-100%
Revenue from exchange transactions	**209**	**-**	**209**	**554**	**345**	
Interest earned - External investments	104	-	104	410	306	294%
Other income	105	-	105	144	39	37%
Total revenue	**12 707**	**2 368**	**15 075**	**14 550**	**(525)**	
Expenditure						
Employee related costs	7 308	920	8 228	8 059	(169)	-2%
Repairs and maintenance	416	-	416	54	(362)	-87%
Depreciation	233	-	233	548	315	135%
Finance costs	-	-	-	41	41	100%
General expenses	3 550	700	4 250	5 480	1 230	29%
Total expenditure	**(11 507)**	**(1 620)**	**(13 127)**	**(14 182)**	**(1 055)**	
Operating Surplus/(deficit)	**1 200**	**748**	**1 948**	**368**	**(1 580)**	
Actuarial gain/(loss)	-	-	-	28	28	100%
Surplus/(Deficit) before capex	**1 200**	**748**	**1 948**	**396**	**(1 552)**	
Capex (excl. depreciation)	1 200	748	1 948	2 269	(321)	-16%
Net Surplus/(Deficit) after capex	**-**	**-**	**-**	**(1 873)**	**(1 873)**	

Material variances between budget and actual amounts.

An excess of actual over budget of 15% is regarded as being a material deviation from the final budget. Explanations for each material line-item differences are included below:

Other non-exchange revenue
MTN donation was not budgeted for as there was no commitment as well as a significant donation of books from the Phiroshaw Camay Collection.

Other income
Provision for leave adjustment.

Interest earned - External investments
Interest income received on unspent funds.

Actuarial Gain
The experience items were favourable and resulted in an overall gain.

Depreciation
The Gallery reassessed the useful lives and residual values of property, plant and equipment. The effect of the change in accounting estimate has resulted in an increase in depreciation. The reassessment was done subsequent to the approval of current year budget.

Repairs and maintenance
The underspending was affected by the late approval for the use of retained funds which delayed the procurement process.

Finance costs
Finance costs on retirement benefit obligation were not budgeted for.

General expenses
Spending related to implementation of HVAC project from deferred income not budgeted for.

Capex
Asset donation of library books from the Phiroshaw Camay Collection.

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives 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 the accrual basis of accounting and are in accordance with the historic cost convention as the basis of measurement, except as otherwise indicated.

These accounting policies are consistent with the previous period. The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

The following GRAP Standards have been issued and are effective:

GRAP 1 Presentation of financial statements
GRAP 2 Cash flow statements
GRAP 3 Accounting policies, changes in accounting estimates and errors
GRAP 4 The effect of changes in foreign exchange rates
GRAP 5 Borrowing cost
GRAP 6 Consolidated and separate financial statements
GRAP 7 Investments in associates
GRAP 8 Interest in joint ventures
GRAP 9 Revenue from exchange transactions
GRAP 10 Financial reporting in hyperinflationary economies
GRAP 11 Construction contracts
GRAP 12 Inventories
GRAP 13 Leases
GRAP 14 Events after reporting date
GRAP 16 Investment property
GRAP 17 Property, plant and equipment
GRAP 18 Segment Reporting
GRAP 19 Provisions, contingent liabilities and assets
GRAP 20 Related Party Disclosures
GRAP 21 Impairment of non-cash-generating assets
GRAP 23 Revenue from non-exchange transactions
GRAP 24 Presentation of budget information in the financial statements
GRAP 25 Employee benefits
GRAP 26 Impairment of cash-generating assets
GRAP 27 Agriculture
GRAP 31 Intangible assets
GRAP 100 Discontinued operations
GRAP 103 Heritage assets

GRAP 104 Financial instruments
GRAP 105 Transfer of functions between Entities under common control
GRAP 106 Transfer of functions between Entities not under common control
GRAP 107 Mergers

The following GRAP Standards have been approved and not yet effective:

GRAP 1 Presentation of financial statements
GRAP 103 Heritage assets
GRAP 104 Financial instruments
GRAP 105 Transfer of functions between Entities under common control
GRAP 106 Transfer of functions between Entities not under common control
GRAP 107 Mergers

1.1.1 Critical judgements, estimations and assumptions

In the application of the entity's accounting policies, which are described below, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the entity's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

1.1.2 Revenue recognition

Accounting policy note 1.2 describes the conditions under which revenue will be recorded by the management of the entity. Management considered the detailed criteria for the recognition of revenue as set out in:

GRAP 9
Revenue from exchange transactions; Revenue as far as revenue from non-exchange transactions is concerned management considered the detailed criteria of GRAP 23 for the recognition of revenue.

In particular, when goods are sold, had been transferred to the buyer, when the significant risks and rewards of ownership of the goods and services are rendered. Also, of importance is the estimation process involved in initially measuring revenue at the fair value thereof.

The management of the entity is satisfied that recognition of the revenue in the current year is appropriate.

1.1.3 Useful lives of property, plant and equipment

As detailed in accounting policy note 1.7 depreciation is charged over the estimated useful lives of the assets. Depreciation is charged so as to write off the cost or valuation of assets less their residual values over their estimated useful lives, taking into account the residual values of the assets at the end of their useful lives, which is determined when assets are available for use. The useful lives and residual values of the assets are based on industry knowledge.

1.1.4 Impairment of property, plant and equipment and intangible assets

Accounting policy note 1.8 describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the entity. Significant estimates and judgements are made relating to property, plant and equipment impairment testing.

The measurement of loans receivable is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors with similar risk profiles so that the effect of any impairment on a group of receivables or loans would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the debtors/loans based on their past payment history and risk profile.

1.1.5 Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities as set out in the notes, when applicable. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.1.6 Presentation currency

The Annual Financial Statements are presented in South African Rand, which is the entity's functional currency. Rounding to the nearest thousand (R1000) has been applied in the Annual Financial Statements.

1.1.7 Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.1.8 Comparative information

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are restated.

The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.1.9 Going concern assumption

The Annual Financial Statements have been prepared on a going concern basis as there is no intention to liquidate the entity or to cease operations. Management has assessed whether any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern exist and have found none.

1.2 Revenue recognition

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Government grants are recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. The grant is recognised to the extent that there are no future obligations arising from receipt of the grant.

Interest income is allocated to the specific applicable fund related to the investment and therefore directly capitalised against funds and reserves.

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include grants from other tiers of government and revenue from trading activities, interest and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably, except when specifically stated otherwise.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the entity’s activities. Revenue is shown net of returns, rebates and discounts. The entity recognises revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from exchange transactions
Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the fair value of consideration received or receivable. At the time of initial recognition, the full amount of revenue is recognised.

Finance income
Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.
Interest earned on the following investments is not recognised in the Statement of Financial

Performance
- Interest earned on trust funds is allocated directly to the fund.
- Interest earned on unutilised conditional grants is allocated directly to the creditor: unutilised conditional grants, if the grant conditions indicate that interest is payable to the funder.

Sale of goods
Revenue from the sale of goods is recognised when all the following conditions have been met:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service revenue is recognised by reference to the stage of completion of the transaction at statement of financial position date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- The stage of completion of the transaction at the reporting date can be measured reliably.
- 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 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. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

When goods or services are exchanged or swapped for goods or services that are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measure reliably, the revenue is measured at fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.3 Revenue from non-exchange transactions

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

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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

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

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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

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

Measurement
Revenue from a non-exchange transaction is measured at the amount of the increase in net asset recognised by the entity.

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

Transfers
Apart from services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

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

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

Gifts and donations, including goods in kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.4 Retirement benefit cost

The entity contributes to a defined contribution and a defined benefit plan for pension fund purposes which is administered by a third party. The entity has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods.

1.5 Post-retirement medical benefit cost

The entity is liable for the post-retirement medical benefit cost of employees that is currently retired from its service. This amount is capped as per the council agreement. This liability is determined by taking into account the life expectancy of the retired employees as well as projected future medical aid contributions discounted back to the current value. The Institution has made a decision to remove this benefit for employees still in service and for all new appointees.

1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An item is recognized as a heritage asset in terms of GRAP 103 when:

- It meets the definition of an asset.
- It meets the definition of a heritage asset.
- It is probable that future economic benefits or service potential associated with the asset will flow to the entity and its costs can be measured reliably.

Recognition

The museum recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity and where cost or fair value of the asset can be reliably measured. The Museum will assess the degree of certainty attached to the flow of future service potential or economic benefits:

1. If the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because of the need to analyse the proposed collection items to determine if they conform to the set collection criteria through evaluation and research.
2. For recognition of heritage assets, the asset needs to be controlled by the Museum as a result of past events. Such events may include: Purchase, donation, bequeath, loan or transfer.

Measurement

Initial measurement

The value of assets have been determined using either cost or fair value. Values have been assigned to the heritage assets, which are considered to be appreciating in value, and which values are to be reviewed from time to time. Wherever possible, the appraisers have adopted the discipline of 'Open Market' principles in determining value; however, values derived are largely determined by the skill and experience applied by the appraiser at the date of valuation

Subsequent measurement

The WHAG has elected the revaluation model and shall apply this policy. An independent revaluation will be conducted after every 5 years.

Valuation of heritage assets

The existence of published price quotations in an active market is the best evidence of the fair value, such as the quoted price from recent auctions published in local newspapers; however, if the fair value cannot readily be ascertained by reference to quoted prices in an active and liquid market; the fair value of a heritage asset can be determined from market-based evidence arrived at by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification. The fair value will be ascertained by reference to quoted prices in an active and liquid market. (GRAP 103.46).

The valuation of heritage assets is performed by a member of the valuation profession.

(a) Valuation Techniques

Where the fair value of an asset cannot be determined, and where no evidence is available to determine the market value in an active market of a heritage asset; a valuation technique may be used to determine its fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, and reference to the current fair value of other heritage assets that have substantially similar characteristics in similar circumstances and locations, adjusted for any specific differences in circumstances. If there is a valuation technique commonly used by market participants to price such an asset, and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity may use that technique in determining the fair value (GRAP 103.47).

(b) Inability to Value

Where no value can be placed on an item, it will not be recognised, but information should be disclosed about such items and the reason why such items cannot be valued (GRAP 103.17). Where the entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of heritage assets because it cannot be reliably measured, relevant and useful information about it shall is disclosed in the notes to the financial statements. These items are controlled in the asset register.

(c) Valuing an entire collection

In determining the fair value of a collection, the entity has considered where appropriate, whether the entire collection has a higher value than the sum of the values of the individual items making up that collection. Under such circumstances, the carrying value of the entire collection may need to be reassessed, when a group of individual heritage assets constitutes a collection. If items are removed from the collection, the value of the collection may also need to be reassessed. (GRAP 103.45)

Heritage assets on loan to other institutions

The financial statement shall also disclose information on heritage assets that are borrowed from, or on loan to other entities.

Impairment
Heritage assets shall not be depreciated but the entity will assess at each reporting date whether there is an indication that a heritage asset may be impaired. If such indication exists, the entity shall estimate the recoverable amount or recoverable service amount of the asset.

Transfers
Transfers from heritage assets shall be made when, and only when, the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage asset shall be made when, and only when, the asset meets the definition of a heritage asset.

Derecognition
The carrying amount of a heritage asset shall be derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage assets. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.7 Property, plant and equipment

Initial recognition
Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative

purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it’s deemed cost is the carrying amount of the asset(s) given up. Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement-cost model
Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where the entity replaces part of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or the future economic benefits associated with the asset.

Depreciation is charged so as to write off the cost or valuation of assets less their residual values over their estimated useful lives, taking into account the residual values of the assets at the end of their useful lives, which is determined when assets are available for use. The useful lives and residual values of the assets are based on industry knowledge and are set out below:

Office equipment	5 - 10 years
Other equipment	10 - 15 year
Computers and electronics	3 - 5 years
Fittings	5 - 10 years
Vehicles/trailers	10 years
Leasehold improvements-building	25 years
Leasehold improvements-equipment	10 - 15 years
Library	25 years

Depreciation only commences when the asset is available for use, unless stated otherwise. Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

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

The gains or losses arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

Repairs and maintenance costs are expensed through the Statement of Financial Performance, except where the value of the asset or its expected useful life has been increased, then it is capitalised.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Impairment of non-current assets

At each statement of financial position date, the carrying amount of tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If the fair value less cost to sell of any asset is estimated to be less than it's carrying amount, the carrying amount of the asset is reduced to its fair value less cost to sell.

An impairment loss is recognised immediately in the statement of financial performance.
If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its fair value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial performance

1.9 General and specific funds

The general fund relates to the accumulated surplus of income over expenditure.

1.10 Provisions

A provision is a liability where the timing or amount of the outflow of resources embodying economic benefits or service potential is uncertain.

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the present obligation. The discount rate shall reflect current market assessments of the time value of money risks specific to the liability.

1.11 Comparative figures

Current-year comparatives
Budgeted amounts have, in accordance with GRAP 1, been included in the financial statements and form part of the audited Annual Financial Statements.

Prior-year comparatives
When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

1.12 Employee Benefits

Short-term employee benefits
Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The gallery treats its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a payable in the Statement of Financial Position.

The gallery recognises the expected cost of bonuses only when the gallery has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Post-employment benefits
The gallery provides retirement benefits for its employees in terms of defined benefit plans.

Defined Benefit Plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Post-retirement health care benefits
The gallery has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the medical aid funds, with which the gallery is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the medical aid fund, in which case the gallery is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs.

The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries. Actuarial gains or losses are recognised in full in the period in which they occur. Actuarial gains and losses are recognised in the Statement of Financial Performance in the period in which they occur.
Past services are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period).

In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

1.13 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Key management personnel are defined as the Chief Executive Officer, Chief Financial Officer and all other managers reporting directly to the Chief Executive Officer or as designated by the Chief Executive Officer.

1.14 Assumptions made by management

No material assumptions were made by management that could have a significant effect on the amounts recognised in the financial statements.

1.15 Financial instruments

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

Initial recognition and measurement

When a financial instrument is recognised, the entity measures it initially as its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

Financial instruments at fair value

- Derivatives.
- Compound instruments that are designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract.
- Instruments held for trading.
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.
- An investment in a residual interest for which fair value can be measured reliably.
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial instruments at amortised cost

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

Financial instruments at cost

Investments in residual interests, which do not have quoted market prices and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

Derecognition

A financial asset is derecognised at trade date when the cash flows from the asset expire, are settled or waived, i.e.:

1. Significant risks and rewards are transferred to another party; or
2. Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired through the amortisation process.

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Investments at amortised cost
Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Cash and cash equivalents
Cash and cash equivalents are measured at fair value. Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Cash and cash equivalents are subsequently measured at fair value.

Trade and other receivables
Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment.

All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments.

Impairment adjustments are made through the use of an allowance account. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Trade and other receivables are subsequently measured at amortised cost.

Trade and other payables
Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables are subsequently measured at amortised cost.

1.16 Risk management of financial assets and liabilities

It is the policy of the entity to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed on the reporting date.

The entity has exposure to the following risks from its use of financial instruments:

1. Market risk;
2. Credit risk;
3. Liquidity risk.

Risks and exposure are disclosed as follows:

Market risk

1. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
2. The maximum exposure to cash flow and fair value risk, price risk and foreign currency risk.
3. Sensitivity analysis for each of the market risks.

Credit risk

1. Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fail to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.
2. Each class of financial instrument is disclosed separately.
3. Maximum exposure to credit risk not covered by collateral is specified.
4. Financial instruments covered by collateral are specified.

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

1. A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
2. Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

1.17 Events after reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

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

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

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

1.18 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government or organ of state and expenditure in the form of a grant that is not permitted.

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as income in the Statement of Financial Performance.

1.19 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (Act No 1 of 1999), The National Treasury Regulations on Supply Chain Management and National Treasury Practise Note 8 of 2007/08, Preferential Procurement Regulations and Preferential Procurement Policy Framework Act. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance.

1.20 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance.

1.21 Budget information

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

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. The financial statements and the budget are prepared using the same basis of accounting; therefore, an additional column approach has been followed. The final budget reflected in the financial statements covers the period 1 April 2023 to 31 March 2024. Comparative information is not required.

1.22 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources

1.23 Contingent assets and liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets and liabilities are not recognised. Contingencies are disclosed in the notes to the Annual Financial Statements.

1.24 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the change in policy. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the Annual Financial Statements where applicable. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.25 Segment reporting

The entity has considered the implication of GRAP 18: Segment Reporting in their 2023/24 Annual Financial Statement. The entity has one reportable segment, to which all the information in these financial statements pertains. Management deems all operations/activities by the entity to be administrative and all operations not to be geographically independent, as they take place in one location, are managed, reported, and reviewed from one building. All services provided by the entity emanates from one location with no alternative reporting information.

Notes to the Financial Statements

	2024 R'000	2023 R'000
2 Government grants and subsidies		
Transfers from National Department	12 454	12 121
HVAC Grant	1 063	345
GRAP 103 Grant	-	148
	13 517	**12 613**
3 Other non-exchange revenue		
Gifts, donations, and sponsorships received	479	261
	479	**261**
4 Rental subsidy		
Revenue		
Value of benefit received in respect of use of building	**1 823**	**2 431**
Expenditure		
Value of benefit received in respect of use of building	**1 823**	**2 431**

User charge amount paid by the Department of Sports, Arts and Culture (DSAC) on behalf of William Humphreys Art Gallery to the Department of Public Works and Infrastructure (DPWI) for use of state-owned properties.

	2024 R'000	2023 R'000
5 Interest earned - External investments		
Interest received - Art Purchasing Acc	156	103
Interest received - Provisions	253	215
Interest received - Utility	1	3
Interest received - Educational Fund	-	8
	410	**328**
6 Other income		
Other income	41	94
Leave payments	91	-
	132	**94**
7 Employee related costs		
Salaries and wages	7 215	6 490
Basic salaries	6 627	5 815
Periodic payments	258	220
Non-pensionable allowances	177	168
Leave payments	-	117

	2024 R'000	2023 R'000
Overtime	153	169
Social contributions - Employer's contribution	123	110
Medical aid	85	73
UIF	38	37
Defined pension benefit plan expense	660	580
Other employee benefits	61	44
Total	**8 059**	**7 224**

8 General expenses

Advertising	59	89
Audit fees	446	436
Bank charges	12	11
Cleaning	203	168
Consulting fees: Advisory Services	521	441
Consulting fees: Building	1 063	345
Consumables	85	76
Electricity	992	1 111
Entertainment	-	2
Fuel and Oil	50	44
Insurance	342	301
Legal fees	157	60
Levies paid	4	1
Licence fees (Vehicles)	6	7
Other	470	641
Printing and stationery	123	122
Remuneration and travel and subsistence: Council	246	613
Security costs	29	10
Subscription and publication	52	27
Telephone	148	142
Training	36	93
Travel and subsistence - Local	345	321
Uniforms & overalls	28	10
Water	63	71
	5 480	**5 142**

9 Prepayments

Expenses paid in advance	860	884

	2024 R'000	2023 R'000
10 Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	41	217
Call deposits	30 827	30 634
	30 869	**30 851**

11 Property, plant, and equipment

Year ended 31 March 2024	Motor Vehicles	Computer Equipment	Furniture & Fittings	Equipment	Leasehold Improvement	Library	Total
Cost	1 481	746	869	759	890	1 024	5 770
Accumulated depreciation	(447)	(199)	(282)	(322)	(165)	(402)	(1 817)
Opening carry value at 01 April 2023	1 034	547	588	437	725	622	3 953
Movement	(134)	(6)	(66)	106	465	179	545
Additions	-	166	-	169	531	226	1 093
Depreciation – Annual	(134)	(172)	(66)	(64)	(66)	(47)	(548)
Disposals/Scrapping	-	-	-	-	-	-	-
Carry amount at 31 March 2024	**900**	**542**	**522**	**543**	**1 190**	**801**	**4 498**
Reconciliation							
Cost price	1 481	913	869	929	1 421	1 250	6 863
Cost price	1 481	913	869	929	1 421	1 250	6 863
Disposals/scrapping at cost	-	-	-	-	-	-	-
Accumulated depreciation	(581)	(371)	(347)	(386)	(231)	(449)	(2 364)
Accumulated depreciation	(581)	(371)	(347)	(386)	(231)	(449)	(2 364)
Disposals/Scrapping	-	-	-	-	-	-	-
	900	**542**	**522**	**543**	**1 190**	**801**	**4 498**

Year ended 31 March 2023	Motor Vehicles	Computer Equipment	Furniture & Fittings	Equipment	Leasehold Improvement	Library	Total
Cost	1 481	685	813	853	411	1 012	5 253
Accumulated depreciation	(314)	(157)	(299)	(427)	(189)	(354)	(1 742)
Opening carry value at 01 April 2022	1 166	528	514	425	221	658	3 512
Movement	(133)	19	74	12	504	(35)	441
Additions	-	244	173	235	538	12	1 202
Depreciation – Annual	(133)	(144)	(66)	(59)	(34)	(48)	(483)
Disposals/Scrapping	-	(81)	(33)	(164)	-	-	(278)
Carry amount at 31 March 2023	**1 033**	**547**	**588**	**437**	**725**	**622**	**3 953**
Reconciliation							
Cost price	1 481	746	869	759	890	1 024	5 770
Cost price	1 481	929	986	1 087	949	1 024	6 455
Disposals/scrapping at cost	-	(183)	(116)	(328)	(58)	-	(686)
Accumulated depreciation	(447)	(199)	(282)	(322)	(165)	(402)	(1 817)
Accumulated depreciation	(447)	(301)	(365)	(487)	(223)	(402)	(2 225)
Disposals/Scrapping	-	102	83	165	58	-	408
	1 033	**547**	**588**	**437**	**725**	**622**	**3 953**

	2024 R'000	2023 R'000
12 Heritage assets		
	Works of Art	**Works of Art**
Year ended 31 March 2024		
Opening balance	201 201	164 453
Additions	1 176	767
Revaluation surplus	-	35 981
Closing balance at 31 March 2024	**202 377**	**201 201**
13 Trade and other payables from exchange transactions		
Trade creditors	1 006	207
Staff related creditors	190	157
	1 196	**364**
14 Deferred Income		
Library	382	382
BRICS	880	880
HVAC Air-conditioning	25 809	25 195
GRAP 103	245	245
	27 316	**26 702**

Library: An amount of R1 200 000 was received on 31 March 2015 from the Department of Sports, Arts and Culture in respect of capital works. The deferred income represents the unspent portion of the funds received. No monies were spent in the current financial year.

BRICS: An amount of R1 150 000 was received in 2019, and R800 000 was received on 30 June 2022 from the Department of Sports, Arts and Culture for the BRICS Biennale Exhibition. The deferred income represents the unspent portion of the funds received.

HVAC: An amount of R1 000 000 was received on 6 March 2017 and R1 000 000 was received on 2 March 2018 from the Department of Sports, Arts and Culture in respect of capital works and R4 103 000 was received in 2018/19 financial year. An additional amount of R17 000 000 was received in the 2019 financial year. R1 062 997 was spent in the current financial year. The deferred income represents the unspent portion of the funds received and interest earned.

GRAP103: Total funding received from the Department of Sports, Arts and Culture amounted to R1 000 000. The deferred income represents the unspent portion of the funds received.

15 Retirement benefit obligation

	2024 R'000	2023 R'000
Balance at the beginning of year	355	338
Interest costs	35	31
Service costs	6	6

	2024 R'000	2023 R'000
Actuarial (gain)/loss	(28)	11
Benefits paid	(31)	(31)
Total post-retirement healthcare benefit liability	**337**	**355**
Non-current portion	306	324
Current portion	31	31
	337	**355**

The subsidies of all the members are at the subsidy cap or will be at retirement. Consequently, the net discount rate is equivalent to the nominal discount rate. The nominal discount rate increased from 10,17% to 13,13% resulting in an actuarial gain of R27 981.

The Gallery provide certain post-retirement healthcare benefits by funding the medical aid contributions of qualifying retired members of the gallery.

A member (who is on the current Conditions of Service) is entitled to remain a continued member of such a medical aid on retirement, in which case the Gallery is liable for a certain portion of the medical aid membership fee. The Gallery operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to employees.

The most recent actuarial valuation's plan assets and the present value of the defined benefit obligation were carried out at 31 March 2024 by Independent Actuaries & Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit valuation method.

In-service (Employee) members	4	4
Continuation (Employee) members	2	2
	6	**6**
In-service (Employee) members	159	146
Continuation (Employee) members	177	210
	336	**355**
Analysis for financial reporting:		
Non-current liabilities	306	324
Current liabilities	31	31
	337	**355**

The Gallery makes monthly contributions for healthcare arrangements to the following medical aid schemes:

Bonitas
Discovery Health

	2024 R'000	2023 R'000

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Discount rate 13.13%

The nominal and real zero curves as at 31 March 2024 supplied by the JSE were used to determine the discount rates and CPI assumptions at each relevant time period.

16 Short term accruals

	2024 R'000	2023 R'000
Salary and related expense accruals		
Opening balance	356	261
Accrual made/(Released) during the year	(109)	95
Closing balance	**247**	**356**

17 Cash receipts from customers

	2024 R'000	2023 R'000
Grant revenue	13 517	12 613
Increase/(Decrease) in deferred income	614	1 365
Interest revenue	410	328
Other receipts	2 446	2 514
	16 987	**16 821**

18 Cash paid to suppliers and employees

	2024 R'000	2023 R'000
Employee related costs	8 059	7 224
Repairs and maintenance	54	241
Finance costs	41	31
Rental expense	1 823	2 431
General expenses	5 480	5 142
Actuarial gain/(loss)	(28)	11
Increase/(Decrease) in prepayments	(24)	784
(Increase)/Decrease in trade payables	(832)	219
(Increase)/Decrease in provisions	109	(95)
(Increase)/Decrease in provision for post-retirement benefit obligations	18	(17)
	14 700	**15 972**

19 Reconciliation of profit/(loss) before taxation to cash generated from operations

	2024 R'000	2023 R'000
Net income before taxation	396	(108)
Adjusted for:		
Depreciation	548	483
Increase/(Decrease) in provisions	(109)	95

	2024 R'000	2023 R'000
Increase/(Decrease) in provision for post-retirement benefit obligations	(18)	17
Operating surplus before working capital changes	**817**	**486**
Movement in working capital	**1 470**	**362**
(Increase)/Decrease in prepayments	24	(784)
Increase/(Decrease) in deferred income	614	1 365
Increase/(Decrease) in trade payables	832	(219)
Net cash flows from operating activities	**2 287**	**849**

20 Financial instruments

Classification of Financial Instruments

	2024 R'000	2023 R'000
Financial assets at fair vale		
Cash and cash equivalents	30 869	30 851
Trade and other receivable	860	884
Total	**31 729**	**31 735**
Financial Liabilities at fair value		
Trade and other payables	1 196	364
Deferred income	27 316	26 702
Retirement benefit obligation	337	355
Short term accruals	247	356
Total	**29 096**	**27 777**
	2 633	**3 958**
Financial assets at carry value		
Cash and cash equivalents	30 869	30 851
Trade and other receivable	860	884
Total	**31 729**	**31 735**
Financial Liabilities at carry value		
Trade and other payables	1 196	364
Deferred income	27 316	26 702
Retirement benefit obligation	337	355
Short term accruals	247	356
Total	**29 096**	**27 777**
	2 633	**3 958**

21 Related party transactions

Relationships

Council members with significant influence

Mr AS Masilo - Chairperson

Ms C Fani - Deputy Chairperson

Mr PN Phukubje - Member

Ms T Moeeng - Member

Mr B Mgijima - Member

Mr A Latchu - Member

Ms D Maraka - Member

Key management personnel

Ms N Mkhize - Director

Ms M Ramafalo - Chief Financial Officer

Controlling department with significant influence

National Department of Sports, Arts and Culture

The William Humphreys Art Gallery is an entity of the National Department of Sports, Arts and Culture. All grant funding is received from the controlling department. Refer to Note 2 and 14 for details of transactions between the William Humphreys Art Gallery and the National Department of Sports, Arts and Culture.

	2024 R'000	2023 R'000
Building owner		
National Department of Public Works & Infrastructure		
Rental benefit received in kind	1 823	2 431
Rental expenditure in kind	1 823	2 431

The building in which the museum resides belongs to the National Department of Public Works & Infrastructure. No rental is levied by the Department or payable by the William Humphreys Art Gallery. The value of the revenue received in kind together with the related expenditure is disclosed above.

Ms N Mkhize

April 2023 - March 2024

Basic Salary	1 254	998
Pension contribution	79	64

	2024 R'000	2023 R'000
Medical aid contribution	12	12
Housing subsidy	11	11
Discretionary Bonus	-	10
Back pay	9	49
Total	**1 365**	**1 144**

Ms M Ramafalo

April 2023 - March 2024

	2024 R'000	2023 R'000
Basic Salary	1 041	952
Pension contribution	65	61
Housing subsidy	11	11
Discretionary Bonus	-	10
Back pay	7	32
Total	**1 125**	**1 066**

The salaries paid to the Director and Chief Financial Officer are included in the normal staff expenditure. There have been no additional payments such as fees, performance bonuses, expense allowances, commissions, gains or profit sharing or share options paid to the employees of this institution, other than normal expenses payable to employees.

Travel and subsistence: Key Management

	2024 R'000	2023 R'000
Ms N Mkhize - Director	48	46
Ms M Ramafalo - CFO	-	21
	48	**67**

Remuneration and travel and subsistence: Council

	2024 R'000	2023 R'000
Mr AS Masilo - Chairperson	43	81
Ms C Fani - Deputy Chairperson	26	55
Ms T Moeeng - Member	40	67
Mr B Mgijima - Member	14	31
Mr A Latchu - Member	32	85
Mr PN Phukubje - Member	34	119
Ms D Maraka - Member	26	84
*Ms V Khuse	18	44
*Mr N Mashabane	14	47
	246	**613**

** Independent Audit and Risk Committee members*

	2024 R'000	2023 R'000
Grants received from controlling department with significant control		
National Department of Arts and Culture		
Annual allocation	12 454	12 121
BRICS	-	800
Rental subsidy	1 823	2 431
	14 277	**15 352**

22 Financial risk management

The galley's financial instruments consist mainly of cash and cash equivalents, trade and other receivables and trade and other payables.

The entity's activities expose it to a variety of financial risks, namely market risks (currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Principles of risk management
The Gallery is exposed in particular to risks from movement in interest rates that affect its assets and liabilities. Financial risk management aims to limit these market risks through ongoing operational and financial activities. The fundamentals of the Gallery's financial policies are established by the council. Implementing the financial policies and ingoing risk management rests with council. Certain transactions require the prior approval of the council which is also regularly briefed on the extent and the amount of the current risk exposure.

Interest rate risk
The Gallery is exposed to the interest rate risk in South Africa. The Gallery does not make use of interest rate derivatives and therefore 100% of the interest-bearing financial assets and liabilities had a variable interest rate.

Sensitivity analysis
Interest rate risk are presented by way of sensitivity analysis. These show the effect of changes in the market interest rate on interest payments, interest income and expenses, other income components and, if appropriate, equity. The interest rate sensitivity analysis is based on the following assumptions:

Changes in the market interest rates affect the interest income or expense of non-derivative variable interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against the interest rate risks. As a consequence, they are included in the calculation of income-related sensitivities.

A one percentage movement in the effective interest rate would have the following effect on the net income for the year.

	+1%	-1%
Cash and cash equivalents	**309**	**(309)**

	2024 R'000	2023 R'000

Other price risk
No other price risk with respect to investment exists.

Foreign currency risk
No foreign currency exchange rate risk with respect to investments exists.

Credit risk
Financial asset which potentially subject the Gallery to the concentration of credit risk consist of cash and cash equivalents and receivables. The Gallery's cash is placed with the high-quality financial institutions.

Trade receivables are disclosed net of provision for impairment.

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

The Gallery monitors its cash flow requirements on an ongoing basis which takes into account the servicing of financial obligations, but excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Net fair values
The estimated values of the Gallery's financial instruments are:

	2024 R'000	2023 R'000
Financial Assets at fair value		
Cash and Cash Equivalents	30 869	30 851
Financial Assets at carry value		
Cash and Cash Equivalents	30 869	30 851

23 Irregular, fruitless and wasteful expenditure

	2024 R'000	2023 R'000
Irregular expenditure	12	-
Fruitless and wasteful expenditure	-	-
Total	**12**	**-**

24 Prior period error

The correction made to the prior year financial statements relates to the error regarding payment of council remuneration that was erroneously identified as a double payment. The correction will influence the surplus reported in the Statement of Financial Performance for the year ended 31 March 2022 and the net assets reported in the Statement of Financial Position as detailed in the tables below.

	31-Mar-23 Restated	Change	31-Mar-23	31-Mar-22 Restated	Change	31-Mar-22
Statement of Financial Position						
Prepayments	884	-	884	100	13	113
Net effect on net assets for the year	**884**	**-**	**884**	**100**	**13**	**113**
Statement of Changes in Net Assets						
Accumulated surpluses	29 649	-	29 649	29 757	(13)	29 770
Net effect on accumulated surpluses for the year	**29 649**	**-**	**29 649**	**29 757**	**(13)**	**29 770**

25 Contingencies

The litigation involving the former director at the CCMA has been finalized in favour of the Gallery. The case has been referred to the Labour Court for review. The possibility for loss has been assessed as remote, therefore no contingent liability exists as at 31 March 2024.

A dispute has been lodged with CCMA by aggrieved employees over non-payment of discretionary bonuses. The probability of success cannot be reliably determined. Should the CCMA rule in their favour, the Gallery will be liable for an amount R180 000.

26 Events after the reporting date

Disposal of Heritage Assets

On 24 May 2024 artworks valued at R31 million were disposed. The artwork were held on loan and the loan agreement was terminated.

Amalgamation of WHAG into Iziko

The Department of Sports, Arts and Culture has, as at 24 May 2024 amalgamated William Humphreys Art Gallery into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act. Accordingly, WHAG is abolished as an entity, and all its assets, rights and liabilities will vest in Iziko.

27 Going concern

WHAG has built up reserve funds in cash over a number of financial years amounting to R 3 553 000 and current liabilities of R 1 474 000 (excluding the conditional grants that were reported as deferred income), which indicates that WHAG is able to settle the short-term debt with the funds immediately available. We also draw your attention to the fact that WHAG at 31 March 2024 has a surplus amounting to R 396 000.

The Annual Financial Statements are prepared on the assumption that the entity is a going concern and will continue in operation or some modified form, such as a transfer of functions to another entity or a merger, and meet its statutory obligations for the foreseeable future. The going concern basis remains appropriate where a decision is taken to transfer some, or all of an entity’s functions to another entity, or to merge two or more entities.

The Department of Sports, Arts and Culture, to whom the Gallery is wholly dependent on for continued funding of operations, has amalgamated William Humphreys Art Gallery into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act. Accordingly, WHAG is abolished as at 24 May 2024, and all its assets, rights and liabilities will vest in Iziko.

The amalgamation of WHAG into Iziko further strengthens the presumption of going concern. This basis presumes funds will be available to finance the future operations, now within the context of Iziko, and that the realisation of assets and the settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business. The amalgamation with Iziko solidifies WHAG's ability to continue its operations and fulfil its cultural mandate under the support and resources of a larger institution.

William Humphreys Art Gallery

A national art museum located in Kimberley with a mandate to collect, preserve, conserve, document, research, and exhibit works of art which represent the artistic heritage of all South Africans, as well as to utilise its assets for the edification, enrichment, and enjoyment of the people of South Africa, Africa, and beyond.

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sport, arts & culture
Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

William Humphreys Art Gallery
an agency of the
Department of Sports, Arts and Culture

30 YEARS OF FREEDOM
South Africa 1994 - 2024