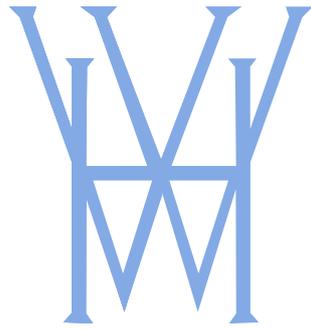


*William Humphreys
Art Gallery*

*Annual Report
2004/2005*



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Mission Statement

The William Humphreys Art Gallery provides for the aesthetic and cultural needs of the local community it serves as well as of the people of South Africa. To this end it collects, preserves, documents, researches and exhibits 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. This it does by pursuing the highest standards of excellence and without regard to race, class, creed or gender.

Statement of Responsibility

The Public Finance Management Act, 1999 (Act No 1 of 1999) as amended, requires the accounting authority to ensure that the William Humphreys Art Gallery keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of the William Humphreys Art Gallery, its performance against the strategic plan and its financial position at the end of the year in terms of generally accepted accounting practice (gaap).

The annual financial statements are the responsibility of the accounting authority. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The audit has been performed and appears on page 13.

The annual financial statements have been prepared in accordance with statements of generally accepted accounting practice. These annual financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The accounting authority has reviewed the entity's budget and cash flow forecasts for the year ended 31 March 2005. On the basis of this review, and in view of the current financial position, the accounting authority has every reason to believe that the entity will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The accounting authority sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The entity maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition
- The maintenance of proper accounting records and the reliability of financial information used within the business for publication

The controls contain self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or the overriding of controls. An effective system of internal control therefore aims to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statement presentation. Furthermore, because of changes in conditions, the effectiveness of internal financial controls may vary over time.

The accounting authority has reviewed the entity's systems of internal control and risk management for the period 1 April 2004 to 31 March 2005 and is of the opinion that the systems were effective for the period under review. There were no material losses or irregular, fruitless and wasteful expenditure.

In the opinion of the accounting authority, based on the information available to date, the annual financial statements fairly present the financial position of the William Humphreys Art Gallery at 31 March 2005 and the results of its operations and cash flow information for the year.

The annual financial statements for the year ended 31 March 2005 were submitted for auditing on 31 May 2005 and approved by the accounting authority in terms of section 51 (1) (f) of the Public Finance Management Act, 1999 (Act No 1 of 1999), as amended and are signed on its behalf by:

Mrs D Offringa
CHAIRPERSON

Mr L Stockenström
CHIEF FINANCIAL OFFICER

Director's Report

It is with pleasure that the Annual Report for the year ended 31 March 2005 is submitted in terms of the Public Finance Management Act, No 1 of 1999, to the Minister for the Department of Arts and Culture, the Hon Dr P Jordan.

The William Humphreys Art Gallery was declared by the State-aided Institutions Act, No 23 of 1931, on 1 October 1957.

Physical address: Cullinan Crescent, Civic Centre, Kimberley 8301

Postal address: PO Box 885, Kimberley 8300

Council

In terms of the Public Finance Management Act the Council of the William Humphreys Art Gallery is the Accounting Authority.

Mrs D C Offringa	Chairperson
Mr I N Scheepers	Chairperson of the Financial Committee De Beers Consolidated Mines Limited Representative
Mr D C Robbins	
Clr Z Debedu	Sol Plaatje Municipality Representative
Mr G C Mafafo	
Mrs L Sternberg	
Adv H J Choma	
Mr M M Patel	Friends of the WHAG Representative
Mrs A F Pretorius	Director

Council has met once per quarter and other than the expense of their travel and subsistence members have not been remunerated for their time and expertise but have served as a matter of honour. We record that attendance at meetings has been excellent and thank Council for their commitment and enthusiasm.

The Financial Committee met once per quarter and the Financial Statements reflect that the William Humphreys Art Gallery is a going concern.

The Audit Committee met twice during the period and has performed their duties as per their agreed terms of reference and the Treasury Regulations.

Strategic Plan

We have, within the constraints of our capacity complied with the current legislation in terms of transformation, financial accountability and outputs against the Strategic Plan.

Underpinning the Strategic Plan for the period was an unambiguous transformation ethic which ensured that the William Humphreys Art Gallery utilized its assets, collections and the specialised skills in its establishment to contribute towards the national imperatives in terms of skills transfer, job creation, poverty alleviation and moral regeneration at the same time as attending to its core business which is the conservation of the artistic

heritage of South Africa. It also sought to establish itself in a more relevant and vibrant position in the local and national setting. We have directed our activities at a specific target group which includes unemployed black women from the informal settlements in and around Kimberley, female offenders at the Kimberley Prison, mentally and physically disabled adults from institutions in Kimberley and youths from various places of safety in our community. We believe that we have achieved excellent results with the allocation and fulfilled the objectives of the Strategic Plan.

Collections

As a national museum of art governed by the Department of Arts and Culture the core function of the institution is to collect, conserve and celebrate the nation's artistic heritage as part of the national estate. In the year under review a number of excellent works of art were acquired which contribute towards Council's goal of transforming the collections. This was as a result of the Art Purchasing Fund being boosted by a generous allocation from the department towards improvement of exhibitions and our own savings being transferred into the fund thus achieving the goal of one million rand in the Art Purchasing Fund as set out in the Strategic Plan. We at last had adequate purchasing power enabling us to compete for important works of art on the open market.

During the year under review a total of 73 items were added to the collections. Of this number 16 items of copper and porcelain were from a single bequest, 18 items were donated and 39 artworks were purchased by Council from different sources to the value of R588 000.00. Of the purchases made by Council 96.5% of the funds used were to acquire major artworks by pioneer and contemporary black artists not previously represented in the collections thereby addressing the imbalances that exist as a result of our history.

Exhibitions

Exhibitions and collections are the life blood of an art museum and we were able to present a wide and varied schedule of exhibitions of emerging and established artists for our audience. This ensured that many people who had not previously visited the institution were included in the activities on offer.

Our outreach programme to the deprived rural communities in the Northern Cape received huge assistance from the department in the form of funding from their transformation budget with which to buy a vehicle for the purpose of visiting the far flung villages in the Northern Cape. In the year under review the staff took South African graphic exhibitions to Hopetown, Steynsville, Orange River Station, Upington, Vanderkloof, Petrusville and Keurtjiekloof with activity sheets relating to the OBE Arts and Culture curriculum for Grades 3 – 7.

16 temporary art exhibitions were presented throughout the year as well as numerous exhibitions rotated from the permanent collections at the Gallery.

Development

Mentoring of emerging artists has been a principle concern for the past number of years. This has been achieved in different forms, but a highlight of the concept was the Botaki Mural Project which was funded by De Beers. The Art Project Leader guided a local emerging artist through the process of planning and presenting a concept to the funder and then mentored the whole process from the actual painting of the mural, administration of the sponsored R35 000.00 to the final reporting stage and closure of the project.

Towards the development of young aspiring artists weekly art workshops were presented for youths who have no access to art education. Craft workshops were also presented for crafters participating in the Galeshewe Urban Renewal Programme, specifically in the area of memorabilia production. To this end instruction was

given in T shirt and fabric painting, recycling of glass bottles, mosaics, embroidery and beading. A highlight of the institution's programme of workshops was the basic digital photography workshop presented by SABC's well known presenter of 50/50, Erald Felix, for scholars from Kimberley schools.

Special Community Projects

Various special community projects which are run at the institution are evidence of our commitment to using arts and culture to further the goals of the national imperatives, community participation and outreach.

They are:

- Keadumela

A pre-school development stimulation project which prepares small children from disadvantaged backgrounds for their formal school careers through art related activities.

- WHAG Ubuntu Project

Craft workshops for unemployed black woman from the informal settlements in and around Kimberley, teaching skills with which they can earn a living.

- Kimberley Prison Project

An extension of the WHAG Ubuntu Project in the female section of the Kimberley Prison, contributing towards moral regeneration and the successful reintegration of offenders into society once they have served their sentences.

A highlight during the period was the first prize awarded to the participants of the project in the Kimberley Prison for their embroidered entry in the Gun Free SA competition. They were invited under Correctional Services supervision to Constitution Hill in Johannesburg to accept their prize money of R15 000.00. This institution's contribution to the Art Against Crime campaign has been well received.

- WHAG Trashcan Project

Youths from schools in and around Kimberley participate in workshops to decorate recycled drums from the mining industry to be used in the campaign against litter in our city.

Education

The collections and exhibitions were well visited by a wide and varied audience and schools were encouraged to make use of the many opportunities at the institution to add value to their learners' experience especially in the field of arts and culture. The institution's outreach exhibitions to the rural villages contributed specifically to the OBE Arts and Culture curriculum.

The institution has an excellent reference library which not only serves the institution but the scholars and students in our community who study art. The librarian was available in the afternoons to attend to their needs and we have added a number of recent publications to the shelves.

Funding, Partnerships and Linkages

We have been able to generate a moderate amount towards our operating expenses by renting out our facility as an up-market conference venue. Not only does this generate income but increases the visitor throughput to the institution. We have also been able to attract funding from De Beers Consolidated Mines

Limited, Kimberley Rotary Club, NICRO and Superstone Mining (Pty) Ltd to offset the expense of our special community projects.

An excellent working relationship and partnership with the Department of Correctional Services and NICRO has facilitated the organisation of the special projects at the Kimberley Prison and our contribution to the Art Against Crime campaign.

Human Resource Management

Staff empowerment through specialised in-service training by experts in the field remains one of the keystones of the transformation strategy at the institution. We have important longstanding partnerships in the heritage industry with highly respected paper and easel painting restorers and have been very fortunate to have acquired specialised staff training during the year under review at only the cost of Subsistence and Transport, thereby stretching our allocation to the limit. It is as a result of these partnerships and linkages with specialists and funders that we have managed to operate within the constraints of the budget and still achieve our strategic goals.

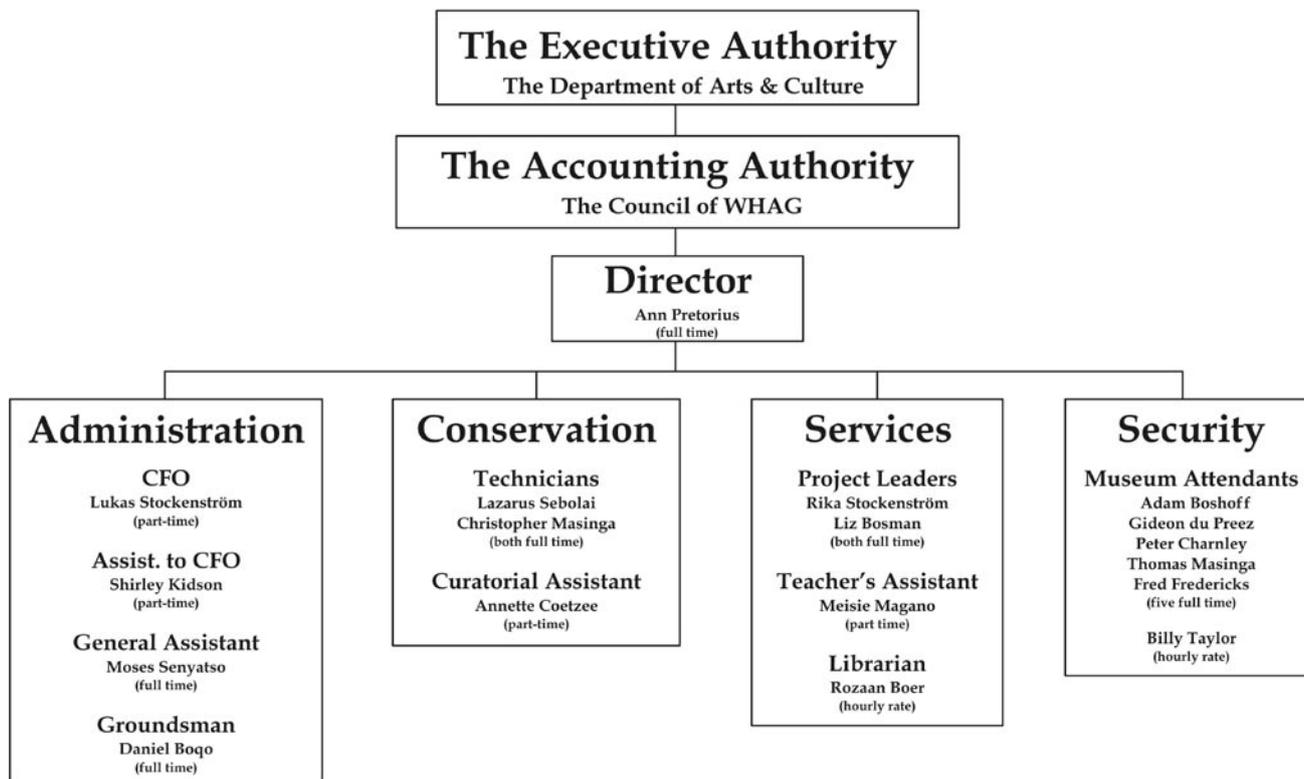
In order to operate within the limits of the allocation, the establishment has been right sized to the extent that there is no staff buffer against the eventuality of sickness and ill health or vacation leave. To ensure that there is a reasonable operational budget staff expenditure is kept at approximately 72% of the allocation and there are currently no vacant posts. Staff turnover is very low.

There were no job evaluations for the year under review but one post's salary position was upgraded as a result of an improved qualification.

Council and Establishment Race and Gender Representivity

African		Indian		Coloured		White	
M	F	M	F	M	F	M	F
3		1		1		1	2

Post Level	African		Coloured		Indian		White	
	M	F	M	F	M	F	M	F
Management								1
Middle management and high level specialists							1	
Supervisor and high level skilled/clerical								3
Lower level skilled/clerical	4		1				3	2
Very low skilled	1	1						
TOTAL	5	1					4	6
		6		1				10



Buildings

The building that the institution is housed in belongs to the State and we are appreciative of the assistance and consideration we receive from the Public Works Department. The institution was fortunate to have had an extensive renovation and upgrade programme which has ensured that the building is in mint condition. This is the single most important component and first line defence of the conservation management programme. It ensures that the collections are housed in an environment which is conducive to their continued well being and preservation.

Council has approved in principle that funds are requested for the addition of a new exhibition wing dedicated to displaying the institutions growing collection of South African ceramics. This will enable us to address intangible heritage issues by adding traditional beer drinking and serving vessels to the collection which can be quite sizable and should not be constantly moved because of their vulnerability as a result of traditional low firing technologies. The inclusion of such items to the collection will affirm this technically complex skill and document the customs that exist in our different regions, but it is impossible to expand the collection without the addition of a dedicated exhibition space.

Director's Remuneration

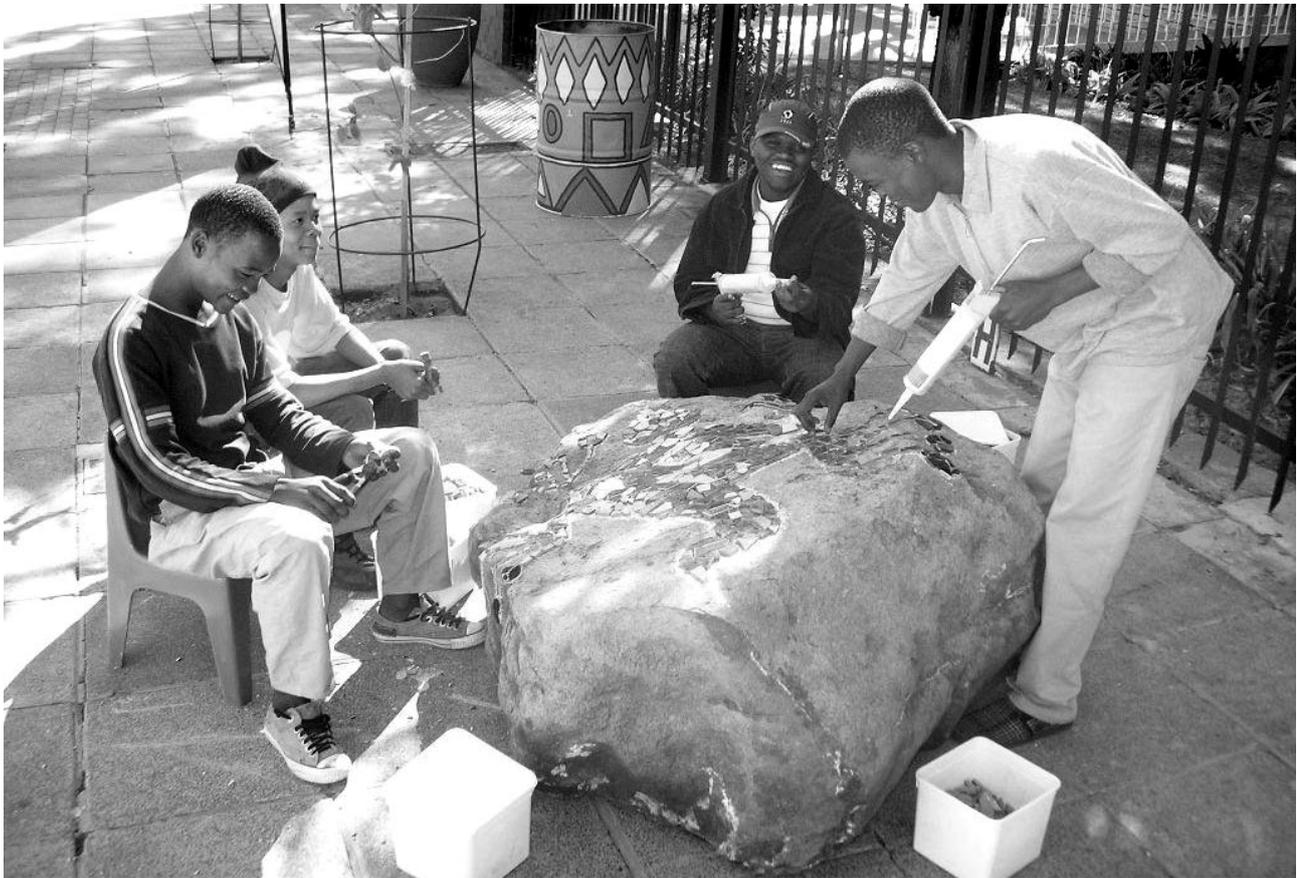
The Director's salary forms part of the normal staff expenses. There have been no additional payments such as fees for services, bonuses and performance payments, expense allowances, commissions, gains or profit sharing or share options, other than the normal expenses payable to employees of this institution.

The Chief Financial Officer, Mr L C Stockenström, is a part-time contract employee whose remuneration forms part of the normal staff expenses. There have been no additional payments such as fees for services, bonuses and performance related payments, expenses allowances, commissions, gains or profit sharing or share options. There were no contributions made to any Medical Aid, Pension Fund or insurance scheme.

Events after the Reporting Date

There are no matters of significance to note after the reporting date.

Goal	Key performance indicator	Target	Performance results
Collections	Transformation of collections	Redress the historic imbalances in the collections	R588 000.00 spent on acquisitions for the period 96.5% of this amount spent on pioneer and contemporary black artists not previously represented in the collection
Exhibitions	Balanced schedule of temporary exhibitions from emerging and established artists Exhibitions from the permanent collection	Minimum of one per month on average Rotate on either side of temporary exhibitions	16 Temporary exhibitions for the period Numerous exhibitions during the year
Outreach	Exhibitions of South African graphic art from the permanent collection to the rural villages in the Northern Cape	One exhibition per quarter	Exhibitions and worksheets to children in Hopetown, Steynville, Orange River Station, Upington, Keurtjiekloof, Vanderkloof and Petrusville.
Alignment with national imperatives	To devise a manner using our assets and field of expertise, to contribute to skills development, job creation, poverty alleviation and moral regeneration	Special community projects, arts and crafts workshops	Keadumela – pre school development stimulation project in place since 1991 WHAG Ubuntu Project – Craft workshops for unemployed black women in place since 2001 Kimberley Prison Project – Craft workshops for female offenders in place since 2003
Partnerships and Linkages	To attract funders for special projects and activities	Private funding pays for the special projects	De Beers Cons. Mines Ltd Nicro Kimberley Rotary Club Superstone Mining (Pty) Ltd
Generation of Funds	Rental of Gallery facilities for conferences and seminars	To generate additional funds	R23 000.00
Human Resource Development	Staff empowerment through specialist and in-service training	Expand skills base	4 specialist training opportunities offered for the period
Corporate Governance	Financial accountability	Full compliance with PFMA	Audit committee and Internal Audit functional since 2003 Risk and fraud prevention systems in place since 2001 Quarterly reporting system in place since 2002



The social programmes at the Gallery include workshops for youths and adults who have no access to art-related activities.



*Annual Financial Statements
William Humphreys Art Gallery
for the year ended 31 March 2005*

Report of the Audit Committee

The Audit Committee has adopted appropriate formal terms of reference, which have been confirmed by the Council and has performed its responsibilities as set out in the terms of reference and the Treasury Regulations.

In performing its responsibilities the Audit Committee has reviewed the following:

- The effectiveness of the internal control systems
- The effectiveness of the internal audit function
- The risk areas of the entity's operations to be covered in the scope of internal and external audits
- The adequacy, reliability and accuracy of financial information provided to management and other users of such information
- The accounting or auditing concerns identified as a result of the internal or external audits
- The entity's compliance with legal and regulatory provisions
- The activities of the internal audit function, including its annual work programme and the reports of significant investigations and the responses of management to specific recommendations
- The independence and objectivity of external auditors
- The scope and results of the external audit function, its cost effectiveness, as well independence and objectivity of the external auditors

The Audit Committee is also responsible for:

- Reporting to the Council and the Auditor-General where a report implicates any member(s) of the accounting authority in fraud, corruption or gross negligence
- Communicating any concerns it deems necessary to the Council and the Auditor-General
- Confirming the internal audit plan
- Conducting investigations within its terms of reference
- Concurring with the appointment and dismissal of the internal auditor
- Approving the internal audit work plan
- Deciding whether or not an interim report should be subjected for review by the external auditors
- Setting the principles for recommending using the external auditors for non-audit services

The Audit Committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review. The Audit Committee considers the internal controls and systems appropriate in all material respects to:

- Reduce the entity's risks to an acceptable level
- Ensure the entity's assets are adequately safeguarded
- Ensure the transactions undertaken are recorded in the entity's records

The Audit Committee has evaluated the annual financial statements for the William Humphreys Art Gallery for the year ended 31 March 2005 and concluded that they comply, in all material respects, with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and the Treasury Regulations. The Audit Committee agrees that the adoption of the going concern premise is appropriate in preparing the annual financial statements. The Audit Committee has therefore recommended the adoption of the annual internal and external audit reports by Council at their following meeting on 8 August 2005.

CHAIRPERSON

S A Majiedt (Judge)

Audit Committee members

SA Majiedt (Judge)

Mr I Scheepers

Mr D Preece

Mr L Stockenström

Dates of meetings:

17 August 2004

4 February 2005

Report of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF WILLIAM HUMPHREYS ART GALLERY FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 17 to 24, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 11 of the Cultural Institution Act (Act No 119 of 1998 as amended). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the board. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of William Humphreys Art Gallery at 31 March 2005 and the results of its operations and cash flows for the year then ended in accordance with Statements of Generally Accepted Accounting Practice in South Africa.

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matter:

4.1. Post-retirement medical benefit cost

A provision has been made for post-retirement medical benefit cost to account for the calculated liability of the entity at financial year-end. It is important to take into account that the provision has not been based on a calculation made by an independent actuary as required by Statements of Generally Accepted Accounting Practice in South Africa, which may cause the provision to differ if done as required.

5. APPRECIATION

The assistance rendered by the staff of William Humphreys Art Gallery during the audit is sincerely appreciated.

A L Kimmie for Auditor-General

Kimberley

29 July 2005



A U D I T O R - G E N E R A L



WILLIAM HUMPHREYS ART GALLERY

P O Box 885
Civic Centre
Kimberley
8300
South Africa

Tel : (053) 8311724/5
Facsimile : (053) 8322221
E-Mail : whag@eject.co.za

10 August 2005

The Office of the Auditor-General
Private Bag X5013
8300 KIMBERLEY

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF WILLIAM HUMPHREYS ART GALLERY FOR THE YEAR ENDED 31 MARCH 2005

Your report for the year ended 31 March 2005 was discussed by the Audit Committee, the Financial Committee and full Council on 8 August 2005 and was accepted and minuted as such.

However, the Audit Report for the year has emphasised the fact that in terms of the Public Finance Management Act (PFMA) and generally accepted accounting practice this institution is required to make provision for its post retirement medical benefit cost. Not only must it comply with this requirement, but it is noted that an independent actuary should make the calculation.

In the past this institution has budgeted for this expense for a three year cycle as per the subsidy formula for Framework Autonomy. I believe that when the PFMA was promulgated the full financial implication of the Act on relatively small institutions was not calculated. It is a matter of concern that a small heritage institution such as the William Humphreys Art Gallery is expected to have such financial resources available in spite of the fact that the annual allocation it is awarded is only sufficient to sustain the normal day to day operations of the institution. The financial statements, while reflecting the sound state of the institution's financial management, also clearly indicate the fact that there is no manner in which we could save the amount required. I would like to suggest that National Treasury either allocate the required funds for the provision or exempt the institution from the requirement.

Furthermore this institution cannot afford the cost of appointing an actuary to calculate the provision concerned unless National Treasury was to provide us with additional funds specifically for this purpose.

Should National Treasury be unable to provide such additional funding and the authorities never the less insist that the full provision be made in terms of the gaap requirement, it must be acknowledged that it will be at the expense of the institution's strategic objectives as set out in the Strategic Plan. It will also result in a qualification of the Audit Reports for the foreseeable future.

We would be grateful if this issue could receive the attention of the relevant authorities.

A handwritten signature in black ink, appearing to read 'Ann Pretorius', with a horizontal line underneath it.

(Mrs) Ann Pretorius
DIRECTOR

Cc Mr Mike Rennie
Director: Corporate Governance
Department of Arts and Culture
0001 PRETORIA

National Treasury
Private Bag X115
Pretoria
0001

**William Humphreys Art Gallery
Notes to the Annual Financial Statements
for the year ended 31 March 2005**

1. Accounting policies

The annual financial statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa and the Public Finance Management Act, Act 1 of 1999 as amended.

The following are the principle accounting policies of the entity which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated:

1.1 Basis of preparation

The annual financial statements have been prepared on the historical cost basis, except as otherwise indicated.

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.

1.3 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.

1.4 Post retirement medical benefit cost

The entity is liable for the post retirement medical benefit cost of employees that retire from its service to the amount of two thirds of the contribution to the medical aid. This liability is determined by taking into account the life expectancy of the retired employees as well as projected future medical aid contribution discounted back to the current value.

1.5 Property, plant and equipment

Land and buildings are not shown in the financial statements as the land and buildings are the property of Government.

Other items of property plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following basis:

Office Equipment	16.67% - 25%
Equipment	25%
Computers	33.33%
Fittings	16.67%
Vehicles/Trailers	20%
Security Systems	20%

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 income statement.

1.6 Works of art

It is standard museum practice not to divulge the value of its art collections, but only to reflect the cost price.

1.7 Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

1.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprises of cash on hand and deposits held in money market accounts with banks.

1.9 General and specific funds

The General Fund relates to the accumulated surplus of income over expenditure after transfers to or from other funds.

The Utility Fund was established to assist with the purchase of equipment.

The Education Fund derived from income received for educational activities and is used to subsidise costs involved in the presentation of workshops and lectures when necessary.

The Provisions Fund is a reserve to meet expenses not provided for in the annual allocation.

The Repairs and Maintenance Fund is for the day-to-day repairs to the buildings when necessary.

The Art Purchasing Fund is used for the purchasing of artworks.

All specific funds are represented by investments or portion of bank balance.

1.10 Trade and other payables

Trade and other payables are accounted for at the original cost, adjusted for settlements as well as fair value adjustments.

1.11 Provisions

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.

1.12 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

William Humphreys Art Gallery
Income Statement
for the year ended 31 March 2005

	Notes	31/03/2005	31/03/2004
		R'000	R'000
Revenue	<u>2</u>	195	38
Gross profit		195	38
Grants and transfers	<u>3</u>	3,196	1,985
Other income	<u>4</u>	104	<u>52</u>
		<u>3,495</u>	<u>2,075</u>
Administrative expenses	<u>5</u>	(249)	(142)
Staff costs	<u>6</u>	(1,510)	(1,425)
Transfers and subsidies	<u>7</u>	(1,230)	(210)
Other operating expenses Depreciation	<u>8</u>	(358)	(1,302)
Profit/(loss) from operations	<u>9</u>	<u>(76)</u>	<u>(20)</u>
		72	(1,024)
Profit before tax		72	(1,024)
Profit after tax		72	(1,024)
Net profit for the year		<u>72</u>	<u>(1,024)</u>

William Humphreys Art Gallery
Balance Sheet
at 31 March 2005

	Notes	31/03/2005	31/03/2004
		R'000	R'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	311	80
Works of art	11	1,482	894
		<u>1,793</u>	<u>974</u>
Current assets			
Trade and other receivables	12	82	51
Cash and cash equivalents	13	1,682	1,127
		<u>1,764</u>	<u>1,178</u>
Total assets		<u>3,557</u>	<u>2,152</u>
EQUITY AND LIABILITIES			
Capital and reserves	14	2,363	950
Non-current liabilities			
Retirement benefit obligations	15	1,062	1,096
Provisions	17	127	101
		<u>1,189</u>	<u>1,197</u>
Current liabilities			
Trade and other payables	16	5	5
		<u>5</u>	<u>5</u>
Total equity and liabilities		<u>3,557</u>	<u>2,152</u>

**William Humphreys Art Gallery
Statement of Changes in Equity
for the year ended 31 March 2005**

	Notes	31/03/2005	31/03/2004
	<u>14</u>	R'000	R'000
Share Capital			
Accumulated profit/(loss)			
Balance at 1 April as originally stated		(156)	850
As restated		(156)	850
Net profit for the year		72	(1,024)
Transfers		788	18
Balance at 31 March		704	(156)
Other reserves			
Balance at 1 April as originally stated		1,107	798
Transfers		441	210
surplus Revenue Over Expenditure		111	98
Balance at 31 March		1,659	1,106
Total Equity			
Balance at 1 April as originally stated		951	1,666
As restated		951	1,666
Net profit for the year		72	(1,024)
Transfers		1,229	210
Other		111	98
Balance at 31 March		2,363	950

**William Humphreys Art Gallery
Cash Flow Statement
for the year ended 31 March 2005**

	Notes	31/03/2005	31/03/2004
		R'000	R'000
Operating activities			
Cash generated from/(utilised in) operations	<u>18</u>	108	70
Net cash from/(utilised in) operating activities		108	70
Net cash from/(used in) investing activities	<u>19</u>	447	214
Net increase/(decrease) in cash and cash equivalents		555	284
Cash and cash equivalents at the beginning of the year	<u>13</u>	1,127	843
Cash and cash equivalents at end of the year		1,682	1,127

William Humphreys Art Gallery
Notes to the Annual Financial Statements
for the year ended 31 March 2005

	31/03/2005	31/03/2004
	R'000	R'000
An analysis of the entity's/group's revenue is as follows:		
2 Revenue		
Sales of goods	195	38
Private Enterprises	169	22
Households	26	16
Total	195	38
3 Grants and transfers	R'000	R'000
National Departments	3,196	1,985
Total	3,196	1,985
4 Other income	R'000	R'000
Gifts, donations and sponsorships received	Annexure 2A 80	40
Buildings rental income	24	12
Total	104	52
5 Administrative expenses	R'000	R'000
General and administrative expenses	163	69
Auditor's Remuneration	19	22
- Audit fees	19	22
Travel and subsistence	67	51
Total	249	142
6 Staff costs	R'000	R'000
Wages and salaries	1,213	1,121
Basic salaries	1,048	982
Periodic payments	83	96
Other non-pensionable allowance	35	26
Leave payments	28	-
Overtime payments	19	17
Defined Pension contribution plan expense	162	156
Social contributions (Employer's contributions)	135	148
Medical	121	148
Official unions and associations	9	-
Other salary related costs	5	-
Total	1,510	1,425
7 Transfers and subsidies	R'000	R'000
Transfers	1,230	210
Designated Funds	1,230	210
Total	1,230	210
8 Other operating expenses	R'000	R'000
Staff training and development	5	25
Consultants, contractors and special services	20	20
Equipment items expensed as per entity policy	7	-
Maintenance, repairs and running costs	102	51
- Property and buildings	32	-
- Machinery and Equipment	2	9
- Other maintenance, repairs and running costs	68	42
Entertainment expense	9	3
Other	215	1203
Total	358	1302
9 Depreciation	R'000	R'000
- Plant, machinery and equipment	1	-
- Vehicles	43	-
- Computer equipment and peripherals	15	9
- Office furniture and fittings	10	4
Office Equipment	7	7
Total	76	20
Profit before taxation	72	-1024

William Humphreys Art Gallery
Notes to the Annual Financial Statements
for the year ended 31 March 2005

	31/03/2005	31/03/2004
10 Property, plant and equipment	R'000	R'000
Plant and equipment	7	-
Additions	-1	-
Depreciation charge	6	-
Net carrying amount 31 March		
Vehicles	R'000	R'000
Additions	260	-
Depreciation charge	-43	-
Net carrying amount 31 March	217	-
Computer equipment and peripherals	R'000	R'000
Opening net carrying amount	15	2
Gross carrying amount	30	8
Accumulated depreciation	-15	-6
Additions	27	22
Depreciation charge	-15	15
Net carrying amount 31 March	27	15
Office furniture and fittings	R'000	R'000
Opening net carrying amount	48	37
Gross carrying amount	54	39
Accumulated depreciation	-6	-2
Additions	-	15
Depreciation charge	-10	-4
Net carrying amount 31 March	38	48
Office Equipment	R'000	R'000
Opening net carrying amount	17	10
Gross carrying amount	26	12
Accumulated depreciation	-9	-2
Additions	13	14
Depreciation charge	-7	-7
Net carrying amount 31 March	23	17
Total Property, plant and equipment	R'000	R'000
Opening net carrying amount	80	49
Gross carrying amount	110	59
Accumulated depreciation	-30	-10
Additions	307	51
Depreciation charge	-76	-20
Net carrying amount 31 March	311	80
Depreciation Charge	9	R'000
Plant and equipment	-1	-
Vehicles	-43	-
Computer equipment and peripherals	-15	-9
Office furniture and fittings	-10	-4
Office Equipment	-7	-7
Total	-76	-20
11 Works of art	R'000	R'000
Opening balance at fair value	894	868
- Additions	588	26
Closing balance	1,482	894
12 Trade and other receivables	R'000	R'000
Trade receivables	5	25
VAT	77	26
Total	82	51
13 Cash and cash equivalents	R'000	R'000
Cash at bank	23	15
Cash on hand	2	3
Short term investments / instruments	1,657	1,109
	1,682	1,127
For the purpose of the cash flow statement: Cash and cash equivalents at the beginning of the year	1,127	843

William Humphreys Art Gallery
Notes to the Annual Financial Statements
for the year ended 31 March 2005

	31/03/2005	31/03/2004
14 Capital and reserves		
Accumulated profit(loss)	R'000	R'000
Balance at 1 April as originally stated	-156	850
As restated	-156	850
Net profit for the year	72	-1,024
Transfers	788	18
Balance at 31 March	<u>704</u>	<u>-156</u>
Other reserves	1,107	798
Balance at 1 April as originally stated	441	210
Transfers	111	98
Surplus Revenue Over Expenditure	<u>111</u>	<u>98</u>
Balance at 31 March	<u>1,659</u>	<u>1,106</u>
Total Equity	R'000	R'000
Balance at 1 April as originally stated	951	1,666
As restated	951	1,666
Net profit for the year	72	-1,024
Transfers	1,229	210
Other	111	98
Balance at 31 March	<u>2,363</u>	<u>950</u>
	R'000	R'000
15 Present value of fund obligations	<u>1,062</u>	<u>1,096</u>
	<u>1,062</u>	<u>1,096</u>
Analysis for financial reporting purposes:		
Non-current liabilities (recoverable after 12 months)	<u>1,062</u>	<u>1,096</u>
	<u>1,062</u>	<u>1,096</u>
16 Trade and other payables	R'000	R'00
Trade creditors	5	5
	<u>5</u>	<u>5</u>
17 Provisions	R'000	R'000
Leave Pay Provision		
Opening balance	101	80
Provisions made during the year	26	21
Closing balance	<u>127</u>	<u>101</u>
Total Provisions		
Opening balance	101	80
Provisions made during the year	26	21
Closing balance	<u>127</u>	<u>101</u>
18 Reconciliation of profit/(loss) before taxation to cash generated		
from/(utilised In) operations	R'000	R'000
Profit/(loss) before taxation	72	-1,024
- Depreciation on property, plant and equipment	76	20
- Profit/(loss) on disposal of property, plant and equipment	-2	-
- Increase/(decrease) in provisions	26	21
Operating cash flows before working capital changes	172	-983
Working capital changes	-64	1,053
- Decrease/(increase) In receivables	-31	-35
- Increase/(decrease) in payables	-33	1,088
Cash generated from operations	<u>108</u>	<u>70</u>
19 Net cash from/(used) investing activities	R'000	R'000
Proceeds on disposal of property, plant and equipment	2	-
Acquisition of property, plant and equipment	-307	-51
Acquisition of Investment property	-588	-26
Expenditure on product development	1,340	291
Cash from/(used In) Investing activities	<u>447</u>	<u>214</u>

**William Humphreys Art Gallery
Annexure to the Annual Financial Statements
for the year ended 31 March 2005**

Annexure 2A Statement of gifts, donations and sponsorships received

Name of Donor	Nature of gift, donation or sponsorship	31/03/2005	31/03/2004
		R'000	R'000
Local			
De Beers Cons. Mines LTD.	Yearly Donation	4	5
Kimberley Rotary Club	WHAG Ubuntu Project	4	-
Gariep Kunstefees	Donation for use of facilities	3	-
De Beers Cons. Mines LTD.	WHAG Ubuntu Project	5	-
M & I Group	Child Art Competition	-	6
Dept. Of Education N.Cape	Calendar	-	16
Superstone Mining (Pty) Ltd	Ubuntu Project	-	7
Personal Donations	Personal	1	5
Syfrets Carter/Keogh Trust	Trust Fund Donation	1	1
De Beers Cons. Mines LTD.	Ubuntu Project	40	-
Gun Free SA	Kimberley Prison Project	18	-
Mc Gregor Museum	Presentation Archaeological Conference	4	-
Total Local		80	40
Foreign		R'000	R'000
Total Foreign		-	-
Total gifts, donations and sponsorships received		80	40