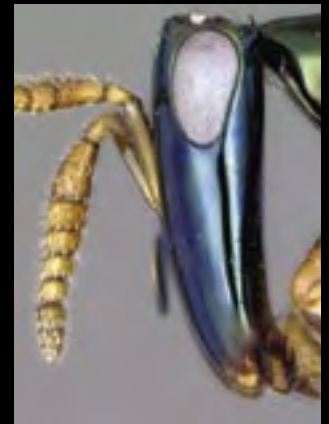


IZIKO MUSEUMS OF CAPE TOWN

ANNUAL REPORT 2006/7





IZIKO MUSEUMS OF CAPE TOWN

ANNUAL REPORT

FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007

Published by Iziko Museums of Cape Town 2007

ISBN 978-1-919944-33-3

The report is also available on the Iziko Museums of Cape Town website at

<http://www.iziko.org.za/iziko/annreps.html>

ACKNOWLEDGEMENTS

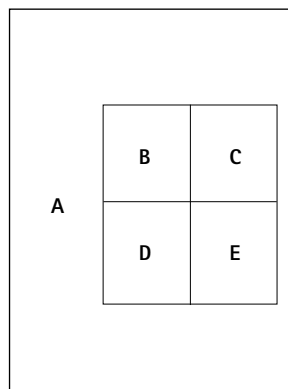
The managers and staff of all the departments of Iziko are thanked for their contributions.

Editor: Nazeem Lowe

Design & Layout: Welma Odendaal

Printed by Creda Communications

COVER PHOTOGRAPHS



FRONT

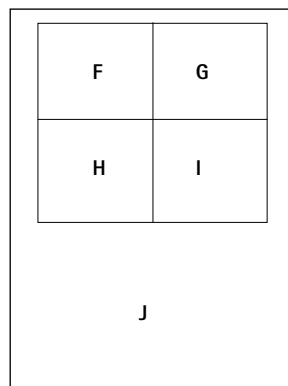
A. Unknown artist, Liberia. Mask, Dan Ngere, wood. Sasol Art Museum. 'Picasso and Africa' exhibition.

B. Pablo Picasso. *Composition 22 April 1920*. Gouache and Indian ink. Musée Picasso, Paris. Photo RMN. © Succession Picasso 2006 – DALRO. 'Picasso and Africa' exhibition.

C. Head detail of female wasp, *Crossogaster inusitata*. Natural History Collections Department, Entomology collections.

D. John Thomas Baines, 1859. *Baines returning to Cape Town on the gunboat Lynx in December 1859*. Iziko William Fehr Collection.

E. Flai Shipipa, (n.d.) 1995. *Two houses and three buck*. Oil on canvas. 'Memory and Magic' exhibition.



BACK

F. 'Separate is not Equal' exhibition, Iziko Slave Lodge.

G. Visitors queuing at the Iziko SA National Gallery, 'Picasso and Africa' exhibition.

H. Drumming workshop, education programme, Iziko Slave Lodge.

I. Taxidermist George Esau, showing learners a mounted penguin skeleton, education outreach programme.

J. Jobaria skeleton, nearing completion. For the 'African Dinosaurs' exhibition, Iziko SA Museum.



CONTENTS

1. GENERAL INFORMATION	4
1.1. Submission of the annual report to the executive authority	4
1.2. Applicable Acts and other information	5
1.3. Introduction by Prof. H.C. Bredekamp, CEO of Iziko	7
1.4. Performance information	9
2. ANNUAL FINANCIAL STATEMENTS	25
Report of the Audit Committee	26
Report of the Auditor-General	28
Statement of Responsibility	31
Accounting Authority's Report	32
Corporate Governance	34
Statement of Financial Performance	35
Statement of Financial Position	36
Statement of Changes in Net Assets	37
Cash Flow Statement	38
Notes to the Annual Financial Statements	39
3. HUMAN RESOURCE MANAGEMENT	58
3.1. Expenditure	58
3.2. Employment and vacancies	60
3.3. Job Evaluation	60
3.4. Employment changes	60
3.5. Employment equity	61
3.6. Foreign workers	63
3.7. Leave utilization for the period 1 April 2006 to 31 March 2007	63
3.8. HIV/Aids and health promotion programmes	63
3.9. Labour relations	64
3.10. Skills development	64
3.11. Injury on duty	65
3.12. Utilization of consultants	65
4. APPENDICES	66
4.1. Projects (including funding information)	66
4.2. Exhibitions	68
4.3. Acquisitions	70
4.4. Loans	75
4.5. Publications	76
4.6. Materiality and Significance Framework for the 2006-07 Financial Year	79



GENERAL INFORMATION

1.1. Submission of the annual report to the executive authority

In accordance with the provisions of the Public Finance Management Act, 1999 (Act 1 of 1999), we have pleasure in submitting for presentation to Parliament this report of the activities of Iziko Museums of Cape Town for the financial year ended on 31 March 2007.

This annual report covers the last year of the second Council of Iziko Museums of Cape Town (Iziko). I would like to thank the previous Council for the effort they have put in as individuals and as a collective. At the same time I want to extend a warm welcome to the new councillors.

Iziko has once again embraced its vision of inspiring many people in celebrating and respecting our diverse heritage through expanding the offerings of the various museums, as well as improving the efficiency of delivery of the services offered. The management and staff are congratulated on the consistent improvement of the services that the museums were able to deliver to the public.

The Council saw fit to further empower management, specifically the executive management team, to lead the organisation into greater transformation and efficiency. This has freed up the CEO to concentrate on the task of broadening the footprint of Iziko, both inside our country's borders and beyond. We have now completed the important aspects of administrative efficiency and, for this new term of office of Council, will concentrate on further improving on the delivery of the core business of museums as outlined in our strategic plan for 2007-2010.

My thanks also to the Minister, Dr Pallo Jordan, for his continued belief in us and for the support his Ministry has given us over the past year.



Dr. E. Links
Chairperson of Council

1.2. Applicable Acts and other information

This report is submitted in compliance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999); Treasury Regulations, 2001; and other applicable Acts and Regulations.

1.2.1 Foundation

In terms of the Cultural Institutions Act, 1998 (Act 119 of 1998), five State-funded museums in the Western Cape – the South African Cultural History Museum, South African Museum, South African National Gallery, the William Fehr Collection and the Michaelis Collection – were amalgamated as the Southern Flagship Institution (SFI). In July 2001, the SFI was officially renamed Iziko Museums of Cape Town (Iziko). The name 'Iziko', which means a 'hearth' in Xhosa, symbolically positions our museums as centres of cultural activity.

Iziko operates the following museums, each with its own history and character:

- South African Museum
- South African National Gallery
- South African Maritime Museum (this site at the V & A Waterfront had to be relocated and re-opened as the Iziko Maritime Centre in January 2007)
- Slave Lodge Museum
- William Fehr Collection (at the Castle of Good Hope)
- Michaelis Collection (The Old Town House)
- Rust en Vreugd Museum
- Bertram House Museum
- Koopmans-De Wet House Museum
- Groot Constantia Museum
- Planetarium
- Bo-Kaap Museum
- SAS Somerset (a museum ship at the V & A Waterfront)

1.2.2 Vision

Iziko Museums of Cape Town are African museums of excellence that empower and inspire all people to celebrate and respect our diverse heritage.

1.2.3 Mission

To manage and promote Iziko's unique combination of South Africa's heritage collections, sites and services for the benefit of present and future generations.

1.2.4 Corporate Governance

Iziko is governed by a Council appointed by the Minister of Arts and Culture. The Council is appointed for three years. The duties of Council, as described in the Cultural Institutions Act, 1998 (Act 119 of 1998), are to:

- formulate policy;
- hold, preserve and safeguard all movable and immovable property of whatever kind placed in the care of or loaned or belonging to the declared institution concerned;
- receive, hold, preserve and safeguard all specimens, collections or other movable property placed under its care and management under section 10(1) of the Act;
- raise funds for the institution;
- manage and control the moneys received by the declared institution and to utilize those moneys for defraying expenses in connection with the performance of its functions;
- keep a proper record of the property of the declared institution;
- submit to the Director-General any returns required by him or her in regard thereto and cause proper books of account to be kept;



The Council, l to r: R du Pré, E Links, M Ledimo, S Proselendis, D Mitchell, H Bredekamp (ex officio), C Rassool, P Madiba, S Jeppie, R Nayager.



The Senior Management Team, front, l to r: F Allie, V Baduza, H Bredekamp, P Davison, M van der Merwe. Back: M Cluver, L Meltzer, V Carelse, M Martin, D Crous, H Robertson (absent: B Kadalie).

- determine, subject to this Act and with the approval of the Minister, the objects of the declared institution; and,
- generally, carry out the objects of the declared institution.

In addition the Council:

- appoints, in consultation with the Minister, the Chief Executive Officer (CEO);
- determines the public operating hours of the institution;
- determines the conditions under which the public may visit the institution; and,
- determines the admission charges that may be paid.

1.2.5 Management

Executive Management Committee

The Executive Management Committee (Exco) consists of the Chief Executive Officer, the Executive Director - Core Functions, and the Executive Director - Operations, with the Chief Financial Officer and the Director of Institutional Advancement playing supporting roles.

Senior Management Team

Iziko has three operational units, namely the Core Functions business unit, the Operations business unit, and the Department of Institutional Advancement in the office of the CEO.

The Core Functions unit includes the departments of Natural History Collections, Social History Collections, Art Collections, Education & Public Programmes, and Exhibitions.

The Operations unit includes the departments of Finance & Administration, Customer Services Management, Facilities Management and Human Resources.

The heads of these departments - along with the Chief Financial Officer, the Director of Institutional Advancement and the members of the Executive Management Committee - constitute the Senior Management Team of Iziko, under the management of the CEO.



The R63-million DPW project to convert the former National Mutual Building into the Iziko Social History Resource Centre gets under way with the handing over of the building to the contractors.



Dr Mongane Wally Serote, CEO of The Freedom Park Trust, and Prof HC Bredekamp sign a Memorandum of Understanding in December 2006.

1.3. Introduction by Prof. H.C. Bredekamp, CEO of Iziko

The second Council of Iziko completed its term of office in September 2006. The corporate governance provided by the outgoing Council was invaluable to the institution, as was its singular achievement in guiding the adoption of a realigned organisational structure that would better deliver the strategic goals of Iziko. As a result, we are better positioned than ever before to deliver the mission described above.

A major achievement for Iziko at the international level was the development of a closer functional relationship with UNESCO and its affiliates (see Appendix 4.5 of this report). The CEO was elected as Chairperson of the South African National Committee of Museums of South Africa (ICOM-SA) and thereby becomes a member of the International Council of Museums (ICOM) Advisory Committee. Coinciding with the International Council of African Museums (Africom) General Conference in Cape Town in October 2006, Iziko hosted the annual meetings of the ICOM International Committee of Natural History (NATCOM) and the International Committee for Training of Personnel (ICTOP).

Iziko forged a new international partnership through the Swedish African Museum Programme Network (SAMP), that resulted in a number of staff attending SAMP-sponsored training courses in Zimbabwe, Zambia and Sweden. Iziko is exploring a joint project focusing on slavery and human rights with museums in Tanzania, Nigeria and Sweden. Slavery was also the focus of a Memorandum of Agreement concluded in December 2006 between Iziko and The Freedom Park Trust, which will guide our cooperation in future with regard to the public presentation of the history of slavery in South Africa.

The Office of the CEO continued to maintain good relations with the Ministry and Heritage Directorate of the Department of Arts and Culture, National Treasury and the Department of Public Works, as well as with bodies governing and regulating the heritage sector.

The R63 million DPW project to convert the former National Mutual Building into the Iziko Social History Centre, a high-quality storage facility for the Social History collections, is on track for completion in early 2008. A comprehensive repair and renovation programme has been rolled out at a number of our museums. All our museum buildings will be ready to receive the visitors that will be flooding our country for the Fifa soccer World Cup in 2010.

Hard work on the part of our finance and administration staff and management, as well as the vigilance of our Exco, Audit Committee and Council, resulted in the achievement of a 100% compliance rating from National Treasury.

During the period under review, the Internal Audit Function facilitated a process that resulted in the

establishment of Iziko's first Enterprise Risk Management Programme (ERMP). This was followed by the establishment of a Risk Management Committee and the Executive Director (Operations) was appointed as the Chief Risk Officer.

Compliance with the provisions of the PFMA was also strengthened with the adoption of a supply chain management policy and the establishment of a Supply Chain Management Unit to oversee procurement.

Other operational improvements included the installation of tamper-proof cash registers at four of our main sites, and the upgrading of our Information Technology infrastructure.

The still-new Department of Institutional Advancement in the Office of the CEO made a good contribution to the growth of the organisation, particularly in promoting the development of Iziko's corporate culture. Public awareness of the Iziko brand has never been higher, thanks to this department's marketing efforts, good media relations and publications. These achievements were in spite of the unexpected resignation of the director of that department in July 2006, who took up a position with the Nuclear Energy Corporation of South Africa.

All these improvements would mean little without the excellent work of the Core Functions business unit, that is responsible for researching, managing and showcasing our collections.

Staff of the Natural History Department published no fewer than twenty five scientific papers, six more than in 2005-06. Our own new journal, *African Natural History*, has now published two volumes. We note also the first training workshop for vertebrate fossil preparators in South Africa, which was hosted by the South African Museum, and presented by experts from the Natural History Museum, London.

Thanks to our Social History Collections Department, another phase of the Iziko Slave Lodge Memory Centre opened to the public in May 2006. The Slave Lodge now hosts the biggest display on Cape slavery in the country and has already attracted many visits by schools.

Iziko is arguably the busiest museum in South Africa, in terms of the sheer volume of programmes, exhibitions and activities for learners of all ages. The programmes offered by our Education & Public Programmes Department, which now includes the Planetarium, had more than 150 000 participants in the reported period. In total, 553 200 visitors were received by our museums in 2006-07, an improvement of 15.6% over the previous year (478 388).

The Iziko exhibition that overshadowed all others on the calendar was the blockbuster 'Picasso and Africa' exhibition at the Iziko South African National Gallery, a daunting but inspiring show co-curated by Laurence Madeleine of the Musée Picasso in Paris and Marilyn Martin, the director of our Art Collections Department. Presented from 13 April to 21 May 2006, the exhibition of 82 paintings, drawings and sculptures showed the influence of African art on Picasso's work. The exhibition also included thirty African sculptures from South African collections. 'Picasso and Africa' attracted an unprecedented 50,646 visitors.

I wish to express my profound gratitude to Iziko's Council, to the staff, to our three Friends organisations, to our partners and of course to the public, for making this one of the most successful years of our short history. No small contribution was made by Dr Margaret Avery, Curator of Cenozoic Palaeontology Collections, who retired at the end of March 2007 after more than 32 years of unstinting service to the South African Museum and Iziko. I note with regret the untimely passing of two former stalwarts of the institution in Martina Compagno Roeleveld (an expert on the systematics of Cephalopoda [squid and octopuses] who made a significant contribution to the understanding of giant squid, of which Iziko has one of the best collections in the world), and André Hunter, conservator in the Social History Collections Department. They leave a rich legacy in the staff that they mentored and the collections to which they contributed. On a tragic note, mention should also be made of the artist Madi Phala, an art educator of great promise whose life was violently cut short in March 2007, soon after he had joined us on contract.

1.4. Performance information

The report below summarizes the progress made in 2006–07 towards achieving the six strategic objectives described in the Iziko Strategic Plan. Each section is headed by the relevant strategic objective followed by a short description of the key issues addressed in this year, and includes a summary in table format of the main actions undertaken.

1.4.1. Drive the transformation process according to national guidelines

The key transformation issues addressed this year included improving funding for transformation, addressing employment equity issues, and improving and refurbishing Iziko's sites. Some progress was also made towards the aim of extending Iziko's partnerships with other entities.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual Performance against Target
Manage the transformation process according to national guidelines as laid out in the CIA (1998), NACA (1997), NRFA (1998), NHRA (1999), NHCA (1999), BCEA (1998); PAIA (2000) and EEO legislation.	Address the current under-funding of Iziko by Government.	Council and CEO to lobby DAC for increased funding, noting the progressive funding deficit for Iziko since 1999.	Government subsidy increased.	No increase in addition to cost-of-living adjustment.
	Develop relevant policies in compliance with legislation.	Relevant policies drafted for approval of Council.	Approved policies in place. Iziko fully compliant with legislation.	Compliant with PFMA and with labour and heritage legislation.
	Identify and acquire the necessary resources to place Iziko in a position to implement transformation processes.	Application for Transformation funding from DAC, and the National Lotteries Board.	Applications submitted and funding received.	Transformation funding received for exhibitions at Bo-Kaap Museum. Art Curator mentorship programme and art acquisitions dealing with HIV/Aids initiated.
	Develop and implement an Employment Equity Plan.	Consult with EE Forum, management and Council to develop EE Plan.	Meet the objectives and proposed actions of the EE Plan.	EE report was submitted to the Department of Labour. Numerical goals in line with EE objectives were set to inform recruitment processes.
Ensure good governance and legal compliance in practice.	Ensure compliance with the PFMA and other relevant legislation.	Audit level of compliance within Iziko; address gaps; monitor compliance.	All areas of compliance identified, documented and plan to address gaps in place. Favourable reports from Auditor-General.	The PFMA and Treasury Regulations were complied with. Relevant documents submitted by the respective due dates. Staff attended information sessions on the Delegation of Authority policy.
Extend Iziko's partnerships with other state departments and public entities.	Develop partnerships and potential partnerships.	Active participation of government, business and NGOs in Iziko programmes as co-partners.	Increase in number and duration of official partnerships.	A number of successful partnership projects were undertaken. See Appendix 4.1.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual Performance against Target
Collaborate with Department of Public Works in a building programme that maintains and improves Iziko sites.	All sites on regular DPW repair and renovation programme.	Plan in place for all Iziko buildings to be renovated and refurbished as required.	Established R & R programme with DPW, funded through DAC.	Ongoing programme of capital works, repair & maintenance and general assistance established with the DPW. See Appendix 4.1.
	Additional area to be created in the courtyard of SA Museum.	New extensions in courtyard area of SA Museum planned with DPW.	Motivation sent to DAC.	Revised drawings and motivation for the new extensions were submitted to DAC.
	Renovation and extension of National Mutual Building to house Social History Collections to best museological standards.	Plans for refurbished and extended building completed and signed off in 2005.	Contract awarded in first quarter of 2006.	Project under way. Completion date set for mid-2008.
	Provide for disabled access to Iziko museums.	Disabled access to Iziko museums in place, where possible, in historical buildings.	Plan for disabled access to Iziko sites developed with DPW.	Revised drawings submitted by architects to Heritage Western Cape for approval.

1.4.2. Achieve service excellence through management and development of human resources

Among the human resource objectives addressed this year were the re-alignment of the organisational structure; implementation of effective management systems, including performance management; and development of staff and management.



Learners of Fezeka High enjoy the Iziko displays at the Cape Town International Conventional Centre in August 2006.



Lab technicians at work cleaning fossils at Iziko South African Museum.

Programme / Activity / Key objective	Strategy	Action/ Outputs	Service delivery indicator	Actual performance against target
Develop, implement and regularly review the organisational structure to ensure that the structure facilitates the delivery of a professional, transformed and flexible customer-focused museum service.	Align organizational structure to facilitate customer-focused service delivery.	Organisational structure aligned to deliver on strategic objectives.	Alignment of structure implemented.	The first and second phases of the implementation of the re-aligned structure have been finalized. The recruitment and selection of candidates to positions in the re-aligned structure were informed by the numerical goals set in the Employment Equity Plan.
		Jobs in aligned structure graded and benchmarked in the marketplace.	Process of grading complete.	New and revised jobs in the re-aligned structure were graded using the Peromnes grading system.
		Develop and implement a remuneration strategy and policy.	Strategy and policy in place.	A remuneration policy is in place. A process of developing a remuneration strategy has been set in motion through the proposed establishment of a non-executive HR and Remuneration Committee of Council.
		Develop a performance management system and skills development programme.	Performance management system implemented. Skills development roll-out plan in place.	A performance management system has been implemented. In line with the provisions of the Performance Management Policy, a Performance Appraisal Committee was set up to moderate the outcomes of performance appraisals. A skills development programme is in place.
		Develop a communication plan to engage staff on alignment process.	Communication plan implemented.	In July 2006 a Communication and Publications Manager was appointed. Planning in progress.
Align HR systems and policies with best practice.	Develop and Implement HR systems to support organizational effectiveness.	Conduct audit on HR policies and procedures to ensure legal compliance and good governance.	Policies and procedures compliant and documented.	Policies are compliant with legislation.
Develop and implement an effective Learning and Development Programme.	Undertake a Skills Audit and develop a Learning and Development Programme.	A Skills Audit undertaken in consultation with employees and management.	Effective Learning and Development Programme implemented.	A skills audit has been undertaken and a Learning and Development Programme implemented. See Tables 9 and 10 in Section 3 of this report. Special training programmes on field-specific areas such as fossil preparation, conservation and care of artefacts were held.
		Annually review staff training needs in relation to the strategic plan; align training with needs.	Increase in competency of staff, measured during performance evaluation.	Training needs are reviewed continuously and learning support put in place where necessary.

Programme / Activity / Key objective	Strategy	Action/ Outputs	Service delivery indicator	Actual performance against target
Prioritise Succession Planning and career pathing.	Develop and implement Succession Planning and career pathing in accordance with the Employment Equity and Learning and Development Policies.	Succession Policy and Plan developed.	Succession plan implemented.	The development of a Succession Planning Strategy is planned for the next reporting period. Succession planning has been identified as one of the key performance areas for senior management.
Develop, implement and regularly review a Communication Plan.	Develop a Communication Plan that would empower employees and assist in the management process.	Consult with management and employees in order to establish their requirements.	Increased employee involvement in management processes. Feedback from management, staff and Council.	Employees were involved in a workflow analysis process and were consulted on every aspect of their employment. The 33rd edition of the Iziko e-News staff newsletter was published on 23 March (25 issues distributed in the reported period). A shared electronic calendar was activated in March to improve communications between managers and between departments.



Assistant educator Faried Basier with young learners at a mock dig, education holiday programme, Iziko Slave Lodge.



Farideh Zariv (left), artist and curator, 'Hand of Fatima' exhibition.

1.4.3. Build, care for and interpret the collections of Iziko

Iziko holds collections comprising about 1,3 million objects. Iziko is mandated to build, care for and interpret these heritage resources, as well as to manage the knowledge related to them. Iziko has a vital role to play in interpreting its unique collections through research, publication, exhibition, education and public programmes that enable the public to appreciate and respect the diverse heritage of South Africa.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target	
Manage collections and sites to the highest international standards.	Develop and implement a Collections Policy.	Collections Policy for all departments approved and implemented.	Policies reviewed annually.	Policies and procedures were adapted to re-aligned structure.	
		Curatorial procedure manuals for each collection developed.	Curatorial manuals in place and updated as required.	Draft procedure manuals in place for all Natural History collections. Art Collections Conservation Policy was drafted, Collections Manual compiled, and checklist of holdings updated to the end of 2006. Social History Conservation Policy was drafted and Curatorial Manual finalized.	
	Provide adequate space and controlled conditions for the storage of all collections.	All needs for collections storage assessed and documented.	Motivations for new facilities submitted to DPW and DAC.	Motivations submitted to DPW and Iziko facilities upgraded. See Appendix 4.1 for details of projects.	
	Develop and extend computerized collections databases and make them available on the internet.	Databases for Art, Natural History and Social History collections developed and updated on regular basis.	Databases developed and maintained. Each department to set targets for completion.	Natural History databases expanded by 41,701 records (total records: 356,146). Art Collections: 178 works accessioned (total database = 9,115 records). 25 database backups created. Social History database has 27,592 records.	
			Digitization of collections images in Art, Natural History and Social History.	Image bank developed.	In Natural History, over 8,000 slides were scanned. Art Collections: 125 digital images added, 63 images scanned for publicity purposes and 473 images linked to the Art Collections database. Social History: 922 digital scans made.
			Databases and images accessible on internet.	Increase in accessible databases and image resources on the internet; targets to be set by departments.	Natural History Marine databases are being made accessible on the OBIS and GBIF websites (total 36,703 records so far). Database of library holdings has been placed on the intranet, thus enabling Iziko members to access it.
Develop a knowledge and records management strategy.	Develop and implement an archive and knowledge management policy for Iziko.	Policy drafted for Council approval.	Archive Policy completed and approved.	Policy to be developed in 2007.	
	Audit of IT systems.	Report on IT audit.	IT roll-out plan.	In progress.	

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Build national collections of which all South Africans can be proud.	Develop an Acquisitions Policy and process to be integrated with the Collections Policy; review regularly.	Acquisitions Policy implemented.	Acquisition procedures guided by policy, and reviewed regularly.	Policies and procedures were reviewed during 2006-07 in terms of the re-aligned structure.
	Ensure that national priorities are addressed in acquisitions, where possible.	Works acquired that deal with HIV/Aids and other socio-political issues, as well as work by women.	Collection growth aligned with national priorities.	Successful application to DAC for transformation funds resulted in the acquisition of new works dealing with HIV/Aids, an exhibition entitled 'Embracing HIV/Aids' and a number of engagements with the public and NGOs. Works by women and works addressing socio-political issues were acquired. See Appendix 4.3.
	Correct and redress imbalances created by the colonial and Apartheid past.	Acquisition and exhibition policies address the historical imbalances.	Iziko collections reflect significant trends in contemporary developments in arts and culture.	Appendices 4.2 and 4.3 reflect how these challenges are being met.
	Maintain and develop relationships with potential donors to the collections.	Donors and benefactors are kept informed of developments and activities of Iziko.	Relationships developed and sustained. Collections enhanced by donations.	The Abe Bailey Trust again awarded R40,000 for conservation of art works. The exhibition 'Why collect?' (opened 24 March 2007) featured many works donated to Iziko SA National Gallery during 2005-06. Social History Department maintained good relationships with the SA Institute for Advancement (Inyathelo). An agreement with The Freedom Park Trust was signed.
			Liaison and cooperation with museums associations of Friends sustained.	Collections enhanced through donations from the Friends.
Generate new knowledge about our collections and the heritage they represent.	Create the right museum offering – focus on strategic priorities. Support research that is collection-based and aligned with key themes that have been prioritised.	Align research with strategic priorities; identify key themes for research.	Generate new knowledge in key areas and make this accessible.	Research in Art Collections is almost exclusively related to exhibitions and publications. Social History research topics include the history of slavery, pre-colonial archaeology; house museums, maritime archaeology and archaeological heritage impact studies. Five of the six Natural History scientists are successfully rated as well as the Natural History Director.
		Scientists encouraged to achieve successful rating by the NRF.	Increase in number of NRF-rated researchers.	
	Build research capacity in line with strategic priorities.	Succession plan for suitably qualified curator / researchers in Iziko.	Mentorship programme in place.	An assistant curator and a collections assistant in Natural History, a trainee conservator and a collection manager in Social History, and a collections manager and collections assistant in Art were trained and mentored in the period.
		Trainee positions for young researchers created.	Trainee positions in place.	A trainee collections manager in Social History and a trainee curator in Art Collections were appointed. Social History and Natural History staff participated in organising SAMA training courses.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
	Produce relevant publications, exhibitions, and educational resources as outcomes of research.	Relevant publications, exhibitions and educational resources in line with strategic objectives.	Increased number of publications about Iziko collections by Iziko staff and external researchers. Evaluation conducted on the reach of these publications and value to Iziko.	Art Collections staff contributed 7 articles to books, 3 of which were international publications. M. Martin's obituary for Albert Adams (1929-2006) was widely circulated. Social History- monthly articles on ships and shipping; review article by archaeologist, S.Wurz.
		Scientific publications in refereed journals.	Increase in number of journal publications.	25 scientific publications in refereed publications by Natural History curators (6 more than previous year). See Appendix 4.5.
		Website content deepened.	20% increase in number of hits on websites.	Major upgrade of Biodiversity Explorer website underway; www.waspweb.org and www.figweb.org constantly being updated and expanded and currently stand at 4,300 and 1,200 pages respectively. The collections and education content on the Iziko website were updated regularly.
		Production of Social History / Art research journal.	Volume 1 published.	Publication expected in early 2008.
		Production of new Natural History research journal.	Volume 2 published.	<i>African Natural History</i> Vol. 2 was published in November 2006, and has received accreditation from the Department of Education.
	Provide adequate resources to the libraries to support research.	Well-resourced research libraries, with greater public access.	Increased use of libraries.	In addition to 652 staff visits, 1,424 members of the public used the Art Library during this period. The Natural History Library: 460 staff and 20 members of the public. The Social History library: 1,578 staff visits, and 530 members of the public.
	Production of catalogues and research journals that can be used for library exchanges.	Sufficient publication rate to sustain exchanges.	Copies of <i>ReVisions</i> , <i>Picasso and Africa</i> , and <i>Zeitgenössische Fotokuns Aus Südafrika</i> were secured for the Art Library exchange programme. The Art Library received 91 books and catalogues through the exchange programme with 80 institutions.	
Promote study of our collections by external researchers.	External researchers accommodated by the collections departments.	Increase in number of visitors to our collections.	Social History Collections: 36 international research visitors and 9 local researchers to Pre-colonial Archaeology collections; 22 permits processed in terms of the National Heritage Resources Act. Art Collections: three international research visitors. Natural History Collections: 118 research visitors.	
Maintain an active loan system to promote the use and knowledge of the collections; manage the loan system effectively.	Loan policy and agreements in place.	Loan system effectively managed.	Approved loan system is in place and effectively managed for all collections. See Appendix 4.4 for details of loans.	

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Develop and implement a strategy for site presentation, interpretation and development.	Identify key visitor attractions of each site and develop a blueprint for presentation.	Presentation plan aligned with master plan of key themes and focus areas for next 3-5 years.	Implementation of site presentation strategy and roll-out of master plan for site interpretation.	A series of permanent and temporary exhibitions arranged at the Slave Lodge, dealing with themes such as slavery, Apartheid violations and human rights. See Appendix 4.2.
Develop a master plan for Iziko exhibitions.	Master plan for exhibitions at Iziko sites over the next three years.	Plan developed for approval by Exco.	Plan and roll-out schedule approved and implemented.	Master plan for Iziko exhibitions to be developed in 2007-08.
Ensure that Iziko sites are sustainable entities.	Assess the viability of sites within the context of Iziko's capacity and strategic priorities.	Feasibility studies completed and results evaluated.	Strategy implemented for cost-effective sustainability.	Received permission from Minister of Arts and Culture to remove the <i>Alwyn Vincent</i> (a tugboat) from Iziko holdings. Report detailing the options and recommendations for the future upgrade of the Planetarium completed.
	Assess feasibility of sites with low visitor numbers.	Evaluate results of feasibility studies and develop strategies for action.	Implement strategy.	Minister (DAC) agreed to the closure of the Natale Labia Museum and the return of the site to Count Luccio Labia. The Art Collections Department finalized inventories and agreement with the Count was signed by the CEO of Iziko. Minister of Public Works has not yet agreed to the transfer of immovable property.
Develop and implement a trainee and internship programme.	Apply to DAC for funding through their internship programme and the DPW Expanded Public Works Programme.	Increase in number of trainee positions in collections departments.	Trainee programmes implemented.	DAC Internship Programme to be implemented in 2007-08.
Develop and implement a disaster management plan for all Iziko sites.	Draft a Disaster Management Policy for approval by Council. Set up a task team to implement procedures in terms of policy.	Draft Policy completed and procedures documented.	Policy approved by Council. Procedures implemented.	A newly-appointed Safety & Security Officer was tasked with developing a disaster management plan. Following resignation of Security Officer in January 2007, the post was advertised but remains vacant.

1.4.4. Improve and broaden accessibility to Iziko museums.

Our challenge is to make all people feel welcome at our museums and to provide them with experiences that they can relate to and enjoy.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Marketing and Communications strategy to increase Iziko's public profile and create a positive perception of Iziko across all sectors of the community.	Establish and implement an integrated marketing and communications plan.	Undertake market research and analysis.	Report on market research.	Market research to gauge public perception of Iziko displays was implemented in March 2007.
		Develop marketing communications strategy.	Approved strategy in place.	External communication strategies were drafted for six events and programmes.
	Develop and implement corporate branding strategy.	Develop policy and branding manual.	Branding Policy and manual in place. Increase in extent of media coverage.	Brand manual to be reviewed in 2007-08.
	Launch brand awareness campaign internally and externally.	Effective internal campaign implemented.	Brand awareness increased internally.	Branded items were provided in the form of promotional posters, brochures and Iziko generic posters at all Iziko sites. Iziko paid for 6 advertisements during the reporting period. Iziko received free advertising in 8 publications.
	Official launch of new Iziko brand.	Re-branding of sites completed. Media campaign planned.	Phased roll-out of re-branding on schedule.	To be completed in 2007-08.
	Survey and analyse audiences and potential audiences.		Audience surveys implemented and analysed. Visitor complaints addressed.	Improved satisfaction scores. Minimal complaints from visitors.
Surveys to gauge why people do not visit Iziko museums implemented and analysed.			Report on survey and strategy in place to attract new audiences.	A survey tracking the visitor data at the Iziko SA Museum, SA National Gallery, William Fehr Collection, Slave Lodge and Groot Constantia was conducted. The results will be presented to Exco in June 2007. Total visitor figures for the year (all sites): 553,200.



Alison Kock, PhD candidate and Great White shark researcher, off Seal Island.



Assistant educator, Anton van Wyk (right), Iziko Mobile Museum outreach programme.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Increase visitor satisfaction.	Build a team of motivated, friendly, welcoming and helpful front-of-house staff.	Training programme for frontline staff implemented.	Team of trained and motivated staff in place. Positive feedback from visitors, staff and Friends.	In June 2006, 24 museum attendants were appointed indefinitely, raising the total to 55. All new indefinitely-appointed customer services staff were provided with the corporate uniform.
	Improve signage to make people feel welcome and inform them of available facilities.	Improved signage systems developed for all sites. Improved visitor flow in museums.	Improved signage in place externally and internally at Iziko sites.	New signage introduced in museum foyers. A-frame snapper boards for external signage were installed at all Iziko sites.
	Implement access and security system at reception points.	Roll-out plan for upgrade of security system in place.	Improved security across Iziko sites; regular reports on status of security.	Tenders prepared for CCTV cameras at four sites. Consultants to oversee this process have been appointed by the DPW. Funded by transformation funding from DAC. Consultants for the installation of an integrated security system for the rest of Iziko sites were appointed through the DPW tender processes. Funding for this project has been approved. Following a decision to combine the two projects, the accounting procedures for the two funding sources are being discussed by DAC and DPW officials.
	Ensure clean and safe precincts, including parking areas and grounds.	Security and cleaning plan for grounds in place.	Improved security and appearance of grounds.	Night security officer with dog appointed to patrol grounds. Two additional cleaners appointed indefinitely in June 2006. Disaster management plan to be developed as a priority. Advice received from consultants.
	Ensure that all public facilities at Iziko sites are clean and well maintained.	System for checking public facilities introduced.	System implemented to ensure positive visitor experience. Evaluation of visitor feedback.	Regular random spot checks of cleaning rosters are conducted by Customer Services managers. Service delivery by outsourced cleaning service was improved. Visitor comments monitored and appropriate action taken.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Increase accessibility to Iziko collections and sites.	Showcase Iziko collections nationally and internationally.	An extensive programme of temporary exhibitions in place.	Increased visibility of Iziko collections.	Full programme of exhibitions offered to attract diverse audiences and showcase collections. See Appendix 4.2.
		Develop partnerships and exchange programmes.	International exchanges and partnerships in place.	See Appendix 4.1.
	Develop the Iziko website.	Wide selection of Iziko virtual collections and exhibitions on the internet.	Increase in exposure of Iziko collections and positive user response.	New features added include a press release page, a site map and a revamped education section.
		Biodiversity databasing and imaging initiatives integrated with those of the Global Biodiversity Information Facility (GBIF).	At least one GBIF-supported project per year.	GBIF/SABIF project for databasing of tenebrionid and carabid beetles completed on schedule. OBIS-funded databasing of marine collections has ended but updating of the databases continues.
Develop behind-the-scenes tours.	Implement programme of behind-the-scenes tours of collections and activities.	Roll-out of guided tours in place.	Tours presented on an <i>ad hoc</i> basis in response to demand.	
Build partnerships and foster community ownership of Iziko. Broaden our audience profile.	Develop and implement a partnership and stakeholder management strategy.	Stakeholder strategy developed and approved.	Strategy implemented.	Iziko's participation in the 'Cape 07' programme drew new audiences. A number of special needs workshops broadened the audience profile. Bo-Kaap Museum has built good relationships with stakeholders and researchers.
		Maintain sound relationships with Friends organisations.	Increased membership of Friends and support for Iziko.	The Friends of SA National Gallery and Michaelis Collection initiated and funded education programmes, including those for people with special needs.
		Lobby and engage with political principals.	Official visits by politicians and people of influence to Iziko sites.	British Secretary of State for Arts and Culture visited the Slave Lodge (19 January 2007).
		Develop new alliances with stakeholders in the city and wider communities.	Stakeholder alliances strengthened. Increased participation of previously marginalized communities.	The expanded Art Collections acquisitions committee includes experts from outside Iziko. The 'Hand of Fatima' exhibition at Bo-Kaap Museum showcased Islamic art to the community.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Improve multilingualism.	Develop Iziko Policy on multilingualism.	Policy developed.	Policy implemented.	Implementation by 2008-09.
	Increase multilingualism in public announcements, signage, labelling, pamphlets, posters, publications, and websites.	Multilingualism implemented in programmes and publications.	Increased language diversity in Iziko products and programmes.	Texts of major exhibitions at the SA National Gallery were in three languages. Welcome poster in all official languages displayed at all Iziko sites. The Iziko Education & Public Programmes Department and Planetarium offered a variety of presentations in three languages for schoolchildren and the general public.
Cater for people with special needs.	Improve physical access for wheelchairs at all sites, taking into account historical nature of buildings.	Improved physical access for people in wheelchairs at all sites.	Funding motivated for and approved by DPW via DAC.	Plans for access to historic buildings prepared and submitted to heritage authorities for approval, after discussions with Iziko management.
	Increase enjoyment of exhibitions (e.g. audio-tours, interactive touch exhibits).	Audio tours initiated.	Increased number of audio tours.	Implementation in 2007-08.
		Braille labels and touch exhibits introduced.	Increased number of Braille labels and touch exhibits.	Selected works in the SA National Gallery have labels in Braille.
	Special needs programmes developed for all major exhibitions.	Special needs programmes implemented.	Programmes for people with special needs form part of all major exhibitions at the SA National Gallery and the Michaelis Collection.	



President Thabo Mbeki, accompanied by Dr Palo Jordan, Premier Ebrahim Rasool and Prof Jatti Bredekamp at the exhibition, 'Celebrating our Music, our Heritage' at the Castle of Good Hope on Heritage Day, 24 September 2006.



The 'Picasso and Africa' exhibition, Iziko South African National Gallery, 13 April to 21 May 2006.

1.4.5. Unlock the educational potential of Iziko and promote and innovatively showcase our arts, culture and natural history

From the perspective of the visitor, museums are places of enjoyment and enrichment. Iziko's unique combination of heritage collections in the fields of Natural History, Art and Social History are rich educational resources that can be used in many ways, including exhibition, publication and public programmes. Iziko provides a wide range of educational programmes for young learners, students and adults. The Planetarium makes scientific principles accessible to young people and brings the science of astronomy into the public domain. The Iziko Mobile Museum takes museum resources to communities that do not have access to museums and extends the reach of Iziko's education programmes, while the Iziko website aims to make Iziko resources accessible to all those who use the internet.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Increase access to and use of Iziko educational resources.	Conduct surveys on what potential users, e.g. teachers, learners and others expect.	Regular surveys conducted on expectations of potential users of Iziko education resources.	Analysis of user experiences guides service improvement. Increased number of students/ learners/ adults using Iziko educational resources.	Evaluation forms continue to inform future planning and remedial strategies. An audit of existing resources has been initiated. Planetarium used for practical courses for University of Cape Town students, the National Astrophysics Space Science Programme (NASP) and SA Navy navigators.
		A structured WCED – Iziko partnership through further joint planning of workshops and training programmes.	Effective utilization of WCED – Iziko resources in programmes.	Planning with curriculum specialists in all three collections areas continued. An art teachers' workshop was hosted at the SA Museum during June 2006.
	Maximise the educational value of exhibitions and collections in line with strategic objectives and curriculum.	Collection-related, user-friendly, educational resources developed.	Learning and Teaching Support Material (LTSM) developed.	Learning support material was produced for the Slave Lodge exhibitions and for the 'Picasso and Africa' exhibition and was distributed via teacher workshops & Education Management and Development Centres (EMDCs). Staff provided information for the series of programmes on slavery on Radio Sonder Grense in a joint initiative by RSG and Iziko.
		Input from educator reference groups received.	Regular consultation with internal and external stakeholders.	Art programmes attracted significant interest as a result of the 'Picasso and Africa' exhibition and education programmes. Two teacher walkabouts of 'Picasso and Africa' were arranged, with 34 art teachers attending. 74 Grade 10–12 Social History teachers participated in a series of curriculum-based workshops.
		Education programmes in place, particularly for groups with special needs, including Braille labels, audio guides and interactive touch exhibits.	Involvement of and feedback from special needs groups.	Programmes for schools providing Education for Learners with Special Needs continued. Economically disadvantaged learners and teachers attended visual literacy workshops based on the 'Picasso and Africa' exhibition. Three art workshops were held for underprivileged learners. Twelve awaiting-trial youth from Bonnytoun participated in a poetry/ drama workshop at the Slave Lodge.

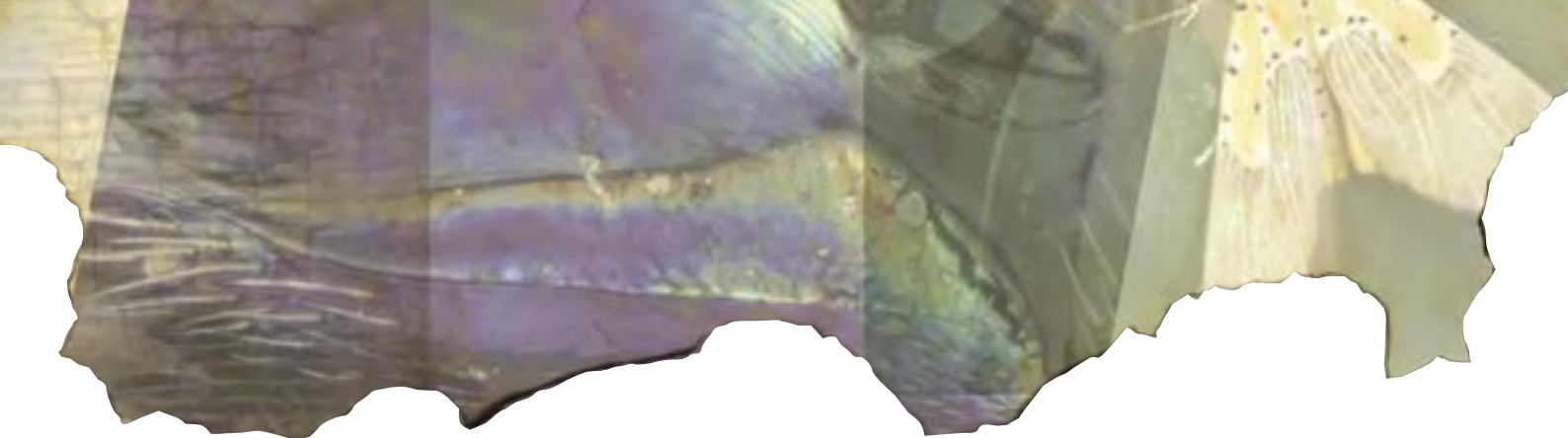
Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Produce a dynamic programme of temporary and long-term exhibitions with national and international partners.	Diversify exhibitions to cater for different audiences and assess potential to reach target audiences.	Diversify programme of exhibitions developed.	Exhibitions evaluated in terms of visitor response.	See Appendix 4.2 for detail of exhibitions.
	Produce displays linked to cultural, social, news and sports events, both nationally and internationally.	Exhibitions and public programmes on commemorative days.	Increased public profile and visibility of Iziko. Increased awareness of Iziko in civil society.	The Planetarium presented 11 astronomy courses to the public. Regular concerts at Koopmans-De Wet House developed a fresh awareness of this museum. See Appendix 4.1 for details of education projects.
		Plan developed for exhibitions and public programmes that will coincide with the 2010 Soccer World Cup.	A World Cup 2010 strategy in place.	Iziko strategy to be in place by May 2007. Networking with role players in the city and province will be initiated.
Produce relevant exhibition- and collection-related educational materials.	Develop learning support material that caters for a range of audiences.	Diverse support material produced.	Increase in demand and distribution of materials.	Picasso material widely used in schools. The taxidermists produced a range of natural history support materials.
	Include educational programmes and materials in exhibition funding proposals.	Education programmes included in exhibition funding proposals.	Increased funding for educational resources.	GrandWest funding received for mobile art workshops in preparation for the 'Transcape Africa' banner project in 2007-08.
Produce Iziko-branded research, exhibition-related, and popular publications.	Include a publications component in funding proposals for major exhibitions.	Publications funded and produced to accompany major exhibitions.	An increased Iziko publication profile. Plan in place to promote Iziko publications.	Summer (December 2006) and Autumn (March 2007) editions of <i>Edu'ndaba</i> were produced and distributed.
	Form alliances with publishers and other stakeholders.	Publication partnerships established. Agreements with publishers to co-produce and cross-market publications in support of heritage education formalized.	Formalization of agreements with publishers to co-produce and cross-market publications in support of heritage education.	WCED publication partnership in place with inputs by key curriculum advisors in collaborative projects for the 2006-07 period.
	Effective marketing of Iziko publications.	Marketing plan for publications developed.	Increased visibility and usage of Iziko publications.	Range of available Iziko publications promoted on Iziko website with positive response from educators.
	Development of two new research journals to replace the <i>Annals of the South African Museum</i> .	New journal - <i>African Natural History</i> - launched in 2005.	Second issue prepared for publication.	Second volume of <i>African Natural History</i> was published in November 2006.
		Journal for Art and Social History planned and editorial committee established.	First issue prepared for publication.	Preparation undertaken for publication in 2008.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Develop educational website resources.	Develop curriculum-linked educational web content.	Accessible education content for the Iziko website developed.	Increase in number of hits to the sites.	Education Website – proposal for further development was initiated with the assistance of the provincial Gateway project, linked to the WCED. Upgraded education web pages launched in May 2006.
Develop a relevant educator development programme.	Develop programmes for educator skills development.	Training programmes and facilities for educators developed.	Feedback from teachers who have undertaken training.	Ongoing partnership with WCED training initiatives continued.
	Formalize agreements with WCED and DoE in terms of joint ventures.	Iziko educators attend in-service WCED-facilitated training workshops.	Iziko educators have unrestricted access to the training available to school educators.	WCED workshop was held over two days, attended by 62 teachers. Meetings held with Breede River-Overberg EMDC on science collaboration in 2007.
	Negotiate ETDP SETA – Iziko partnerships in professional development programme in heritage education.	ETDP SETA and Iziko partnership consolidated.	ETDP SETA short courses identified for certification as professional development option for teachers.	Implementation in 2007-08.
Promote education beyond Iziko sites.	Develop a dynamic off-site education programme to build new audiences for Iziko.	Off-site education programmes developed.	Measurable increase in reach of education programmes.	The Iziko Mobile Museum outreach programme was implemented.
		Education and tourism programmes linked.	Programme developed to cater for both tourism and education sectors.	Implementation in 2007-08.
	Increase participation in annual school-focused marketing events.	Iziko brand promoted at school-focused marketing events.	Feedback from education sector, the public and volunteers.	Iziko participated in the Learning Cape Festival as well as a Careers Expo held at the Cape Peninsula University of Technology (CPUT). See Appendix 4.1 for other projects.
Promote family group learning.	Develop family-oriented museum programmes.	Family programmes developed.	Increased number of family visitors to museums.	Holiday programmes were offered during school vacations for multiple age groups and families.
Provide learning programmes for tour guides.	Develop ongoing learning programmes for tour guides.	Implement programme for tour guides.	Increased network of trained tour guides and operators.	A programme for recruiting new volunteers was initiated.
Provide a sustainable and dynamic volunteer programme.	Recruit and train volunteers.	Volunteers recruited and training programme sustained.	Increased number of volunteers.	The 'Picasso and Africa' exhibition attracted 21 volunteer guides. A doctoral student volunteer from France conducted the March school holiday programme in marine biology at Glencairn, Cape Town.

1.4.6. Ensure financial viability for Iziko

Although we once again succeeded in raising additional funds for Iziko's core activities such as exhibitions, educational programmes, research, conservation and community projects, these funds do not contribute to funding our institutional running costs or the salaries of the permanent staff, the costs of which are borne by our annual grant from DAC. Despite a reduction in staff numbers over the past few years, Iziko has not been able to meet the guiding principle set by our executive authority that only 75% of the subsidy should be spent on salaries.

Programme / Activity / Key objective	Strategy	Outputs	Service delivery indicator	Actual performance against target
Develop and implement a diversified funding and investment strategy.	Develop a medium to long-term investment strategy.	Develop investment policy to maximize revenue; scan investment market to obtain highest interest rates.	Implement Investment policy. Increase in interest received.	A draft investment policy has been developed. The return on investment received in the 2006-07 financial year was 2% more than estimated.
Reduce operational costs.	Develop Procurement and Supply Chain Management Policy.	Policies and procedures developed, approved and communicated to staff.	Financial guidelines and policies implemented.	A Supply Chain Management Policy that guides and informs all procurement processes is in place. A Supply Chain Management Officer has been appointed.
	Draw up guidelines for financial management and reducing costs.	Guidelines produced for financial management and cost reduction.	Financial management policies implemented.	A draft financial manual has been developed.
Maximize revenue.	Review costing of professional services, merchandise and venue hire on an annual basis.	Standardized fee structure for professional services.	Increase in income from professional services.	A task team has been set up to develop an entrance fee strategy.
		Venue hire fees reviewed and market-related.	Increase income from venue hire.	A total of 267 events were hosted, drawing 16,105 visitors and generating an income of R442,009 in venue hire fees.
	Develop new sources of income.	Utilizing intellectual capital, specialist skills, knowledge and experience of employees.	Increased consultancy services.	Research articles on ships in the John H. Marsh Collection were published by an international magazine and Iziko received a fee of R1.20 per word. An average 10% increase on parking fees was implemented.



ANNUAL FINANCIAL STATEMENTS

Report of the Audit Committee for the financial year ended 31 March 2007

The Iziko Audit Committee is pleased to present its report for the financial year ended 31 March 2007, in accordance with Treasury Regulation 27 and the Public Finance Management Act, 1999 (PFMA).

Audit Committee Members and Attendance

The Audit Committee consisted of five members for the six months to 30 September 2006 and three members for the six months to 31 March 2007. The Audit Committee met three times during the year, on 1 August 2006, 5 September 2006 and 27 February 2007.

Name of Member	No. of Meetings Attended
MC Brewis (external)	2
Dr M Fabricius * (non-executive member of Council)	1
Dr E Links * (non-executive member and chairperson of Council)	2
Adv DJ Mitchell *** (external)	3
RG Nicholls ** (external and chairperson of Audit Committee)	3

*Dr M Fabricius and Dr E Links' membership of the Audit Committee terminated when their appointment as members of Council expired on 30 September 2006.

**Mr RG Nicholls acted as chairperson of the Audit Committee until 31 March 2007.

***On 16 December 2006, Adv DJ Mitchell was appointed as a member of Iziko's Council.

On 12 March 2007, a new Audit Committee was appointed by Council to hold office from 1 April 2007. This committee consists of three non-executive members of Council, namely Prof R du Pré, Adv D Mitchell and Prof R Nayager. Adv Mitchell was appointed as chairperson of the new Audit Committee.

Audit Committee Responsibility

The Audit Committee reports that it continued to apply the Audit Committee Charter adopted in the previous year as its formal terms of reference for the 2007 financial year, and that it regulated its affairs and discharged its responsibilities in compliance with this charter.

The Audit Committee Charter was reviewed by the new Audit Committee subsequent to the financial year-end and a revised Charter was adopted on 8 May 2007.

Internal audit

The internal audit focus during the year has been on improving controls over cash registers, point of sale receipts and cash donations, while the function assisted with the development of an Enterprise Risk Management Programme and the establishment of a Risk Management Committee.

Internal audit's contribution to Iziko was hindered through an inadequacy of qualified resources and a lack of effective leadership, direction and oversight. The services of an audit consultant were not extended beyond 31 July 2006 as a result of the consultant's ill-health and other limitations. Rolling three-year and one-year internal audit plans, although drafted, were not accepted or endorsed by the Audit Committee, and greater attention needs to be given to compliance testing, human resource policy implementation and a judgement-based assessment of key risk areas.

This area needs a restructured approach if it is to fulfill its proper role and purpose.

Internal control

Internal control is the system of controls and directives that are designed to provide cost-effective assurance that Iziko's mandate is fulfilled, that its assets are safeguarded and its liabilities and working capital are efficiently managed, and that it complies with all statutory and governance-related duties and requirements.

It is noted that progress to strengthen Iziko's information technology platform has continued, while all-round security and access control has improved. A project to enhance and repair certain facilities is currently underway, with the assistance of the Department of Public Works.

Various instances of outdated, unsigned or inadequate procedural controls were highlighted by the Auditor-General in the course of the external audit. These instances have led to a greater awareness of the importance for standard operating practices and housekeeping rules to be properly documented and for them to be adhered to at all times.

Evaluation and review of the effectiveness of internal control

From the various reports of the internal audit function, the report on the annual financial statements and the management letter prepared by the Auditor-General, it is noted that no significant or material non-compliance with prescribed policies and procedures has been reported. Accordingly, the Audit Committee can report that the systems of internal control for the period under review were effective and efficient.

Accounting polices and financial statements

The Auditor-General's assistance in drawing attention to recent changes in international accounting standards is noted and appreciated.

Review of financial conduct and behaviour

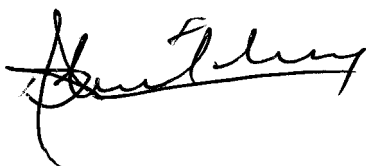
The Audit Committee notes further that there were no reportable instances of financial misconduct or losses due to criminal conduct, nor any reportable instances of unauthorised, irregular, fruitless or wasteful expenditure.

Evaluation and review of the Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer
- Reviewed the Auditor-General's management letter and management's response thereto
- Reviewed changes in accounting policies and practices, as applicable
- Reviewed and endorsed the accounting policy adjustments that resulted from the audit.

The Audit Committee accordingly concurs with and supports the Auditor General's conclusion on the annual financial statements and is of the opinion that the audited annual financial statements can be accepted and read together with the Auditor-General's report.



Adv DJ Mitchell
Chairperson of the Audit Committee

Date: 1 August 2007

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF IZIKO MUSEUMS OF CAPE TOWN FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Iziko Museums of Cape Town which comprise the statement of financial position as at 31 March 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 57.

Responsibility of the accounting authority for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice with Generally Recognised Accounting Practice Standards 1, 2 and 3 as described in note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 6 of 1996) read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), and section 11 of the Cultural Institutions Act, 1998 (Act No. 119 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing, read with General Notice 647 of 2007, issued in Government Gazette no. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The public entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

Opinion

9. In my opinion these financial statements present fairly, in all material respects, the financial position of the Iziko Museums of Cape Town as at 31 March 2007 and its financial performance and cash flows for the year then ended in accordance with the basis of accounting determined by the National Treasury of South Africa, as described in note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

OTHER MATTERS

I draw attention to the following matters which are ancillary to my responsibilities on the audit of the financial statements.

Matters of governance

10. Audits identified in the internal audit plan were not performed for the year under review.
11. The internal audit plan did not include audits to evaluate the entity's compliance with the PFMA, Treasury Regulations and other relevant legislation as required in Treasury Regulation 3.2.11.

In the absence of a council for the period 1 October 2006 to 31 March 2007 the redrafted Internal Audit Charter, and the refined three year rolling audit plan as well as the refined annual audit plan was not approved.

Value for money matters

Human resource management

12. Approved policies were not developed and implemented during the financial year under review to govern the following personnel related issues:
 - Subsistence and travel claims
 - Advances for subsistence and travel
 - Overtime
 - Housing allowances
 - Staff terminations.

Late finalisation of the audit report

13. In terms of section 55(1)(d) of the PFMA I am required to submit my report to the accounting officer within two months of the receipt of the financial statements. Due to the process implemented by me to ensure consistency in the manner in which material audit findings are reported I have delayed the finalisation of my report where the financial statement in question was received by 31 May 2007.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

13. I have audited the performance information as set out on pages 9 to 24.

Responsibilities of the accounting authority

14. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

Responsibility of the Auditor-General

15. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette no. 29919 of 25 May 2007.
16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

18. The entity has not reported on all pre-determined objectives as required by section 55(2)(a) of the PFMA. The following pre-determined objectives were omitted:
 - Resolve the relationship of Iziko Natural History research and collections to Department of Science and Technology
 - Transform Iziko's climate and culture.

APPRECIATION

19. The assistance rendered by the staff of the Iziko Museums of Cape Town during the audit is sincerely appreciated.



J Diedericks for Auditor-General

Cape Town

8 August 2007



Annual Financial Statements for the year ended 31 March 2007

CONTENTS

Statement of Responsibility	31
Accounting Authority's Report	32
Corporate Governance	34
Statement of Financial Performance	35
Statement of Financial Position	36
Statement of Changes in Net Assets	37
Cash Flow Statement	38
Notes to the Annual Financial Statements	39

Statement of Responsibility

The Public Finance Management Act, 1999 (Act 1 of 1999), as amended, requires the Council to ensure that Iziko Museums of Cape Town (Iziko) keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of Iziko, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of Generally Accepted Accounting Practice (GAAP) and the prescribed Standards of Generally Recognized Accounting Practice (GRAP).

The annual financial statements are the responsibility of the Council. The Auditor-General is responsible for independently auditing and reporting on the financial statements. The Auditor-General has audited Iziko's financial statements and the Auditor-General's report appears on page 28.

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretation of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board. These annual financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates.

The Council has reviewed Iziko's budgets and cash flow forecasts for the year ended 31 March 2007. On the basis of the review, and in view of the current financial position, the Council has every reason to believe that Iziko will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

The Council sets standards to enable management to meet the above responsibilities by implementing systems of internal control and risk management, where possible, 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 Iziko or 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 the presentation of financial statements. However, because of changes in conditions, the effectiveness of internal financial controls may vary over time.

The Council has reviewed Iziko's systems of internal control and risk management for the period from 1 April 2006 to 31 March 2007. The Council is of the opinion that Iziko's systems of internal control and risk management were effective for the period under review, other than for the material losses, and irregular, fruitless or wasteful expenditure referred to in note 17.1 of the financial statements.

In the opinion of the Council, based on the information available to date, the annual financial statements fairly present the financial position of Iziko at 31 March 2007 and the results of its operations and cash flow information for the year, and that the Code of Corporate Practices and Conduct has been adhered to.

The annual financial statements for the year ended 31 March 2007, set out on pages 35 to 57, were submitted for auditing on 31 May 2007 and approved by the Council in terms of section 51(1)(f) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended and are signed on its behalf by:



Prof. H.C. Bredekamp
Chief Executive Officer



Dr. E. Links
Chairperson of Council

Accounting Authority's Report for the year ended 31 March 2007

Report by the Council to the Executive Authority, Minister of Art and Culture, and Parliament of the Republic of South Africa.

1. General review of the state of financial affairs

Iziko's results for the year show good progress towards a steady growth of reserves. There was a significant increase of 28% in cash and cash equivalents from R22,607,454 to R29,047,661. This growth is due to external funding, which is earmarked for specific projects that have a lifespan of two to three years and management's commitment to maximize revenue and reduce operational costs.

Iziko received most of its funding through a subsidy allocation from the government, i.e. the national Department of Arts and Culture (DAC). Iziko's revenue increased by 9% from R45,733,942 to R49,781,237. Subsidy allocation from DAC was 77% of total revenue while 9% was through donor funding and 14% was own income generated through entrance fees, venue hire, rental of premises and professional museum services.

Iziko's operating expenditure for 2006-07 was R47,131,680. Operating expenditure includes 70% (R32,709,446) fixed costs on personnel, 15% (R7,299,893) on administration and operational costs and 15% (R7,122,341) core function activities and special projects. Of the 15% core function activities and special projects, 8% was fully funded externally. Iziko is dependent on external funding for its core function programmes. External funding was received from national government agencies, research foundations, corporate business, and private individual donors.

While Iziko has received limited funding for its operations over the last few years, it practised good governance with regard to the managing of its funds, as well as compliance, where possible, with the Public Finance Management Act, and observing the requirements of donor funding.

While a great deal of work still lies ahead to improve the bottom line and meet the targets set in the strategic plan, the results for the year show progress, and management remains committed to achieving its strategic objectives.

2. Services rendered by Iziko

2.1 List of services rendered

Iziko's core business is to manage and promote its unique combination of South Africa's heritage collections, sites and services for the benefit of present and future generations. The services rendered by Iziko in these areas, among others, are Exhibitions, Education and Public Programmes, Collections Management, Collection Loans and Conservation, Research, Curatorial Services and Publication.

The three Collections Departments offer, in collaboration with the Education and Public Programmes Department, exhibitions that meet the needs of education and life-long learning. Their themes are directed at giving priority to addressing the need to correct the imbalances of the past in the representation of art and history, thus contributing to nation building and transformation.

In addition to Iziko's core business, services such as venue hire, outsourcing of coffee shops, museum retail shops and professional museum services are rendered.

2.2 Tariff policy

Tariffs are charged for entrance fees, rental of premises, venue hire, photographic services and professional museum services. Tariffs are negotiated at the outset of entering into a service agreement. Iziko reviews tariffs on an annual basis.

3. Capacity constraints

During the year under review, Executive Management implemented the Council's decision to align the organisational structure to effectively and efficiently deliver the objectives of the Strategic Plan. A workflow analysis process was put in place. Due to lack of funding Iziko is not able to grow its human

capital to its full potential and is unable to employ the necessary staff required to fulfil its core function activities to the maximum potential. As an outcome of the workflow analysis process, Executive Management implemented the roll-out of the re-aligned structure and filled relevant posts.

4. Utilization of donor funds

Iziko received sponsorship of R4,379,031 during the year under review. Donations were received from national government agencies, research foundations, corporate business, and private individual donors. The funds were earmarked and utilized for specific projects, such as acquisitions, exhibitions, conservation, research and education that have a lifespan of two to three years. These projects form an integral part of the museum's core function activities and have significantly contributed to Iziko's success.

5. Public Entity

Iziko is listed as a Schedule 3A national public entity in terms of the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999) and is governed by the Cultural Institutions Act, 1998 (Act 119 of 1998). Iziko operates under the jurisdiction of the Council. The national Department of Arts & Culture is the controlling entity.

Business address:

25 Queen Victoria Street
Cape Town
8001

Postal address:

PO Box 61
Cape Town
8000

6. Jurisdiction

Iziko resides and is effectively managed in South Africa. The controlling entity is the national Department of Arts and Culture.

7. New/Proposed activities

The professional staff in the Art, Natural History and Social History Collections are skilled in museum practice and in specialized areas of historical and scientific knowledge. They are well placed to pass on their skills but Iziko needs funding to support trainee positions (especially from previously disadvantaged communities).

One of our major projects for the next three to five years is the upgrade of Iziko's security systems, extensions to the Iziko SA Museum building, and the redevelopment of the Slave Lodge as a Museum of Slavery, which will require substantial fundraising, as will the development of a Centre for Contemporary Art in Cape Town.

8. Approval

The annual financial statements set out on pages 35 to 57 have been approved by the Council.



Prof. H.C. Bredekamp
Chief Executive Officer



Dr. E. Links
Chairperson of Council

31 May 2007

CORPORATE GOVERNANCE

Governance of the institution was streamlined through the introduction of a system of subcommittees of Council corresponding to three main functional areas: Core Functions, Marketing and Fundraising, and Operations. In addition, an independent Audit Committee was constituted that has been able to offer professional advice on financial matters.

During the year under review the appointment of the Internal Auditor to set up Iziko's internal audit unit was implemented.

The Council recognizes that good governance and compliance practices are crucial for the development and sustaining of the museum and is committed to instilling good governance and compliance processes into all its operations going forward.

Risk Management

During the year under review Iziko has implemented its Risk Management Plan. A risk analysis was conducted and the findings recorded in the risk register. Senior Management is in the process of addressing these risks. The security, fire protection, access control, CCTV and electrical systems were assessed and the associated risks were confirmed at four Iziko sites: William Fehr Collection (Castle of Good Hope), Slave Lodge, South African National Gallery and the South African Museum. The current IT network environment was upgraded to ensure the network's readiness to handle the increased load required by the real-time video streaming and security control devices that are proposed.

Materiality and Significance Framework for the 2006-07 Financial Year

In terms of the PFMA and Treasury Regulation 28.1.5, the Council has developed and agreed to a framework of acceptable levels of materiality and significance.

IZIKO MUSEUMS OF CAPE TOWN

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u> Restated
		<u>R</u>	<u>R</u>
REVENUE		49,781,237	45,733,942
Government Grant: Department of Arts & Culture		38,310,000	34,160,000
Sponsorship		4,379,031	5,265,729
Cash donations		115,660	61,989
Interest Received		2,009,052	1,426,014
Admission Fees		2,862,573	2,595,289
Rental and other income		2,104,921	2,224,921
		<hr/>	<hr/>
Operating expenses		(47,131,680)	(43,584,847)
		<hr/>	<hr/>
NET SURPLUS/(DEFICIT) FOR THE YEAR	9	2,649,557	2,149,095
		<hr/> <hr/>	<hr/> <hr/>

IZIKO MUSEUMS OF CAPE TOWN

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		R	Restated R
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	3,218,611	2,759,659
		29,423,196	23,361,495
Current assets			
Inventories	3	41,018	140,191
Trade and other receivables	4	334,517	613,850
Cash and cash equivalents	5	29,047,661	22,607,454
		32,641,807	26,121,155
Total assets		32,641,807	26,121,155
EQUITY AND LIABILITIES			
Funds and reserves			
Accumulated reserves		(5,118,065)	(10,034,746)
Trust funds		2,196	2,196
		37,757,676	36,155,901
Current liabilities			
Trade and other payables	6	1,312,705	833,870
Provisions	7	26,319,303	25,948,249
Deferred income	8	10,125,669	9,373,782
		32,641,807	26,121,155
Total equity and liabilities		32,641,807	26,121,155

IZIKO MUSEUMS OF CAPE TOWN

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2007

	<u>2007</u>	<u>2006</u> Restated
	R	R
Accumulated Reserves		
Balance at beginning of the year	(7,767,622)	(12,186,036)
Balance as previously stated	(10,036,942)	(12,449,986)
Adjustments	2,269,320	17,376
Change in accounting policy	-	246,574
Surplus/(Deficit) for the year	2,649,557	2,149,095
Balance at end of the year	(5,118,065)	(10,036,942)

IZIKO MUSEUMS OF CAPE TOWN

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		<u>R</u>	<u>R</u>
Net cash inflow from operating activities		7,829,049	2,588,771
Cash generated from operations	10	5,819,997	1,162,757
Cash receipts from customers and donors		50,327,423	44,538,919
Cash paid to suppliers and employees		(44,507,426)	(43,376,162)
Interest received		2,009,052	1,426,014
Net cash outflow from investing activities		(1,388,842)	(787,326)
Purchase of fixed assets		(1,388,842)	(787,326)
Proceeds from sale of fixed assets		-	-
Net increase in cash and cash equivalents		6,440,207	1,801,445
Cash and cash equivalents at beginning of the year		22,607,454	20,806,009
Cash and cash equivalents at end of the year		29,047,661	22,607,454

IZIKO MUSEUMS OF CAPE TOWN

Notes to the Annual Financial Statements for the year ending 31 March 2007

1. Accounting Policies

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognized Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1: Presentation of financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

Currently the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following changes in the presentation of the financial statements:

- Terminology differences:

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit	Profit/loss
Accumulated surplus/deficit	Retained earnings
Contributions from owners	Share capital
Distributions to owners	Dividends

- The cash flow statement can only be prepared in accordance with the direct method.
- Specific information has been presented separately on the Statement of Financial Position such as:
 - Receivables from non-exchange transactions, including taxes and transfers;
 - Taxes and transfers payable;
 - Trade and other payables from non-exchange transactions.
- Amount and nature of any restrictions on cash balances is required.

Paragraph 11 – 15 of GRAP 1 has not been implemented due to the fact that the budget reporting standard has not been developed by the local standard setter and the international standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

The following are the principal accounting policies of Iziko Museums of Cape Town (Iziko) which are consistent, in all material respects, with those applied in the previous year, except as otherwise indicated.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The Council has reviewed Iziko's budgets and cash flow forecasts for the year ended 31 March 2007. On the basis of the review, and in view of the current financial position, the Council has every reason to believe that Iziko will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the financial statements.

1.2 Property, Plant and Equipment

1.2.1 Land and buildings

Land and buildings are registered in the name of the Department of Public Works and are made available to Iziko on a permanent basis.

1.2.2 Vehicles, furniture and equipment

Assets comprising of vehicles, computer equipment and peripherals, furniture and equipment are stated at historical cost, less accumulated depreciation. Depreciation is calculated at a rate of 20% per annum on a straight-line basis over the estimated useful lives of the assets to the current value of their expected residual values. The assets' residual values and useful lives are reviewed annually. Motor vehicle residual value is based on estimated recovery for similar vehicles. This represents a change in accounting policy (see note 15).

1.2.3 Acquisitions of Collections (Heritage Assets)

In line with similar organisations, the value of collections (heritage assets) is not capitalized in the financial statements because it cannot be reliably measured. Acquisition of collections, including library books, is recognized as an expense in the period in which it is incurred.

1.3 Leases

1.3.1 Finance Leases

No finance lease agreements are in place.

1.3.2 Operating Leases

Operating leases are leases where the lessor retains the risk and reward of ownership of the underlying asset. Payments made under operating leases are charged to the income statement over the period of the lease.

1.4 Inventories

Inventories are carried at the lower of cost or net realisable value. Merchandise is valued at invoice cost on a first-in first-out basis.

1.5 Deferred Income

Deferred income is income received for special projects that have a life cycle of at least two years and more. The income is recognized on a systematic basis over the periods necessary to match the income received with the related costs.

1.6 Financial Instruments

Financial instruments carried on the Statement of Financial Position include cash, bank balances, call and notice deposits, receivables and creditors. These instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below:

1.6.1 Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts. A provision for doubtful debts is recognized by taking into account debts that had been outstanding for a period exceeding 90 days.

1.6.2 Cash and cash equivalents

Cash and cash equivalents are stated at cost which equates their fair value. Interest on cash in bank, call and notice deposits are accrued for on a day-to-day basis.

1.6.3 Trade and other payables

Trade and other payables are recognized at cost.

1.7 Provisions

Provisions are recognized for a present legal obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

1.8 Post-employment benefit costs

Iziko offers post-employment benefits, comprising retirement benefits and post-retirement medical aid plans to their employees.

1.8.1 Pension fund

Iziko operates both defined contribution and defined benefit plans. The assets are generally held in three separate trustee-administered funds; Iziko Retirement Fund (a defined contribution fund); and two defined benefit funds, the Museums Pension Fund and the Associated Institutions Pension Fund. The pension plans are generally funded by payments from Iziko and the employees, taking account of the recommendations of independent qualified actuaries in the case of the defined benefit plan. For defined benefit plans the defined obligation, the related current service cost, and where applicable, past service cost are determined by using the projected unit credit method.

The rules of the Museums Pension Fund were amended to include a defined contribution category and that no new members would join the defined benefit category with effect from 1 April 2003.

All new employees appointed from 1 April 2003 would join the defined contribution category while the existing participating employees would remain members of the defined benefit category of the Museums Pension Fund at the existing contribution rate.

Payments to the defined contribution pension benefit plans are charged to the income statement in the year to which they relate.

1.8.2 Post-employment medical benefit

Iziko provides post-employment healthcare benefits to its retirees based on the following subsidy policy:

An employee who joined the medical aid scheme before 1 April 2004 contributes one third (1/3) of the total healthcare contribution and Iziko the balance.

An employee who joined Iziko from 1 April 2004 will after retirement pay 100% of the total healthcare contribution.

The entitlement to post-retirement healthcare benefits is based on the employee remaining a contributing member of the medical aid schemes and remaining in the service up to retirement age.

The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Valuation of these obligations is carried out by independent qualified actuaries.

The assets are generally held in separate trustee-administered medical aid funds, namely, Fedhealth and Bestmed Medical Scheme.

Key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date are used for the post-employment benefits liability as per the actuarial valuation as disclosed in note 14.

1.9 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank as well as notice deposits held on call with banks.

1.10 Revenue recognition

Revenue is recognized on the accrual basis.

Government grants are the subsidy allocation paid by the Department of Arts and Culture on a monthly basis. Government grants and donations received are accrued during the period in which Iziko became entitled to receive them.

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

Interest income is accrued on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity.

1.11 Taxation

Iziko is exempt from taxation in terms of the provision of Section 10(1)(cA)(i) of the Income Tax Act as amended.

1.12 Comparative figures

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

2. Property, Plant and Equipment

2006
Restated

	R	R	R	R	R
	Furniture	Vehicles	Equipment	Computers	TOTAL
Gross carrying amount at beginning of year	486,366	700,128	2,286,385	2,656,441	6,129,320
Accumulated depreciation at beginning of year	(249,031)	(327,069)	(931,929)	(1,825,829)	(3,333,858)
Net carrying amount at beginning of year	237,334	373,059	1,354,456	830,613	2,795,463

Movements during the year

Acquisitions	82,341	-	464,001	240,984	787,326
Transfers	(5,437)	-	5,437	-	-
Disposals	-	-	(9,999)	(1,688)	(11,687)
Accumulated Depreciation on transfers	1,459	-	(1,459)	-	-
Accumulated Depreciation on disposals	-	-	1,919	251	2,170
Depreciation expensed for the year	(76,029)	(84,286)	(404,360)	(248,938)	(813,613)

Net carrying amount at end of year

239,669	288,773	1,409,995	821,222	2,759,659
----------------	----------------	------------------	----------------	------------------

Gross carrying amount at end of year

563,270	700,128	2,745,824	2,895,737	6,904,959
(323,601)	(411,355)	(1,335,829)	(2,074,516)	(4,145,300)

Accumulated depreciation at end of year

2007

	R	R	R	R	R
	Furniture	Vehicles	Equipment	Computers & Peripherals	TOTAL
Gross carrying amount at beginning of year	563,270	700,128	2,745,824	2,895,737	6,904,959
Accumulated depreciation at beginning of year	(323,601)	(411,355)	(1,335,829)	(2,074,516)	(4,145,300)
Net carrying amount at beginning of year	239,669	288,773	1,409,995	821,222	2,759,659

Movements during the year

Acquisitions	82,746	105,000	291,528	871,453	1,350,727
Additions	2,544	1	65,637	181	68,363
Disposals	(3,493)	-	(93,727)	-	(97,220)
Accumulated Depreciation on additions	(2,544)	(1)	(27,522)	(181)	(30,248)
Accumulated Depreciation on disposals	23	-	90,612	-	90,635
Depreciation expensed for the year	(89,142)	(82,190)	(457,881)	(294,092)	(923,305)

Net carrying amount at end of year

229,803	311,583	1,278,642	1,398,583	3,218,611
----------------	----------------	------------------	------------------	------------------

Gross carrying amount at end of year

645,067	805,129	3,009,262	3,767,371	8,226,828
(415,264)	(493,545)	(1,730,620)	(2,368,788)	(5,008,217)

Accumulated depreciation at end of year

During the year under review all old assets were brought onto the asset register, at a cost of R1,00.

3. Inventories

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Merchandise: Promotional items	-	87,219
Stationery and consumables	41,018	52,972
	<u>41,018</u>	<u>140,191</u>

The Iziko South African Maritime Museum shop was closed and the stock sold and written off during the year under review.

4. Trade and other receivables

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Staff loans	3,037	3,796
Accounts receivable	386,564	695,391
	<u>389,601</u>	<u>699,187</u>
Provision for doubtful debts	(55,084)	(85,337)
	<u>334,517</u>	<u>613,850</u>

5. Cash and cash equivalents

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Call and notice deposit accounts	23,780,481	21,748,710
Cash at bank and on hand	5,267,180	858,744
	<u>29,047,661</u>	<u>22,607,454</u>

Call and notice deposit accounts are short-term, highly liquid investments that are held with registered banking institutions with maturities of 3 months or less and that are subject to insignificant interest rate risk.

6. Trade and other payables

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Rent deposits	43,348	42,200
Trade creditors and accruals	1,269,357	791,670
	<u>1,312,705</u>	<u>833,870</u>

7. Provisions

7.1 Leave Pay

The provision for leave pay represents Iziko's obligation to pay as a result of employees' services provided up to the date of the Statement of Financial Position. The provision is measured as the additional amount that is expected to be paid as a result of unused leave entitlement that has accumulated as at the Statement of Financial Position date, taking into account the undiscounted amount of current cost to employer per employee.

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Gross carrying amount at beginning of the year	2,879,016	2,851,158
Utilized during the year	<u>(287,501)</u>	<u>(95,157)</u>
	2,591,515	2,756,001
Increase/(decrease) in provisions	322,203	123,015
	<u>2,913,718</u>	<u>2,879,016</u>

7.2 Annual Bonus

The provision for annual bonus represents Iziko's obligation to pay, as a result of pro-rata annual bonus for the period November 2006 up to the Statement of Financial Position date of 31 March 2007 due to employees. The provision is measured at the additional amount that is expected to be paid as a result of bonuses payable annually in November, retrospective for the period November to October of each year.

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Gross carrying amount at beginning of the year	563,889	542,705
Utilized during the year	<u>(22,423)</u>	<u>(15,168)</u>
	541,466	527,537
Increase in provisions	81,155	36,352
	<u>622,621</u>	<u>563,889</u>

7.3 Post-employment Pension Benefit

The provision for post-employment pension benefits represents Iziko's liability towards the unfunded actuarial liabilities for the defined pension and provident fund covering all participating employees. The valuation results as at 1 April 2006 shows that no shortfall exists in respect of accrued liabilities and a funding level of 100.0% certify that the Fund is currently in a financially sound position.

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Gross carrying amount at beginning of the year	2,233,237	-
Utilized during the year	-	-
	<hr/> 2,233,237	<hr/> -
Decrease in provision	(2,233,237)	2,233,237
Gross carrying amount at end of the year	<hr/> -	<hr/> 2,233,237

7.4 Post-employment Medical Benefit

The provision was raised for Iziko's liability towards future post-employment medical benefits covering all participating employees and retirees.

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Gross carrying amount at beginning of the year	20,272,107	-
Utilized during the year	-	-
	<hr/> 20,272,107	<hr/> -
Increase in provision	2,483,706	20,272,107
Gross carrying amount at end of the year	<hr/> 22,755,813	<hr/> 20,272,107

7.5 Housing Guarantees (100%)

The provision was raised for Iziko's liability relating to first mortgage bonds in respect of 100% housing loan guarantees on behalf of employees who are members of the Iziko Retirement Fund. Fifty four (54) employees participate in this pension fund and therefore it is probable that this liability could increase.

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Gross carrying amount at the beginning of the year	53,051	-
Utilized during the year	-	-
	<hr/> 53,051	<hr/> -
Decrease in provision	(25,900)	53,051
Gross carrying amount at the end of the year	<hr/> 27,151	<hr/> 53,051

8. Deferred Income

Funds earmarked for specific projects are recorded as deferred income when they become receivable and are then recognized as income on a systematic basis over the periods necessary to match the funds with the related costs that they are intended to compensate.

Projects per department	Number of projects	Total Deferred Income	To be utilized within 1 year	To be utilized in Year 2 and thereafter
		<u>R</u>	<u>R</u>	<u>R</u>
Natural History Collections	20	791,569	683,762	107,807
Social History Collections	21	2,853,819	2,308,763	545,056
Art Collections	23	1,905,312	1,527,468	377,844
Education and Public Programmes	12	431,212	268,847	162,365
Human Resources	1	81	81	-
Facilities Management	1	3,410,291	3,410,291	-
Institutional Advancement	3	630,315	605,615	24,700
Internal Audit Function	1	103,070	75,000	28,070
Total		10,125,669	8,879,827	1,245,842

9. Net surplus for the year

Net surplus has been arrived at after charging:

	<u>2007</u>	<u>2006</u>
	<u>R</u>	Restated <u>R</u>
Personnel Expenses	32,709,446	29,014,242
Audit fees	421,024	338,424
Bank and legal costs	530,683	288,195
Consultants	311,604	191,281
Depreciation	923,305	813,613
Operating leases	533,695	538,523
Insurance	451,499	450,759
Provision for doubtful debts	1,000	1,081
Licenses & Networking fees	247,129	259,578
Computers and printers	33,821	16,718
Furniture & Equipment	53,052	43,397
Library costs	326,162	368,417
Museum core function activities	7,122,341	6,944,917
Other operating expenses	3,466,919	4,315,702

10. Cash Flow Statement

10.1 Reconciliation of cash generated in operations

	<u>2007</u>	<u>2006</u> Restated
	<u>R</u>	<u>R</u>
Net surplus for the year	2,649,557	2,149,095
Depreciation	923,305	813,613
Profit on disposal of fixed assets and adjustments	6,585	9,516
Interest received	(2,009,052)	(1,426,014)
Operating surplus/(deficit) before working capital changes	1,570,395	1,546,210
Working capital changes	1,980,282	(400,829)
(Increase)/decrease in trade and other receivables	279,333	201,023
(Increase)/decrease in inventories	99,173	89
Increase/(decrease) in trade and other payables	1,601,776	(601,941)
Adjustments	2,269,320	17,376
Cash generated in operations	<u>5,819,997</u>	<u>1,162,757</u>

11. Financial Instruments

11.1 Credit risk

Financial assets, which potentially subject the Council to concentrations of credit risk, consist primarily of cash and cash equivalents as well as trade and other receivables. The amount presented in the Statement of Financial Position is net of provision for doubtful debts, estimated on prior experience and the current economic environment.

11.2 Interest rate risk

The Council is not locked into long-term interest rates because cash and cash equivalents are call and notice deposit funds held at registered banks with high credit ratings. During the year under review the Council earned at year-end an average interest rate that approximates to 8% per annum.

11.3 Fair value of financial instruments

At year-end the carrying value of all cash and cash equivalents, trade and other receivables, other payables, deferred income and provisions approximated their fair value due to the short-term maturities of these assets and liabilities.

12. Operating leases

The operating leases comprise of rentals charged for telephone, vehicles and photocopiers.

The total future minimum lease payments under these leases are as follows:

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Due within one year	286,643	484,020
Due between one to five years	229,208	504,379
	<u>515,851</u>	<u>988,399</u>

13. Emoluments of Council, Audit Committee Members and Executive

Emoluments of Council Members

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Previous Council Members		
A.W. Oliphant	1,300	3,250
C. Soudien	1,950	7,150
E. Links	3,900	3,250
E. Senna	-	4,694
H. Deacon	3,900	7,150
K.M. Skawran	-	4,550
L. Bernardo	3,900	3,250
M. Fabricius	-	3,153
S. Ozinsky	1,300	1,138
Z. Hlatshwayo	1,300	1,300
New Council Members		
D. Mitchell	1,300	-
M. Ledimo	650	-
R. Nayager	650	-
S. Prosalendis	1,300	-
R. Du Pré	650	-
S. Jeppie	462	-
	<u>22,562</u>	<u>38,885</u>

The term of office for the previous Council Members expired with effect from 1 October 2006. The new Council was appointed by the Minister of Arts & Culture effective from March 2007.

Emoluments of Audit Committee Members

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
R.G. Nicholls	2,375	16,000
M. Brewis	2,000	5,750
D. Mitchell	2,375	10,875
M. Fabricius	1,000	6,000
E. Links	1,250	3,000
	<u>9,000</u>	<u>41,625</u>

The term of office of the Audit Committee Members expired on 28 February 2007. The term of office was extended until 31 March 2007 when the new Council was in place.

Rate for Council Members is R650 per meeting attended. Rates for Audit Committee members are R1,000 per official audit committee meeting and R250 per hour up to a maximum of R1,000 for ad-hoc committee meetings attended.

Emoluments of CEO, Executive Directors and Directors

2007

		Salaries	Bonus	Allowances	Employer Contributions	Total
<u>Chief Executive Officer</u>						
Prof H.C. Bredekamp	CEO	474,136	40,210	107,195	135,683	757,224
<u>Executive Directors</u>						
Dr P.J. Davison	Core Functions	399,920	33,916	60,632	123,960	618,428
Ms V. Baduza	Operations	313,616	26,597	55,716	51,902	447,831
<u>Directors</u>						
Ms F. Allie	Chief Financial Officer	271,148	23,742	61,118	74,208	430,216
Ms V.C. Carelse	Education & Public Programmes	243,444	20,646	61,118	78,484	403,692
Dr M.A. Cluver	Facilities Management	279,956	23,742	61,118	104,936	469,752
Ms D. Crous	Human Resources	279,956	23,742	61,118	94,677	459,493
Ms C. Janneker	Institutional Advancement (until July 2006)	80,000	13,333	20,500	18,650	132,483
Ms M. Martin	Art Collections	332,060	28,161	61,118	105,959	527,298
Ms J.L. Meltzer	Social History Collections (1 January 2007)	62,445	-	4,136	23,591	90,172
Dr H.G. Robertson	Natural History Collections	245,440	20,815	61,118	87,714	415,087
<u>Senior Managers</u>						
Ms M.G. van der Merwe	Customer Services Manager (July 2006)	158,995	17,769	13,554	61,064	251,382
Mr B. Kadalie	Exhibitions Manager (July 2006)	117,513	4,378	-	20,389	142,280
		3,258,629	277,051	628,441	981,217	5,145,338

2006

		Salaries	Bonus	Allowances	Employer Contributions	Total
<u>Chief Executive Officer</u>						
Prof H.C. Bredekamp	CEO	450,224	38,114	102,848	131,384	722,570
<u>Executive Directors</u>						
Dr P.J. Davison	Core Functions (from July 2005)	289,331	32,148	42,789	89,698	453,966
Ms V. Baduza	Operations (from August 2005)	201,680	8,403	33,650	31,005	274,738
<u>Directors</u>						
Ms F. Allie	Central Services & CFO	231,104	19,569	58,626	64,017	373,316
Ms V.C. Carelse	Education & Public Programmes	231,104	19,569	58,626	64,020	373,319
Dr M.A. Cluver	Property Services	265,772	22,505	58,626	109,774	456,677
Ms D. Crous	Human Resources	265,772	22,505	58,626	91,865	438,767
Dr P.J. Davison	Social History Collections (until June 2005)	66,318	-	11,281	21,577	99,176
Ms C. Janneker	Institutional Advancement (from August 2005)	160,000	6,667	39,000	37,401	243,068
Ms M. Martin	Art Collections	315,232	26,693	58,626	100,254	500,804
Dr H.G. Robertson	Natural History Collections	233,000	19,730	58,630	84,571	395,931
		2,709,537	215,903	581,327	825,567	4,332,334

Remuneration is shown at the cost-to-company package, based on basic salary, bonuses, allowances and employee benefit contributions by Iziko up to the Statement of Financial Position date. Employee benefit contributions consist of pension, medical aid and other regulatory contributions. Remuneration costs are charged to the Statement of Financial Performance in the year to which they relate.

14. Post-Employment benefit costs

14.1 Pension fund

Iziko operates pension funds that provide benefits on both defined benefit and defined contribution plans for all indefinite employees. The Iziko Retirement Fund and Museums Pension Fund are administered on behalf of Iziko by pension fund administrators and are governed by the Pensions Fund Act, 1956 as amended, while the Associated Institutions Pension Fund Act, 1963 (Act 41 of 1963) governs the Associated Institutions Pension Fund. An independent Board of Trustees manages each fund.

The Museums Pension Fund is a multi-employer plan. The actuarial valuation is done for the plan in its entirety and does not specify, as a separate entity, Iziko's obligation, plan assets or liability in terms of the fund.

The Museums Pension Fund requires an actuarial valuation every three years. The defined benefit contribution plan fund was actuarially valued, using the projected unit credit method at 1 April 2006 and it revealed that the assets of the fund represented a funding position of 100% for the Museums Pension fund and 93.3% for the Museums Provident Fund. Any deficit advised by the actuaries is funded through increased contributions to ensure the ongoing soundness of the pension fund. At the time of the valuation the actuary reported that he was satisfied that the results of the Museums Pension fund fairly represents the current financial position of the Fund. In view thereof the result shows a funding level of 100% and he certified that the Fund is currently in a financially sound position. The actuary also reported that he was satisfied that the current composition of the investments of the Museums Provident Fund can be considered reasonable for the purpose of matching its assets and liabilities.

The financial position of the Fund as at 1 April 2006:

Museums Pension fund	<u>1 April 2006</u>	<u>1 April 2005</u>
Liabilities in respect of:	R	R
Defined contribution members	3,057,000	1,737,000
Defined benefit members		
Retirement benefits	94,782,000	86,297,000
Withdrawal benefits	5,334,000	5,500,000
Death Benefits	7,565,000	7,162,000
Current Pensioners	38,229,000	28,125,000
Risk Reserve Account	0	130,000
Employer Surplus Account	14,280,000	0
Surplus Apportionment Cost Reserve	39,000	36,000
Total Liability	<u>163,286,000</u>	<u>128,987,000</u>
Less value placed on assets	<u>163,286,000</u>	<u>122,340,000</u>
Shortfall in respect of accrued liabilities	<u>0</u>	<u>(6,647,000)</u>
Funding level	100%	94,8%

Museums Provident Fund

Liabilities in respect of:	R	R
Paid-up members	3,032,000	3,702,000
Current pensioners	1,051,000	488,000
Surplus Apportionment Cost Reserve	39,000	33,000
Total Liability	4,122,000	4,223,000
Less value placed on assets	3,844,000	3,981,000
Shortfall in respect of accrued liabilities	(278,000)	(242,000)
Funding level	93.3%	94.3%

The Museum Provident fund funding level reduced to 93.3% mainly due to higher salary increases than expected. This shortfall of R278,000 can be funded from the benefit fund assets.

The rules of the Museums Pension Fund were amended to include a defined contribution category and that no new members would join the defined benefit category with effect from 1 April 2003. All new employees appointed with effect from 1 April 2003 would join the defined contribution category while the existing participating employees would remain members of the defined benefit category of the Museums Pension Fund at the existing contribution rate.

The following rates of contribution are applied:

Iziko Retirement Fund

Defined Contribution category: Employee contribution is 7.5% of pensionable salary (basic salary plus annual bonus) and the employer contributes 20.62%. All new employees appointed with effect from 1 July 2007 will join the Iziko Retirement Fund. The employer will contribute 15% while the contribution for existing participating employees remains the same.

Museums Pension Fund

Defined Benefit category: Employee contribution is 7.5% of pensionable salary (basic salary plus annual bonus) and the employer contributes 24.6%.

Defined Contribution category: Employee contribution is 7.5% of pensionable salary (basic salary plus annual bonus) and the employer contributes 15%. The employer contribution rates can fluctuate as a result of changes to the insured benefit rate.

Associated Institutions Pension Fund

Defined Benefit category: Employee contribution is 7.5% of pensionable salary (basic salary only) and the employer contributes 12%.

14.2 Medical aid

Iziko operates a post-employment medical benefit scheme that covers all employees that were appointed prior to 1 April 2004.

The medical schemes are funded by payments from retirees and Iziko. Iziko's contribution to the medical schemes is charged to the income statement in the year to which it relates.

The latest full valuation of Iziko's liability in respect of post-employment medical benefits for the financial year-end was performed on 31 March 2007 and it will be valued at yearly intervals thereafter. The actuary forecasted the expense for the year following the valuation date and the forecasted position at the year-end following the valuation date, ignoring any gains or losses arising over the period. The liability was projected based on thirty five (35) retirees and eighty three (83) employees participating as at 31 March 2007. The liability and future increases are charged to income.

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
	-	-
Present Value of Unfunded Obligations	22,755,813	20,973,000
Present Value of Obligations in excess of Plan Assets	22,755,813	20,973,000
Unrecognized Transitional Liability	-	-
Unrecognized Actuarial Gains/(Losses)	-	-
Unrecognized Past Service Cost	-	-
Net Liability in Statement of Financial Position	<u>22,755,813</u>	<u>20,973,000</u>
Opening balance	20,973,000	19,453,000
Current Service Cost	663,000	663,000
Interest Cost	1,776,464	1,621,000
Expected Return on Plan Assets	-	-
Liability recognized	-	-
Actuarial (Gain)/Loss	153,189	-
Past Service Cost	-	-
Expected Employer Benefit Payments	(809,840)	(764,000)
	<u>22,755,813</u>	<u>20,973,000</u>

During the year under review, provision of R22,755,813 is made for future liability in the financial statements.

Assumptions

Changes in valuation basis

The valuation assumptions and methodologies used in this valuation have remained largely unchanged from those used in the previous valuation prepared by Alexander Forbes Financial Services.

Net discount rate

It is difficult to predict future investment returns and the rate at which medical contributions and claims will escalate in the future. Generally it is easier to predict the relationship between economic variables in the long term than the actual value of those variables in isolation. Healthcare cost inflation has exceeded the average inflation rate over the past few years, and this is expected to continue in the near future. However, this situation implies that medical scheme contributions will constitute a growing proportion of employee remuneration packages, which is not tenable in the long term. Furthermore, the general healthcare system in South Africa is in a state of flux at the moment and future changes in legislation and the national health system will necessarily affect medical scheme contributions. Therefore any assumption regarding future increases in medical scheme contributions is necessarily subjective.

General actuarial practice is to use a net discount rate (investment return less escalation rate of medical scheme contributions) of between 0% and 3%. We have used a net discount rate of 1.89% in this valuation. This corresponds to a combination of interest rates and inflation rates such as:

Discount Rate	Inflation
9.00%	6.98%
8.00%	6.00%
7.00%	5.02%

According to the South African Accounting Statements, AC116, the rate used to discount post-employment benefits should be determined by reference to market yields on high quality corporate bonds. If a deep market on such bonds does not exist in the country then the market rates on long-term government bonds should be used. For this valuation we used an interest rate of 8.0%, being the approximate yield on the E170 bond at the valuation date.

Mortality assumptions

The mortality assumptions used in the calculation of the liabilities were as follows:

Pre-retirement	Male	SA 85-90 (light)
	Female	SA 85-90 (light) rated down by 3 years
Post-retirement	Male	PA90 (m)
	Female	PA90 (f)

Withdrawal and Retirement assumptions

An assumption regarding the rates of resignation and retirement of active members is necessary. If an employee leaves the service of the company by resigning, the company is no longer liable for post-retirement healthcare costs for that member. At normal or approved early-retirement, the subsidy commences immediately. The assumed independent rates of resignation of active employees are as follows:

Age	Males	Females	Age	Males	Females
16	16.00%	24.00%	41	5.60%	5.60%
17	16.00%	24.00%	42	5.20%	5.20%
18	16.00%	24.00%	43	4.80%	4.80%
19	16.00%	24.00%	44	4.40%	4.40%
20	16.00%	24.00%	45	4.00%	4.00%
21	15.20%	22.80%	46	3.60%	3.60%
22	14.40%	21.60%	47	3.20%	3.20%
23	13.60%	20.40%	48	2.80%	2.80%
24	12.80%	19.20%	49	2.40%	2.40%
25	12.00%	18.00%	50	2.00%	2.00%
26	11.60%	17.40%	51	1.60%	1.60%
27	11.20%	16.80%	52	1.20%	1.20%
28	10.80%	16.20%	53	0.80%	0.80%
29	10.40%	15.60%	54	0.40%	0.40%
30	10.00%	15.00%	55	0.00%	0.00%
31	9.60%	14.00%	56	0.00%	0.00%
32	9.20%	13.00%	57	0.00%	0.00%
33	8.80%	12.00%	58	0.00%	0.00%
34	8.40%	11.00%	59	0.00%	0.00%
35	8.00%	10.00%	60	0.00%	0.00%
36	7.60%	9.20%	61	0.00%	0.00%
37	7.20%	8.40%	62	0.00%	0.00%
38	6.80%	7.60%	63	0.00%	0.00%
39	6.40%	6.80%	64	0.00%	0.00%
40	6.00%	6.00%	65	0.00%	0.00%

The retirement age was assumed to be 62 to allow for the possibility of early retirement.

Family statistics

The calculation of liabilities in respect of current employees was based on assumed numbers of dependants and ages of dependants at each future age. The table below shows sample proportion married, average number of dependent children and the ages of these children, at different ages. Husbands were assumed to be 4 years older than their wives.

Members age (male)	Proportion Married
20	0%
25	15%
30	34%
35	53%
40	71%
45	90%
50	90%
55	90%
60	90%
65	90%

For this valuation, we have ignored the effect of dependent children on the post-employment medical liability. This is in line with the assumptions used in the previous valuation. The impact of children on the overall liability is negligible.

Contribution tables

The monthly medical scheme contributions used in the valuation of the contribution liability are as follows:

Medical Scheme / Option	Main Member	Adult Dependant	Dependant
BESTmed - Blueprint (Carecross)	661	503	282
BESTmed - Blueprint (Primecure)	661	503	282
BESTmed - Millennium Comprehensive	1,614	1,307	525
BESTmed - Millennium Standard (R0 - R54000)	662	506	251
BESTmed - Millennium Standard (R54000+)	958	723	361
BESTmed - Topcare (R0 - R72000)	1,560	1,250	330
BESTmed - Topcare (R72000+)	2,005	1,250	330
Fedhealth - Maxima Plus	2,101	1,786	631
Fedhealth - Maxima Standard	1,102	938	331
Fedhealth - Ultima 200 (excl. OEHB)	898	763	269
Fedhealth - Ultima 200 (incl. OEHB)	1,252	1,064	376
Fedhealth - Ultima 300	1,956	1,663	587

The contributions for the BESTmed Bonus Plus option are as follows:

Monthly income bracket	Member	Member +1 dep	Member +2 dep	Member +3 dep	Member +4 dep	Additional dep
R0 - R2800	1,173	1,628	1,793	1,890	1,948	800
R2801 - R3300	1,309	1,725	1,890	1,997	2,045	800
R3301 - R3800	1,425	1,793	1,968	2,065	2,123	800
R3801 - R4300	1,522	1,842	2,026	2,132	2,181	800
R4301+	1,570	1,871	2,045	2,142	2,200	800

Other assumptions

The valuation was based on the current subsidy levels specified in the data provided. We also assumed that no significant changes would occur in the structure of the medical arrangements. We have used the current subsidy scales for members as bases for the calculations and have assumed that the scales will remain unchanged (apart for adjustments for inflation). If this is not the case, the results of this valuation will be affected.

F2007

	Base assumptions	Inflation + 1%	% change	Inflation - 1%	% change
Liability brought forward as at 1 April 2006	20,973,000	20,973,000	0.00%	20,973,000	0%
Settlements	-809,840	-809,840	0.00%	-809,840	0%
Current service costs	663,000	663,000	0.00%	663,000	0%
Interest cost	1,776,464	1,776,464	0.00%	1,776,464	0%
Actuarial (gain) / loss	153,189	3,602,039	2251.40%	-2,661,635	-1837%
Liability as at 31 March 2007	22,755,813	26,204,663	15.20%	19,940,989	-12%

F2008 - projected

	Base assumptions	Inflation + 1%	% change	Inflation - 1%	% change
Liability brought forward as at 1 April 2006	22,755,813	26,204,663	15.20%	19,940,989	-12%
Settlements	-988,825	-991,261	0.20%	-986,389	0%
Current service costs	583,675	663,000	13.60%	663,000	14%
Interest cost	1,804,259	2,083,243	15.50%	1,582,344	-12%
Actuarial (gain) / loss	0	0		0	
Liability as at 31 March 2007	24,154,922	27,959,645	15.80%	21,199,943	-12%

15. Change in accounting policy

During the current year the entity has revised the accounting policy with respect to the method of calculating depreciation for motor vehicles using the straight-line basis over the estimated useful lives to the current value of their expected residual values as prescribed in IAS 16. Previously depreciation was calculated on a straight-line method. The effect of this change is as follows:

	<u>2007</u>	<u>2006</u>
	<u>R</u>	<u>R</u>
Net effect on Statement of Financial Performance		
Increase in Operating Expenses		
Depreciation	28,747	25,719
	<hr/>	<hr/>
Net effect on Statement of Financial Position		
Increase in assets		
Property, Plant & Equipment	192,108	220,855
Increase in Equity		
Accumulated reserves	192,108	220,855
	<hr/>	<hr/>

16. Related Parties

During the year under review Iziko accepted the donation from Samancor Limited for the West Coast Fossil Park and agreed to the formation of the West Coast Fossil Park Trust. All income and expenditure of the West Coast Fossil Park Trust are recognized in the annual financial statements of Iziko. During the year Iziko managed all financial transactions relating to the Trust.

17. Public Finance Management Act (PFMA)

17.1 Section 55(2)

No material losses due to criminal conduct nor any unauthorised expenditure, irregular expenditure, fruitless or wasteful expenditure have occurred during the current financial year.

17.2 Section 53(3)

The Council may not accumulate surpluses unless prior written approval of the National Treasury has been obtained. Approval was obtained from National Treasury that all Schedule 3A Public Entities are exempted from investing their surplus funds with the Corporation for Public Deposits as prescribed in Treasury Regulation 31.

17.3 Section 54(2)

In terms of the PFMA and National Treasury Regulations 28.1.5, the Council has developed and agreed to a framework of acceptable levels of materiality and significance.



HUMAN RESOURCE MANAGEMENT

3.1. Expenditure

After the re-alignment of our organizational structure, employees who had been appointed on a fixed-term contract were interviewed for appointment to identified positions and the most suitable applicants appointed indefinitely with effect from 1 July 2006.

As employees appointed on fixed-term contracts had not received benefits, there was a surplus in the personnel budget for the period 1 April to 30 June 2006.

Through the structure re-alignment process, forty three staff members who had previously been appointed on fixed-term contracts were appointed indefinitely in the following positions: Museum Attendants (24 members), Exhibitions Technical Assistants (4), Administrative Assistants (3), Cleaners (2), Specimen Preparators (2), Assistant Curator (1), Assistant Librarian (1), Collections Manager (1), Curator: Pre-Colonial Archaeology (1), Exhibitions Manager (1), Programmes Booking Assistant (1), Registrar (1), and Trainee Collections Manager (1).

A salary increase of 5.5% was implemented in August 2006. The remaining 0.5% increase that had been provided for in the budget was ringfenced for salary progression and performance bonuses. These will be addressed by the Performance Appraisal Committee that was appointed in March 2007.

Table 1. Personnel Cost 2006-07

Total Expenditure	Personnel Expenditure	Training Expenditure	Consultancy Services	Personnel Costs as % of total expenditure	Average Personnel Cost per employee
R47,131,680	R30,456,164 *	R217,024	R459,804	64.6%	R 121,339

Average Personnel Cost per Employee

The average cost per employee decreased compared with the previous financial year. One of the reasons for the decrease is the fact that a high number of short-term appointments with no benefits were made during the reporting period.

* This amount differs from the figure for personnel expenses in the financial statements (see page 47) as it represents the actual amount paid to employees as against the amount in the financial statements which includes provisions.

Consultancy Fees

The amount reflected in the above table includes consultancy fees for the consultants who were appointed to assist with the workflow analysis process that led to the re-alignment of our organisational structure.

Training Expenditure

The 1% of the salary budget that is provided for training in the overall budget has been calculated in terms of the Skills Development Levy Act, Act 9 of 1999, and was not based on the total personnel expenditure. The training expenditure was therefore less than 1% of the personnel expenditure.

Table 2. Salaries, Overtime, Housing Subsidy, Medical Assistance, Pension Fund Contributions, Other Allowances and Leave Gratuities for 2006-07

Salaries		Overtime		Housing Subsidy	
Amount	Salaries as % of personnel cost	Amount	Overtime as % of personnel cost	Amount	Housing subsidy as % of personnel cost
R19,851,160	65.2%	R973,438	3.2%	R790,029	2.6%

Medical Assistance		Pension Fund Contributions		Other Allowances	
Amount*	Medical Assistance as % of personnel cost	Amount	Pension Contributions as % of personnel cost	Amount	Allowances as % of personnel cost.
R1,616,367	5.3%	R4,300,263	14.1%	R742,765	2.4%

Leave Gratuities		Bonuses		Subsistence & Travel		Statutory Levies (UIF, RSC, WCA)	
Amount	Leave Gratuities as % of personnel cost	Amount	Bonuses as % of personnel cost	Amount	Subsistence & Travel as % of personnel cost	Amount	Statutory Levies as % of personnel cost
R291,643	1%	R1,522,497	5%	R46,330	0.2%	R253,631	0.8%

*Medical assistance excludes R594,332 contributed towards pensioners' medical aid.

Overtime

Iziko museums are open to the public on Saturdays, Sundays and most public holidays resulting in Customer Services Management staff working overtime on these days. Iziko also generates a substantial income from venue hire and as a result Customer Services Management staff perform security duties during functions. Less than 1% of the overtime expenditure is therefore spent on paying staff members to finalise urgent work after hours.

Benefits

In an ongoing review of Iziko's benefit structure, the employer contribution to a defined contribution pension fund was pegged at 15% of the taxable salary of new employees. This was benchmarked and the advice received from a pension fund administrator was that an employer contribution of 15% was regarded as a generous contribution in the industry.

The employer contribution to medical aid contributions for new employees was also revised. The employer contribution remains at two thirds of the total medical aid contribution but the amount contributed by the employer is capped at R1,200 per month. This was benchmarked against the public service, among other institutions.

3.2. Employment and vacancies

The organizational structure re-alignment process was completed in June 2006. Iziko did not have funding to fill all positions immediately so the appointments had to be phased in. Positions were advertised internally and, where suitable candidates were not found, the positions were advertised externally in January 2007. The selection process of external candidates was finalized in March 2007 and where suitable candidates were not found, the positions will be advertised in 2007-08.

3.3. Job Evaluation

Positions are evaluated in terms of the Peromnes Grading System. An external consultant is contracted to grade positions.

During the structure re-alignment process several new positions had to be graded. In cases where a position was redefined and the duties and responsibilities changed substantially, the grade of the position was also reviewed.

3.4. Employment changes

Table 3. Annual turnover rates by salary levels for the period 1 April 2006 to 31 March 2007

Occupational levels	Number of employees as on 1 April 2006*	Appointments and transfers into the institution	Terminations and transfers out of the institution	Turnover rate in %	Number at 31 March 2007**
Senior Management	2*	0	0	0	2
Professionally qualified and experienced specialists and mid-management	8*	0	1*	12.5%	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	94	12	16	17.02%	95
Semi-skilled and discretionary decision making	57	34	2	3.51%	83
Unskilled and defined decision making	1	3	0	0	4
Total	162*	49	19	11.73%	192
Non-permanent employees	67*	74	105	156.72%	36
Total	229	123	124	54.15%	228

* Executive staff members on fixed-term contracts were included with non-permanent employees for 2005-06 but executive staff members on three- to five-year contracts with benefits are now included with permanent (indefinite) staff.

** Apparent discrepancies in staff numbers at 31 March 2007 are due to promotions from one level to another within Iziko. One staff member moved from skilled technical/junior management to mid-management level, and six staff members from semi-skilled to skilled level.

Table 4. Reasons why staff members are leaving the institution

Termination Type	Number	% of total
Death	1	0.4%
Resignations	23	10.1%
Expiry of contract	94	41.2%
Dismissal – operational changes	0	0.0%
Dismissal – misconduct	0	0.0%
Dismissal – inefficiency	0	0.0%
Discharges due to ill-health	2	0.9%
Retirement	3	1.3%
Other: Absconded	1	0.4%
Total	124	
Total number of employees who left as % of the total employment		54.4%

There is an unusually high number of contracts that have expired. This is attributed to the number of persons employed on fixed-term contracts while the structure re-alignment process took place. Since the re-alignment, 43 of the persons whose contracts expired at the end of June were appointed indefinitely. If those persons were not included, the total number of employees who left Iziko as a percentage of the total employment would have been 33.5%.

Exit interviews were conducted and there were no indications that there were serious problems in the workplace.

A high turnover is viewed in a positive light as it gives the employer an opportunity to address the Workforce Profile, and also represents an opportunity to appoint staff who may have a fresh perspective on heritage.

3.5. Employment equity

Significant progress was made in terms of Employment Equity in this reporting period. This included the review and updating of the original Employment Equity plan that was adopted by the Iziko Council in November 2003.

In the EE plan review process, numerical goals were set. These numerical goals served as a guideline for the external recruitment and selection process that took place between January and March 2007. The appointments resulting from this process contributed positively to improving our workforce profile. It is expected that the employment equity statistics that will be reported in the 2007-08 annual report will reflect a marked improvement in the representivity of Iziko's workforce profile.

Of the 43 staff members appointed indefinitely in July 2006 who had been previously been appointed on fixed-term contracts, 38 were black persons.

It must be noted that due to the amendments to the format of quantitative reporting to the Department of Labour, the statistics reported in Tables 5 and 6 cannot be compared with the corresponding tables in the 2005-06 annual report.

Table 5. Total number of employees in each of the following post levels as on 31 March 2007

Post Level	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	0	0	0	0	0	1	0	0	2
Professionally qualified and experienced specialists and mid-management	0	0	0	2	1	2	0	3	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	20	0	16	4	18	0	29	2	2	95
Semi-skilled and discretionary decision making	14	25	0	2	17	22	0	1	2	0	83
Unskilled and defined decision making	0	2	0	0	1	1	0	0	0	0	4
TOTAL PERMANENT	18	48	0	20	23	43	0	34	4	2	192
Non-permanent employees	4	6	0	2	11	9	0	2	1	1	36
GRAND TOTAL	22	54	0	22	34	52	0	36	5	3	228

Table 6. Total number of employees in each of the following occupational categories on 31 March 2007

Occupational Categories	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Legislators, Senior Officials and Managers	0	2	0	2	1	2	0	5	0	0	12
Professionals	0	1	0	10	0	1	0	5	2	2	21
Technicians and Associate Professionals	4	12	0	6	3	8	0	18	0	0	51
Clerks	0	4	0	0	3	8	0	4	0	0	19
Service and Sales Workers	12	14	0	1	13	22	0	1	0	0	63
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	1	0	0	1
Craft and Related Trades Workers	2	9	0	1	2	1	0	0	2	0	17
Plant and Machine Operators and Assemblers	0	4	0	0	0	0	0	0	0	0	4
Elementary Occupations	0	2	0	0	1	1	0	0	0	0	4
TOTAL PERMANENT	18	48	0	20	23	43	0	34	4	2	192
Non-permanent employees	4	6	0	2	11	9	0	2	1	1	36
GRAND TOTAL	22	54	0	22	34	52	0	36	5	3	228
Disabled	0	0	0	0	0	0	0	0	0	0	0

Due to the unusually high turnover, the workforce profile has improved substantially since the previous reporting period.

Towards putting affirmative action measures in place, a Recognition of Prior Learning (RPL) process was initiated during this period and a pilot project in this regard will be launched in the new financial year.

3.6. Foreign workers

In 2006 the reporting format for employment equity quantitative reports was amended. Foreign workers are now reported separately so foreign workers from African states are no longer included when reporting statistics for African employees.

In this reporting year Iziko appointed two African foreign staff members indefinitely and two foreign staff members are employed on fixed-term contracts.

3.7. Leave utilization for the period 1 April 2006 to 31 March 2007

3.7.1. Annual Leave

In the previous reporting period it was stated that Iziko senior managers were responsible for developing a plan to reduce the capped leave of staff members in their departments. While the amount of capped leave due to staff has not reduced at a satisfactory rate, steps have been taken in this reporting period to ensure marked improvement in this area and the matter is receiving serious attention from both senior management and Council.

3.7.2. Sick Leave

Table 7. Summary of sick leave 1 April 2006 to 31 March 2007

Status	Number of Staff Members	Total days taken per year	Average days due per person per year	Average days taken per person per year	Cost of Sick Leave taken this year
Permanent	210	2 005	10.6	9.6	R595,639
Contract	95	173	4.5	1.8	R31,579
Totals	305	2 178	8.6	7.1	R627,218

The number of permanent staff members includes staff members whose services were terminated during the reporting year.

The average days taken per person per year reflects three staff members having been on extended sick leave for several months. One staff member went on early retirement while two staff members were medically discharged after having been on extended sick leave.

3.7.3. Special Leave

Staff members receive generous special leave benefits such as study leave. For every annual leave day that the employee takes for study leave, s/he may take a day's special leave to a maximum of 12 days, i.e. the staff member may take 24 days' study leave of which 12 days would be annual leave.

3.8. HIV/Aids and health promotion programmes

On World Aids Day a special workshop was held for staff members who had not attended an HIV/Aids workshop in previous years. All staff members were again invited to be tested for HIV/Aids. The testing included pre- and post-counselling.

3.9. Labour relations

Table 8. Disciplinary action taken from 1 April 2006 to 31 March 2007

Males				Females				Outcome
African	Coloured	Indian	White	African	Coloured	Indian	White	
					1			Dismissal (abscondment)
					1			Final written warning
	1							Written warning

Dismissals

One staff member absconded, two staff members resigned before the investigations into dismissible offences had been finalized and the contract of another staff member expired before she could be charged. There has been a marked improvement with regard to serious misconduct compared to previous years (11 employees were dismissed in 2005-06).

Two dismissals in 2005-06 led to arbitrations in the reporting period and both arbitration awards were in favour of Iziko.

3.10. Skills development

Table 9. Training: the total number of people who received training in each occupational category during the twelve months from 1 April 2006 to 31 March 2007

Occupational Categories	Male				Female				TOTAL
	A	C	I	W	A	C	I	W	
Legislators Managers, etc.	0	2	0	2	1	3	0	5	13
Professionals	0	1	0	4	0	0	0	5	10
Technicians/Associate Professionals	4	7	0	5	1	7	0	13	37
Clerks	0	3	0	0	0	6	0	2	11
Service and Sales Workers	6	7	0	1	4	13	0	1	32
Skilled Agricultural & Fishery Workers	0	0	0	0	0	0	0	0	0
Craft & Related Trades Workers	0	2	0	0	1	0	0	0	3
Plant & Machine Operators	0	2	0	0	0	0	0	0	2
Elementary Occupations	0	2	0	0	0	1	0	0	3
TOTAL PERMANENT	10	26	0	12	7	30	0	26	111
Non-permanent employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	10	26	0	12	7	30	0	26	111

Training Opportunities

Table 9 reflects the number of staff members that received training. In some instances staff members attended more than one training course in the reporting period. For example, Museum Attendants might attend training courses on security, customer care, first aid and telephone etiquette in one reporting period. Table 10 reflects the number of opportunities that staff members took to attend training courses.

Table 10. Training: Total number of training opportunities provided in each occupational category from 1 April 2006 to 31 March 2007

Occupational Categories	Male	Female	TOTAL						
	A	C	I	W	A	C	I	W	TOTAL
Legislators Managers etc.	0	4	0	6	4	7	0	20	41
Professionals	0	3	0	10	0	0	0	11	24
Technicians/Associate Professionals	4	17	0	14	1	13	0	29	78
Clerks	0	5	0	0	0	9	0	3	17
Service and Sales Workers	14	13	0	2	5	21	0	2	57
Skilled Agricultural. & Fishery Workers	0	0	0	0	0	0	0	0	0
Craft & Related Trades Workers	0	3	0	0	1	0	0	0	4
Plant & Machine Operators	0	3	0	0	0	0	0	0	3
Elementary Occupations	0	4	0	0	0	1	0	0	5
TOTAL PERMANENT	18	52	0	32	11	51	0	65	229
Non-permanent employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	18	52	0	32	11	51	0	65	229

3.11. Injury on duty

A minor injury reported resulted in a serious medical condition. A staff member who was on a field trip bumped his head against the top of the vehicle when he climbed into a vehicle. An MRI indicated a brain haemorrhage and the staff member had a successful emergency operation.

3.12. Utilization of consultants

The cost of consultancy services increased substantially in the reporting period. Late in the 2005-06 financial year, consultants were appointed to facilitate a workflow analysis project that assisted with the re-alignment of the structure, which was finalized in the 2006-07 financial year.



APPENDICES

4.1. Projects

Art Collections Department

Major projects

'Picasso and Africa' exhibition: Standard Bank, Business Arts South Africa, the French Embassy, the French Institute of South Africa and Air France made huge investments in this exhibition. Without their support the project could not have happened.

Public Art Commission: the work *Man Running From Lion* by Mark O'Donovan was installed. All three public art commissions have now been completed. Funded by the National Lotteries Distribution Trust Fund (NLDTF). Allocation R370,000.

'Visual Trajectories' exhibition and accompanying catalogue: funded by DAC and the government of India.

Mentorship project for a trainee curator in contemporary art: L. Qanya was appointed in October 2006 for one year, including further academic study. Funded by a DAC transformation grant (R114,000).

Other projects

The Sir Abe Bailey Trust continues to fund the conservation and other costs related to the Sir Abe Bailey bequest: R40,000 in 2006-07.

'Invoice: Photographs by Santu Mofokeng': Autograph ABP, London provided £11,000 for the exhibition, which made the

printing of images possible. Other partners were Gallery MOMO and Standard Bank, Johannesburg.

Social History Collections Department

Major projects

Redevelopment of the Iziko Slave Lodge: the Slave Lodge Memory Centre opened successfully in May 2006. It was well used by learners and the general public to explore the history of slavery, as well as contemporary issues relating to human rights. Funded by the NLDTF.

Archaeological research project to locate the wreck of the slave ship, the *Meermin*, continued. Funded by the NLDTF.

Programme to mark the Bicentenary of the Abolition of the Slave trade in the British Empire (1807-2007): a collaboration with the British High Commission and British Council.

Other projects

A comprehensive Collections Manual was produced.

Rock art images were digitized as part of the South African Rock Art Digital Archive (SARADA) project.

Swedish African Museum Programme workshop was held at Iziko to plan a joint slavery project together with Tanzanian, Nigerian and Swedish museums.

'Timbuktu Manuscript' exhibition: a grant of R1 million was received by Iziko from DAC to produce a travelling exhibition in 2007-08.

'The Power of Rock Art' exhibition: a grant of R429,000 from De Beers for enhancing the exhibition was confirmed.

Natural History Collections Department

National Research Foundation

Cretaceous faunas from Zululand and Natal (R18,000 to H. Klinger).

Environmental assessment using ants (R45,550 to H. Robertson).

Systematics and evolution of fig wasps (SABI) (R222,000 to S. van Noort).

SABIF digitization of data project (R48,000 to S. van Noort).

Italy/South Africa Scientific and Technological Co-operation (R35,000 to S. van Noort).

Palaeoecology of Gondwana (R67,125 to R. Smith).

Evolution of West Coast Ecosystems (R17,000 to R. Smith).

Post-doctoral Fellowship for T. Matthews (R150,000; supervisor R. Smith).

Langebaan 2006 Mini Symposium (R50,000 to R. Smith for keynote speakers).

Langebaanweg 2006 (R20,000 to R. Smith for symposium costs).

National Science Foundation Planetary Biodiversity Inventory

NSF PBI Platygastroidea project (R113,400 to S. van Noort).

Palaeo-Anthropology Scientific Trust (PAST)

Tracking Gondwanan Dinosaurs (R50,000 to R. Smith).

Research into Human Origins Initiative (RHOI)

Development of computerized database for Langebaanweg fossil collection plus funding for publication of abstracts for Langebaanweg Mini Symposium (R203,000 to D.M. Avery).

Save Our Seas Foundation (SOS)

White Shark behavioural ecology in False Bay (R225,680 to Ph.D. student A. Kock, supervisor L.J.V. Compagno).

Education and Public Programmes Department

Major Projects

African Roots Festival - Celebrating Heritage: a programme of activities and events was developed in partnership with Artscape. Funded by the NLDTF.

Heritage Learning Support Programme: teacher training work-

shops were held and learning support material was developed. Funded by the NLDTF.

Iziko Mobile Museum (IMM): modules were completed and the IMM was used regularly for audience development and outreach programmes. Funded by the NLDTF.

Other projects

Museum Week took place from 15 May to 19 May 2006 with the theme "Museums and Young People".

An Africa Day programme took place on 28 May 2006 in collaboration with Artscape, offering various activities to celebrate our cultural heritage.

Winter School Programme took place from 1 July to 29 July 2006.

Iziko Summer School took place in February 2007.

Youth Day was marked in June 2006 with the presentation of art work from youth in the Langa and Bonteheuwel communities, based on the 'Picasso and Africa' exhibition. The works were exhibited at the South African National Gallery Annexe.

Youth Environmental School programme: learners were hosted at the Bo-Kaap Museum, South African Museum and Slave Lodge. The overall theme for the programme, which was attended by 1,053 young learners, was "Local Solutions for Global Problems".

Facilities Management Department

Major projects

Renovation and extension of the Social History Resource Centre (formerly the National Mutual Building): this Department of Public Works project is due for completion in mid-2008 (contract value: R63 million).

Courtyard project at South African Museum: new building designed to open up new storage and office accommodation. Motivation was submitted to DAC and preliminary funding made available in the DPW budget.

Renovation and repair of Iziko SA Museum building: this R9-million DPW project, to effect much needed repairs and maintenance, will be completed in 2007-08. The upgrade of Iziko SA Museum foyer and signage was planned as part this project.

Renovation and repair of the South African National Gallery Annexe building: this project, managed by DPW, was started with a projected completion date of July 2007 (contract value: R2.5 million).

CCTV cameras at four Iziko sites: tender documents were approved by DPW and Iziko, and the project will proceed during 2007-08.

Extensions to the South African National Gallery: Art Collections Department's motivation for the building of an Iziko Centre for Contemporary Art was submitted to DPW and DAC.

4.2. Exhibitions

Art Collections Department

Presented at Iziko South African National Gallery

'Old Masters: New Perceptions' featured treasures from the permanent historical art collections of Iziko. Continued from the previous year until 2 July 2006.

'Gerard Sekoto: From the Paris Studio' showcased more than 2,000 items from Sekoto's Paris studio that came to Iziko through the former Department of Arts, Culture, Science and Technology, with the support of the Gerard Sekoto Foundation. The exhibition opened in December 2005 and continued until 16 July 2006 and then started a national tour.

'Wim Botha: Standard Bank Young Artist for Visual Art 2005'. 8 April to 28 May 2006.

'Picasso and Africa' explored Picasso's response and debt to African sculpture through paintings and drawings, in the presence of relevant African sculptures. 13 April – 21 May 2006.

The 'Picasso and Africa' exhibition opening was attended by a number of high-profile French government officials. 'Facing the Past: Seeking the Future. Reflections on a decade of the Truth and Reconciliation Commission' marked the 10th anniversary of the first hearings of the Commission. 21 April 2006 to 25 February 2007.

'Can't Forget, Can't Remember', an interactive new media work by Sue Williamson, elucidated the exhibition 'Facing the Past: Seeking the Future'. 12 September to 19 November 2006.

'Visual Trajectories: Art from India' was curated at the National Gallery of Modern Art in New Delhi and traced the evolution of the visual arts in India during the last 150 years, 26 April – 4 June 2006. Funded by DAC and the government of India, the exhibition travelled thereafter to Durban and Pretoria.

'Romantic Childhood: Thomas Gainsborough's *Lavinia* in the Sir Abe Bailey Bequest' celebrated the restoration of South Africa's only Gainsborough painting and profiled a range of relevant works of art that raise questions about the representation of children in the past as well as the present. It opened in April 2006 and continued into 2007.

'Second to None: Celebrating 50 Years of Women's Struggles' commemorated the 50th anniversary of the Women's March to the Union Buildings in Pretoria. It was curated in collaboration with Virginia MacKenny of the Michaelis School of Fine Art at the University of Cape Town and ran from 26 June to 19 November 2006.

'Heart and Soul', a selection of portraits of women by photographer Karina Turok, complemented 'Second to None'. 24 June to 3 September 2006.

'Fabrications: Drapery and Dress in Paintings from the Iziko Permanent Collection' focused on the function, role and manner

of rendering drapery and fabric in the art of painting. From 29 August 2006 through 2007.

'Memory and Magic', an exhibition of contemporary art of the !Xun and Khwe people, was drawn from the private collection of Hella Rabbethge-Schiller and supported by the Goethe Institute, the Consulate-General of the Federal Republic of Germany and CD Shipping. 24 September 2006 to 4 March 2007.

'Embracing HIV/Aids' showcased works from the permanent collection, many of which were acquired through a transformation fund grant from the Department of Arts and Culture. 1 December 2006 to 11 March 2007.

'The Rainbow of Hope', paintings of children from the Nekkie Township outside Knysna, responding to HIV/Aids, was installed for 1 December outside the Iziko South African National Gallery. Supported by the Friends of the Gallery.

'Invoice: photographs by Santu Mofokeng' was a survey show of one of South Africa's foremost photographers and included work produced between 1982 and 2006. In partnership with Autograph APB, London, Gallery MOMO and Standard Bank, Johannesburg. 2 December 2006 to 2 May 2007. A national tour commenced in April.

'Why collect? New Acquisitions made by the Iziko Art Department 2005–2006' thanked and honoured supporters and benefactors while raising questions about collecting for the nation and funding issues. From 24 March through 2007.

'Churchill Madikida: Standard Bank Young Artist for Visual Art 2006'. 24 March to 2 May 2007.

'Trans Cape', the contemporary art event, presented new media works at the Gallery from 24 March to 2 May 2007.

Presented at Iziko South African National Gallery Annex

'Picasso and Africa' education exhibition, designed to prepare learners for their visit to the main exhibition, was curated in partnership with the Frank Joubert Art Centre and special needs facilitator Sandra Eastwood. 13 April to 16 June 2006.

'Thank you Picasso and Africa', a learners' exhibition displayed the fruits of the various education programmes and enthusiasm of learners with different abilities. The exhibition was opened on 23 September 2006 by Prof Brian O'Connell. Partners in the exhibition included the Frank Joubert Art Centre, Battswood Art Centre, Cape Town High School, Lentegeur School for LSEN & Atlantis School of Industry, among others.

Presented at The Old Town House (Michaelis Collection)

'Synergy: An exhibition of Contemporary Bead Art' celebrated the collaboration between artists working in urban and rural contexts. Facilitators Elbé Coetsee and Jeanetta Blignaut worked with twelve South African artists who created works for transposition into bead art by women working in two bead studios. It ran until 12 April 2006.



'Memory and Magic' – Flai Shipipa at work.

'Sacred Cows Make Large Targets' consisted of 60 original drawings for the published cartoons of Jonathan Shapiro (*aka* Zapiro) and included montages of covers for the various books of cartoons that he has published. 24 April to 11 June 2006.

'A Woman from Delft: the Art of Marianne Podlashuc 1932–2004' offered an overview of the work of the artist, who was born in The Netherlands and moved to South Africa in the early 1950s. 6 July to 4 March 2007.

External: travelling exhibitions organised by Iziko Art Collections

'Visual Trajectories: Art from India' was presented at the Durban Art Gallery and The African Window at the Northern Flagship Institution in 2006.

'Gerard Sekoto: From the Paris Studio', travelled to the Standard Bank Gallery in Johannesburg, the William Humphries Art Gallery in Kimberley and the Oliewenhuis Art Museum in Bloemfontein during 2006. The tour continued in 2007.

'Zeitgenössische Fotokunst aus Südafrika' (Contemporary South African Art Photography) opened at the Neuer Berliner Kunstverein on 13 January 2007 and will travel to Sindelfingen, Bochum and Chemnitz in 2007–08.

Social History Collections Department

Presented at Iziko Bo-Kaap Museum

'Hand of Fatima', artwork by the Iranian artist Farideh Zariv. With her husband, Nasser Palangi, the artist conducted a series of workshops on Islamic and Persian design and illustrative techniques. June 2006.

'Islam at the Cape', local cultural expressions of Islam at the Cape, and 'Pattern of Beauty', curated with Mahmudah Jaffer. Both were DAC-funded transformation projects. December 2006.

Presented at Iziko galleries at the Castle of Good Hope

'Celebrating our Music, our Heritage', an exhibition at the Good



Learners queue at the Iziko South African National Gallery for the 'Picasso and Africa' exhibition.

Hope Gallery for Heritage Month. Objects, images, texts and audiovisual presentations. An Iziko, DAC and National Film, Video and Sound Archive project. September–October 2006.

'Thandabantu: a photographic journey through southern Africa: photographic work of Alfred Duggan Cronin between 1919 and 1939' opened at the Good Hope Gallery on 23 February 2007. From the collection of the McGregor Museum in Kimberley.

Presented at Iziko Slave Lodge

'Breaking the Silence: A Luta Continua' presented the work of the Khulumani organization, survivors of Apartheid violence, in their own words and drawings. July 2006.

'Separate is not Equal: the struggle against separate schooling in America'. A history of segregation in the USA with a focus on education. July 2006.

'Ties that Bind Us'. A panel exhibition on the history of people of the Western Cape (including slavery). This panel exhibition was subsequently donated to the Social History Collections department for exhibition and educational use. September 2006.

Presented at the Iziko Maritime Centre

Iziko SA Maritime Museum collections and the John H. Marsh Maritime Research Centre were relocated to Union-Castle House at the V&A Waterfront. The first phase of developing the new Iziko Maritime Centre was initiated.

Presented at the Iziko South African Museum

'International Year of Deserts and Desertification'. June 2006.

Natural History Collections Department

Presented at Iziko South African Museum

New Coelacanth display from June 2006.

New labelling for Boonstra Dioramas, from March 2007.

'African Dinosaurs' exhibition – construction of huge *Jobaria* skeleton completed, March 2007.



High school learners talk to Iziko's Thobeka Malamba and Zaituna Erasmus about a career in palaeontology at the Careers Fair.



Children from Kildare Pre-primary School investigate a young mounted leopard, and penguin and mole rat skeletons at the Museum Day Programme.

4.3. Acquisitions

Art Collections Department

Works purchased from Department of Arts and Culture Transformation funds, 2004-05

Alf Khumalo, 10 photographs at R4,000 each, R40,000, from the artist.

Works purchased from Department of Arts and Culture Transformation funds, 2006-07, allocated for works dealing with HIV/Aids

David Goldblatt, *BHJ, Richtersveld National Park, in the time of Aids, Northern Cape*, 25 December 2003, ed. 2/10, R35,000.

David Goldblatt, *Port Nolloth, Northern Cape, in the time of Aids*, 28 December 2003, ed. 2/10, R40,000.

David Goldblatt, *Entrance to Lategan's Truck on the N1 in the time of Aids, Laingsburg, Western Cape*, 14 November 2004, ed. 2/10, R35,000.

David Goldblatt, *Grahamstown, Eastern Cape, in the time of Aids*, 13 October 2004, ed. 2/10, R40,000. All archival pigment inks on 300g cotton rag paper, all from Michael Stevenson Contemporary.

Churchill Madikida, *Virus I-V* (2005) ed. 2/5, set of 5 lamda prints, R5,000 each, R25,000, from Michael Stevenson Contemporary.

Churchill Madikida, *Status* (2005), set of 18 plaster masks, R38,000, from Michael Stevenson Contemporary.

Berni Searle, *Bleed I-IV* (2004/5) ed. 1/5, lamda prints, R38,000, from Michael Stevenson Contemporary.

Clive van den Berg, *Love's ballast* painting series (set of four)

(2003), acrylic and oil on board, R32,000, from Michael Stevenson Contemporary.

Diane Victor, *Smoke portraits* (2004), set of 36 drawings, smoke deposits on paper, R90,000, from Michael Stevenson Contemporary.

Kim Berman, *Blossoms on acid spill I & II KZN* (2005), monotype, R13,500.

Kim Berman, *Red ribbons on a pond I & II* (2005), ed. 40, lithograph, R2,000 each, R4,000, VAT R2,450 on all four works; total R19,950, all from Art on Paper.

Santu Mofokeng – *Ishmael, Motouleng Caves, Clarens* (2005), C Print, R27,360, from Gallery MOMO.

Portfolio of prints (2003), R30,746.84, compiled and produced by Art for Humanity, Durban.

A selection of ten cartoons by Zapiro @ R2,964 each, from the artist.

Works purchased from a grant of R1,000,000 from the National Lotteries Board for repatriation of African heritage objects and specific works

Four fine 19th century or early 20th century prestige snuff containers, *amashungu*, from southeast Africa, returned to South Africa from England. Artists unknown.

Works purchased from the Iziko Art Collections Department budget

Durant Sihlali, *Shoemaker* (1974), watercolour, R30,000, less 10%, plus VAT, R30,780, from Warren Siebrits.

David Lurie, *Gugulethu* (2004) silver print (selenium toned), edition 20, R10,000, from the artist.



Churchill Madikida, *Virus I-V* (2005) ed. 2/5, set of 5 lamda prints.



Mustafa Maluka, *Don't stand me down* (2006), oil on canvas, R45,000 plus VAT, R51,300, from Michael Stevenson Contemporary.

Christiaan Diedericks, *(Re)Member* (2007), mixed media, R2,500, from the AVA.

Christiaan Diedericks, *Red Sun* (2006), mixed media, R2,500, from the AVA.

An engraving of a Khoi couple at the Cape "Engraved for Millars new Complete & Universal System of Geography" (1782) R3,000, ex the estate of the late Julian Mirvish, from his sister Miriam Mirvish.

Ernest Cole, *People in a train coach* (c. 1960-66), silver print, R28,500, from Clarke's Bookshop.

Dan Halter, *Untitled (Zimbabwean Queen of Rave)* (2005), DVD, edition of 10, R11,400, from João Ferreira Gallery.

Kenneth Baker (1931-1995), *Upper District Six* (undated), oil on masonite, R10,000, from Ralph Nementzik.

Churchill Madikida, *Virus*, DVD, edition #2/5, R12,000 plus VAT, R13,680, from Michael Stevenson Contemporary.

Works purchased by the Friends of the Iziko South African National Gallery

Friends of the Gallery purchased three wire-embellished gourd snuff containers for a total amount of R35,055, from Michael Stevenson Contemporary.

Five cartoons by Zapiro @ R2,964 each.

Dan Halter, *I Don't Know What to Believe Anymore* (2005), farming region map of Zimbabwe printed over with a list of names of farms seized by the government. This is interwoven with a shredded copy of George Orwell's *Animal Farm*, R30,000,

less 10% discount, plus VAT, R30,780, from João Ferreira Gallery

Nicolas Hlobo, *Chitha* (2006), wooden dumb valet, jacket, rubber inner tube, silicon, fabric, ribbon, R36,000 plus VAT less 10%, R36,936, from Michael Stevenson Contemporary.

Lien Botha, 2 works from the *Amendment* series (2006), archival inkjet print on cotton paper, edition /10, R8,400 each, from Photographers Gallery ZA.

Ernest Cole, *Woman in a wheelchair* (c. 1960-66), silver print, R5,700, from Clarke's Bookshop.

Purchased by the Friends of the Iziko Michaelis Collection

Dorothy Kay, *Doorway*, The Old Town House (undated), etching, signed and inscribed with the title in pencil in the margin, R5,000. Acquired on auction.

Presentations

Dr Enid Immelman: a small collection of late 19th or early 20th century beadwork.

The family of the late Julian Mervish donated a number of fine African works of art. The collection includes four figurative Mangbetu ceramic water containers, c. early 20th century; a San apron adorned with ostrich eggshell beads, obtained in the 1930s, a rare South Sotho *Tetana* (frontal apron), a Northern Nguni marriage belt, and a box of documents that contains correspondence and receipts related to the purchases.

Reverend Gerhard E and Mrs Gisela Schulte: an extensive, well-documented collection of South African beadwork assembled in the 1970s and 1980s by a German missionary.

Dr David Mann, Geneva, Switzerland: Rupert Shephard, *Portrait of Pauline Vogelpoel* (1950), oil on canvas.



Lidded basket, Zulu, grass and palm leaf, made by Beauty Ndwandwe.



BaTlokwa women's apron made of twined *Gazania* fibres and decorated with beadwork. Mount Fletcher, Eastern Cape.

Dr Gillian Diamond and Mr Kevin Diamond: Julian Motau, *Untitled* (1967), ink on paper.

Clarke's Bookshop: Ernest Cole, silver print of a child (c. 1960-66).

Accessioning of work from Iziko SA Museum

Franz Roubal (1889-1967), *The Death of the last Quagga* (1931), oil on canvas.

Social History Collections Department

Purchases

Three Genadendal pottery vessels, Khoekhoe style, pointed bases and lugs, 2006, R207, from Genadendal Pottery.

Ardmore Ceramic Art Studio pottery: small jug with jackal-shaped handle, 2005, R1,450; lidded baboon-shaped vessel, 2005, R4,000; bowl decorated with leopards, birds and flowers, 2005, R4,500; pair of candlesticks, 2005, R15,450; giraffe bowl, 2006, R2,350. Purchased from Tribal Trends, Cape Town.

Studio ceramics, Hyme Rabinowitz, four sushi plates and two tea bowls, and Ncamekile Kokane, two lidded boxes, from the pottery at Eagle's Nest, Constantia, 2006, R7,300.

Postcards booklet, Koopmans-de Wet House, 1920s, R60, from Bristol Antiques, Cape Town.

Two *vuvuzelas* (plastic soccer trumpets), 'Superspar', 'Kaizer Chiefs', from Leonard Ginya, Khayelitsha, R150.

Cloth doll, depicting Archbishop Emeritus Desmond Tutu, from the Khulumani Support Group, Cape Town, R200.

Homeless Soccer World Cup memorabilia, Cape Town, 2006, T-shirt, cap, soccer ball, *vuvuzela*, from the organizers on the Grand Parade, R140.

Bead and wire Nguni cow from Mr Zweli Victor Ngcombela,

Delft, R380.

Four soccer helmets (*oomakarabha*), Kaizer Chiefs, Orlando Pirates, German national team and Santos FC, from African Image, Cape Town, R993.

Southern Nguni beadwork, seven small items, Eastern Cape, from Mr Zweli Victor Ngcombela, Delft, R350.

Ten pieces of South Sotho skin and fibre clothing and beadwork, from Mr S. Long, Bothasig. R35,125.

Basketry

Award-winning palm leaf (*ilala*) basket made by Angeline Masuku, KwaZulu-Natal, from the African Art Centre, Durban, R6,452.

Lidded basket, Zulu, grass and palm leaf, made by Beauty Ndwandwe, from The Iziko Shop, South African Museum, R1,195.

Two wire baskets, traditional *imbenge* shape, from The Iziko Shop, South African Museum, R734.

Donations

P&O Nedlloyd collection, a collection of memorabilia related to the Ellerman Bucknall period of shipping in South Africa, donated by P&O Nedlloyd: ship model of the City of Durban, a modern container ship; coat of arms of the City of Durban ship; oil painting by John Stobart, City of Durban departing from Cape Town harbour with the backdrop of Table Mountain; ship model of the City of London, multi-purpose cargo ship.

Brass ring, Zulu, used as personal ornament, for trade, and for bride wealth, probably 19th century, donated by Ms Vivien Marchesani, Rondebosch.

Collection of black and white photographs of the construction of Duncan Dock, 1946, donated by Mrs Carmen Smith, Somerset West.



Orlando Pirates and Santos FC soccer helmets (oomakabha).



Giraffe bowl from Ardmore Ceramic Studios

64-piece ceramic dinner service, English transfer-printed, Baltimore pattern, a type often found in historical archaeological sites around Cape Town, family association with Mostert's Mill, Cape Town. Donated by Mr Viv Mostert, East London.

Three slavery-related documents relating to the manumission of a young girl slave, Hennie, alias Anne Gerrard, 1823, donated by Mr Brian McCarthy of London.

Awards issued by the Premier of the Western Cape during the Slavery Week of Reflection, December 2005, donated by the Western Cape Government, Premier's Office:

Order of the Disa, Officer Class, awarded posthumously by the Premier of the Western Cape at Genadendal Church – citations (13) and identical decorations (3) awarded to slaves and abolitionists, sympathisers and those who gave sanctuary to slaves, including Tuan Guru, Anton Jonas, Adam Kok I, Emilie Lehn, Frederick Opperman, Rachel Thoka (Mooririver), Ngqika, Ngxukumeshe (Hermanus Matroos), Rangton van Bali, Steintjie van de Kaap, Sara van der Kemp, Catharina van Palicatte, Lydia Williams.

Annual Provincial Honours, Premier's Commendation Certificate. Such certificates were awarded to contemporary organizations that have carried out important work in relation to slavery.

Two identical T-shirts – Slavery Week of Reflection, Genadendal 2005 – as above items.

Two comptometers or calculators, England, 1950s-1960s, manufactured by Bell Punch Co. Ltd. and distributed by Sumlock Ltd., each in its original brown leather carry-case, donated by Mrs Gay Potter, Fish Hoek.

Silver commemorative trowel, 1906, University of the Cape of Good Hope, purchased by the Rowland and Leta Hill Trust and donated to Iziko for exhibition at the Centre for the Book in Cape Town.

Small stoneware ink bottle, 19th century, picked up amongst builder's rubble opposite the Roggebaai Post Office in the mid-1980s, donated by Mr Pieter Witbooi, Southfield.

A camera that belonged to the late Martin Leendertz, Goertz Tenax roll-film camera, 1924-1930, donated by Mr John Sturgis, Wynberg.

Aids teddy bear, South Africa, contemporary, sold at Heartworks, donated by Patricia Davison, Iziko Museums of Cape Town.

Rakam, religious and decorative artefact, on slate, donated by Mr Achmat Fish, Lansdowne.

Drawing of new building of the South African Museum, 1893, by J.E. Vixseboxes.

Two replica medallions, one black on black jasper, one black on cane jasper, 2007. Based on the original medallion produced by Josiah Wedgwood for the Slave Emancipation Society in 1787, and modelled at the time by Louis Hackwood. Donated by Wedgwood, Barlaston, Stoke-on-Trent, England.

Bequests

Estate of Miss GWS Irwin, for additions to the collection of furniture at Bertram House:

Pair of black *papier mâché* chairs with mother-of-pearl inlay, painted detail, and upholstered seats, early Victorian, 1850s.

Armand Marseille baby doll, late 19th /early 20th century.

Subscriptions

Philatelic Services:

RSA commemorative envelopes. Themes: 'Clivia'; 'Stories in the Sand'; 'Jungle Bells'; 'World Post Day'; and 'To paint the portrait of an ape-man', depicting hominid fossils.

South African Mint Company:

RSA Proof Coin Set 2006. RSA Commemorative Coin Series: R2



Specious Tiger Moth: *Asota Speciosa* (Family *Aganaiidae*).



Parasitic Wasp: *Polynema* species (Family *Mymaridae*).

sterling silver (2010 FIFA World Cup); R1, 1/10 oz gold (Cultural Series: The emaSwati People); R2, 1/14 oz gold (South African World Heritage Series: The Cradle of Humankind); Protea R1 sterling silver (Nobel Peace Prize Winners Archbishop Desmond Mpilo Tutu); Protea R5, 1/10 oz gold (Nobel Peace Prize Winners Archbishop Desmond Mpilo Tutu).

Pre-colonial Archaeological Collections through Cultural Resource Management and Research Permits in terms of the National Heritage Resources Act No. 25 of 1999

Kasteelberg, Klasies River, Grootrif, Nuwedam, Soutkloof, Blombos, Vaalkrans, UCT Smith and Bakoond (421 boxes, mainly research material).

Natural History Collections Department

Marine Biology

361 marine invertebrate and 31 fish samples were accessioned.

Terrestrial vertebrates

210 specimens were donated by Cape Nature Conservation, the National Biodiversity Institute (NBI), Tygerberg Zoo, the public and local veterinary practices. Cape Nature donated a large portion of the specimens including mammals, birds and herpetological specimens. Dr K. Tolley (SANBU) donated 32 herpetological specimens. 280 specimens were accessioned into the collections.

Terrestrial invertebrates

Samples received from recent field work by S. van Noort included: 31,000 samples from Zambia, Malawi and Mozambique; 1,000 from Fish River mouth; and 1,000 miscellaneous specimens from general collecting. Donations were received from Northern Flagship Institution (5 secondary types of *Colophon* beetles), N. Sharrat (invertebrates from Table Mountain

caves), C. Hänel (insects from Tristan da Cunha), and H. Staude (3 Lepidoptera paratypes).

Cenozoic Palaeontology

The RHOI project added 405 specimen numbers to material already in the collection, previously unaccessioned.

A large donation of papers (including maps, air photos, field notes, reprints, etc.) was received from Mrs Shirley Singer and relates to research on palaeontology and archaeology in South Africa by her late husband, Ronald Singer. It contains some important historical documentation, relating particularly to Langebaanweg, Elandsfontein and Klaasies River Mouth.

Karoo palaeontology

59 specimens were added to the collection. Eight of these were unaccessioned specimens returned by Dr A.W. Crompton after being on loan for more than 40 years. The rest were collected by Dr Roger Smith and his team, and consisted mostly of therapsid material. Two remarkable 250 million-year-old Karoo fossils were prepared in the Karoo Palaeontology preparation lab this year. The first, found last year by Paul October near Graaff Reinet, is a curled-up carnivorous gorgonopsian skeleton. Annelise Crean's expert preparation revealed a skull with gaping jaws lined with needle-sharp serrated teeth. The second, recovered by Dr Roger Smith near Beaufort West, is a very rare (only the fourth specimen ever found) dwarf paraeiasaur called *Nanoparia*. It is covered with dermal armour and is possibly the early ancestor of tortoises. After Georgina Farrell's painstaking preparation revealed much of the skeleton still intact, it was couriered to the University of Washington to be fully described.

Education and Public Programmes

Two African masks of Malian origin were purchased for the 'Picasso and Africa' education programme. These now form part of the teaching collection.

4.4. Loans

Art Collections Department

National – long-term loans

Tuynhuys, Cape Town, 9 works.

Supreme Court, Cape Town, 11 works.

Constitutional Court, Johannesburg, 7 works.

Anglo American Farms, Vergelegen, Somerset West, 58 works.

Office of the CEO, Iziko Museums, 11 works.

Cape Town International Convention Centre, 13 works.

National – short-term loans

Durban Art Gallery, 5 works by Cyprian Shilakoe for 'Cyprian Shilakoe Revisited'.

Standard Bank Gallery, Johannesburg, William Humphreys Art Gallery, Kimberley and Oliewenhuis Art Museum, Bloemfontein, 44 works for 'Gerard Sekoto: from the Paris Studio'.

International loans

Neuer Berliner Kunstverein, Berlin, Germany, 7 works for the exhibition 'Zeitgenössische Fotokunst Aus Südafrika' (Contemporary Art Photography from South Africa).

Social History Collections Department

Long-term loans

Afrikaans Language Museum: six chairs and a display cabinet.

Hout Bay Museum: model of Hout Bay harbour.

National Library of South Africa: silver trowel.

Stilbaai Museum: Bifacials, tools, April 2006.

Loan returned

Victoria & Alfred Waterfront, Port Captain: a roll-top desk.

Loan received

Private lender (Mrs V Hesse): ship model.

Short-term loans

Gold of Africa Museum: over 75 items from the African, Pre-colonial Archaeological, Antiquities and Ceramics collections.

Parliament of South Africa: three pass books.

The Castle Military Museum: one model of the VOC ship, *Africa*.

Professor John Parkington, UCT: stone tools and ochre, January 2007.

Loans returned

National Museum of Australia: 23 items from the ethnographic and pre-colonial archaeology collections.

MTN Sciencentre: two bicycles.

Professor Eddie van Dijk, Stellenbosch University: frog bones, August 2006.

Loan received

Palangi Gallery: 20 paintings and 23 sculptures.

Northern Flagship Institution: 39 musical instruments.

Mr A Fish: *rakam*. Object subsequently acquired for the permanent collection.

Natural History Collections Department

Marine invertebrates

A total of seven loans were sent: four within South Africa, one to the USA, one to the UK, and one to Israel.

Marine vertebrates

A total of seven loans were sent: six within South Africa and one to Denmark.

Terrestrial vertebrates

A total of 14 loans were sent: 13 within South Africa and one to the USA.

Terrestrial invertebrates

A total of 28 loans were sent: 10 within South Africa, one to Finland, two to Germany, one to Norway, one to Russia, 12 to the USA, and one to the UK.

Karoo palaeontology

A total of 13 loans were sent: eight within South Africa, three to the UK, and 2 to the USA.

4.5. Publications

CEO

Contributions to books

Bredekamp HC, 2006. The politics of Human Remains: The case of Sarah Bartmann. In: Lohman J, Goodnow KJ. Human Remains and Museum Practice. Museum of London. UNESCO Publication, p25-31.

Contributions to journals

Bredekamp HC. 2006. Transforming representations of Intangible Heritage at Iziko (National) Museums, South Africa. International Journal of Intangible Heritage, Vol 1.

Contributions in electronic media format

Bredekamp HC. 2006. 'Die Slawe-vrystellingskwessie en die Groot Trek: 'terugblik'. In: Die Slag van Bloedrivier, 16 Desember 1838: Referate gelewer tydens die symposium van 3-14 Oktober 2006 (CD-Rom, Pretoria: Erfenisstigting).

Bredekamp HC. 2006. 'Encountering the West: Racism, decimation and genocide against the Khoisan'. In: Prah K, editor. Racism in the Global Experience.

Art Collections Department

Catalogues

Bedford E. 2006. 'The Writing's on the Wall: The Art of Robin Rhode', in E Dyangane Ose, editor. Tres Escenarios. Las Palmas: Centro Atlantico de Arte Moderno.

Books

Proud H, editor. 2006. Revisions: Expanding the narrative of South African Art, the Campbell Smith Collection. Pretoria: UNISA Press/SA History Online.

Contributions to books

Bedford E. 2006. 'Visualising Truth and Reconciliation'. In: The TRC: Ten Years On. Cape Town: Institute for Justice and Reconciliation.

Martin M. 2006. 'Jane Alexander'. In: Harper G, Moyer T, editors. A Sculpture Reader: Contemporary Sculpture since 1980. Hamilton, USA: International Sculpture Centre.

Martin M. 2006. Introduction to Harrison R. The Black Christ: A journey to freedom. Cape Town: New Africa Books.

Martin M. 2006. 'The Miscast Exhibition at the South African National Gallery'. In: Lohman J, Goodnow KJ. Human Remains & Museum Practice. London: Renouf Pub Co Ltd.

Warne P. 2006. 'Early years: notes on South African women photographers before the 1980s'. In: Comley R, Hallett G, Ntsoma N, editors. 50 years of women photography in South Africa. Johannesburg: Wits University Press.

Warne P. 2006. 'Reality check'. In: Tolnay A, editor. Zeitgenössische Fotokunst Aus Südafrika (Contemporary Art Photography from South Africa), Heidelberg: Neuer Berliner Kunstverein und Edition Braus im Wachter Verlag GmbH.

Popular publications

Bedford E. 2006. 'Art and the Public Performance of Democracy: Soap boxes by Rosenclaire'. Arte e Mediterraneo.

Martin M. 2007. Obituary for Albert Adams (1929-2006) appeared in *The Guardian* newspaper in London and was published in the memorial booklet prepared for his memorial service in Cape Town.

Proud H. 2006. 'A Woman from Delft'. SA Art Times 8:10.

Proud H. 2006. 'Visual Trajectories' (exhibition brochure).

Warne P. 2006. 'Invoice: Photographs by Santu Mofokeng' (exhibition brochure).

Social History Collections Department

Journals

Wurz S. 2006. Review of Smith, L. 2004. Archaeological theory and the politics of cultural heritage Oxford: Routledge. South African Archaeological Bulletin 61(184:215).

Popular publications

Meltzer L. 2007. Slaves at the Cape: Oppression, life and legacy. Cape Town. Iziko Museums of Cape Town.

Van der Merwe T. 'The history and background to the Groot Constantia Estate'. The Best of the Cape Odyssey, March 2007.

Du Toit P. 2006. 'Batory saves the day for wartime evacuees'. Freight Trading Weekly.

Du Toit P. 2006. 'Dominion Monarch: from passenger to troopship to floating hotel'. Freight Trading Weekly.

Du Toit P. 2006. 'Caronia: an epic cruise would set you back R2054'. Freight Trading Weekly.

Du Toit P. 2006. 'Empress of Japan: a 1930s speedster of note'. Freight Trading Weekly.

Du Toit P. 2006. 'Felix Roussel: funky French design flair causes a stir in the 1900s'. Freight Trading Weekly.

Du Toit P. 2006. 'Giulio Cesare: Allied attack sinks stylish Italian liner'. Freight Trading Weekly.

Du Toit P. 2006. 'Hokoku Maru: Fiery end for Hokoku Maru after a proud World War 2 tour of beauty'. Freight Trading Weekly.

Natural History Collections Department

Scientific publications

Abdala F, Cisneros JC, Smith RMH. 2006. Faunal aggregation in the early Triassic Karoo Basin: earliest evidence of shelter-



sharing behaviour among tetrapods? *Palaios* 21: 507-512.

Angielczyk KD, Frobisch J, Smith RMH. 2006. On the stratigraphic range of the dicynodont taxon *Emydops* (Therapsida, Anomodontia) in the Karoo Basin, South Africa. *Palaeontologia Africana* 41:23-33.

Avery DM. 2007. Micromammals as palaeoenvironmental indicators of the southern African Quaternary. *Transactions of the Royal Society of South Africa* 62: 17-23.

Avery DM. 2007. Pleistocene micromammals from Wonderwerk Cave, South Africa: practical issues. *Journal of Archaeological Science* 34: 613-625.

Botha J, Abdala F, Smith RMH. 2007. The oldest cynodont: new clues on the origin and early diversification of the Cynodontia. *Zoological Journal of the Linnean Society* 149: 477-492.

Botha J, Smith RMH. 2006. Rapid vertebrate recuperation in the Karoo Basin following the End-Permian extinction. *Journal of African Earth Sciences* 45: 502-514.

Brunnschweiler JM, Compagno LJV. 2007. First record of *Carcharhinus leucas* from Tonga, South Pacific. *Journal of the Marine Biological Association of the United Kingdom*, 2, Biodiversity Records, pp. 1-2, figs. 1-2, online paper at: <http://www.mba.ac.uk/jmba/pdf/5563.pdf>.

Buffington ML, Van Noort S. 2007. A world revision of the Pycnostigmatinae (Cynipoidea: Figitidae) with descriptions of seven new species. *Zootaxa* 1392: 1-30.

Compagno LJV, Ebert DA. 2007. Southern African skate biodiversity and distribution. *Environmental Biology of Fishes, American Elasmobranch Society, Skate Symposium volume*, 21 pp.

Compagno LJV, Heemstra PC. 2007. *Electrolux addisoni*, a new genus and species of electric ray from the East Coast of South

Africa (Rajiformes: Torpedinoidei: Narkidae), with a review of torpedinoid taxonomy. *Smithiana*, 45 pp.

Damiani R, Sidor CA, Steyer JS, Smith RMH, Larsson HCE, Maga A, Ide O. 2006. The vertebrate fauna of the Upper Permian of Niger.V. The primitive temnospondyl *Saharastega moradiensis*. *Journal of Vertebrate Palaeontology* 26: 559-572.

Ebert DA, Compagno LJV. 2007. Biodiversity and systematics of skates (Chondrichthyes: Rajiformes: Rajoidei). *Environmental Biology of Fishes, American Elasmobranch Society, Skate Symposium volume*, 14 pp.

Ebert DA, Compagno LJV, Cowley P. 2006. Reproductive biology of catsharks (Chondrichthyes: Scyliorhinidae) from off the west coast of southern Africa. *International Council for the Exploration of the Sea (ICES) Journal of Marine Science* 63: 1053-1065.

Erasmus JC, Van Noort S, Jouselin E, Greeff JM. 2007. Molecular phylogeny of fig wasp pollinators (Agaonidae; Hymenoptera) in *Ficus* section *Galaglychia*. *Zoologica Scripta* 36: 61-78.

Gifford A, Compagno LJV, Levine M, Antoniou A. 2007. Satellite tracking of whale sharks using tethered tags. In: Irvine TR, Keesing JK, editors. *Whale Sharks: Science, Conservation and Management*. Proceedings of the First International Whale Shark Conference, 9-12 May 2005 Australia. *Fisheries Research* 84: 17-24.

Human BA, Compagno LJV. 2006. Description of *Haploblepharus kistnasamyi*, a new catshark (Chondrichthyes: Scyliorhinidae) from South Africa. *Zootaxa* 1318: 41-58.

Kennedy WJ, Klinger HC. 2006. Cretaceous faunas from Zululand and Natal, South Africa. The ammonite family Pachydididae Spath, 1922. *African Natural History* 2: 17-166.

Klein RG, Avery G, Cruz-Urbe K, Steele TE. 2007. The mammalian fauna associated with an archaic hominin skullcap and later Acheulean artefacts at Elandsfontein, Western Cape Province, South Africa. *Journal of Human Evolution* 52:164–186.

Last PR, Chidlow JA, Compagno LJV. 2006. A new wobbegong shark, *Orectolobus hutchinsi* n. sp. (Orectolobiformes: Orectolobidae) from southwestern Australia. *Zootaxa* 1239: 35–48.

Retallack GJ, Jahren AH, Greaver T, Smith RMH, Sheldon ND, Metzger CA. 2006. Middle Late Permian mass extinction on land. *Bulletin Geological Society America* 118: 1398–1411.

Smith RMH, Rubidge BS, Sidor CA. 2006. A new burnetiamorph (Therapsida: Biarmosuchia) from the Late Permian of South Africa: implications for trans-Pangaeon therapsid migration. *Journal Vertebrate Palaeontology* 26: 331–343.

Van Noort S, Peng YQ, Rasplus JY. 2006. First record of the fig wasp genus *Diaziella* Grandi (Hymenoptera: Chalcidoidea: Pteromalidae: Sycoecinae) from the Asian mainland with description of two new species from China. *Zootaxa* 1337: 39–59.

Van Noort S, Van Harten A. 2006. The species richness of fig wasps (Hymenoptera: Chalcidoidea: Agaonidae, Pteromalidae) in Yemen. *Fauna of Arabia* 22: 449–472.

Van Noort S, Stone GN, Whitehead VB, Nieves-Aldrey JL. 2007. Biology of *Rhoophilus loewi* (Hymenoptera: Cynipoidea: Cynipidae), with implications for the evolution of inquiline in gall wasps. *Biological Journal of the Linnean Society* 90: 153–172.

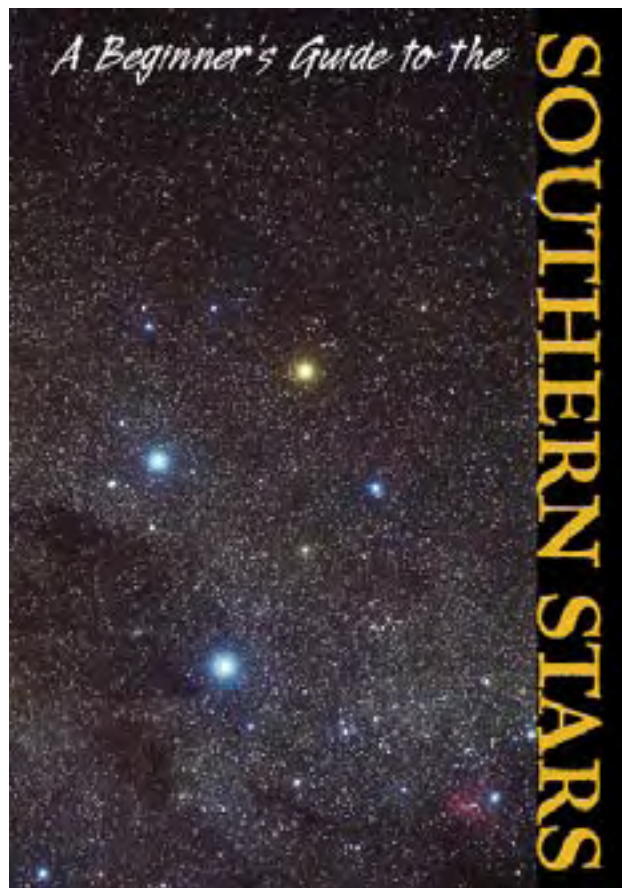
Yano K, Stevens JD, Compagno LJV. 2007. Distribution, reproduction and feeding of the Greenland shark *Somniosus microcephalus*, with notes on two other sleeper sharks, *S. (S.) pacificus* and *S. (S.) antarcticus*. *Journal of Fish Biology* 70: 1–17.

Books

Compagno LJV, Dando M, Fowler S. 2006. *Guía de campo de los Tiburones del Mundo*. Barcelona, Spain, Ediciones Omega. 368 pp. (Spanish version, based on the first revised English version with text corrections and modified maps, translated by M. Jesus Fortes Fortes and with new cover art and cover layout and Spanish common names).

Compagno LJV, Dando M, Fowler S. 2006. *Collins gem. Sharks*. Harper-Collins, London. 224 pp.

Compagno LJV, Dando M, Fowler S. 2006. *Collins gem. Sharks*. Smithsonian Institution Press, Washington DC, USA, 224 pp.



Education and Public Programmes

Department

The Education and Public Programmes Department published a range of learning material for school and adult learners, including a poster and teacher's brochure on Picasso and African art, four editions of the *Edu'ndaba* school newsletter, updated education pages on the Iziko website, and an updated school programme brochure.

Department of Institutional Advancement

Institutional Advancement produced a range of promotional posters, an updated Iziko site guide brochure, Iziko corporate core values booklet, and four issues of the *What's On at Iziko* events guide brochure. A revised edition of JS Bondietti's *A Beginner's Guide to the Southern Stars* was also published.

4.6. Materiality and Significance Framework for the 2006-07 Financial Year

Definitions and standards

- Audited financial statements: 2005-06 (AFS)
- Approved annual budget: 2006-07 (AAB)
- Approved strategic plan: 2006-07 to 2008/2009 (ASP)
- Event: An activity that has the elements of income and expenditure
- Trading venture: An activity that has the elements of buying and selling of products and/or services
- Total income: Total income excluding income from events and trading ventures
- Total expenditure: Total expenditure excluding event and trading venture expenditure

Applicable sections of the PFMA

- Section 50(1)
- Section 55(2)
- Section 54(2)
- Section 66(1)

Treasury regulation

- 28.1.5

Framework

4.1 Section 50: Fiduciary duties of Accounting Authority	Value (Quantitative)	Nature of event (Qualitative)
(1) Accounting authority must: (c) on request, disclose to the Executive Authority responsible, all material facts which in any way may influence the decisions or actions of the Executive Authority	(a) Any unbudgeted transaction of which the amount exceeds 1% of the total value of assets per AFS (b) Any budgeted event where income is a legitimate expectation where the actual income is less than 5% of the total expenditure (c) Any trading venture where income is exceeded by expenditure by more than 0.5% of income (d) Total actual income is less than budgeted income by more than 0.5% of budgeted income (e) Total actual expenditure is more than budgeted income by more than 5% of budgeted expenditure	(a) Any unplanned event that affects the core purpose or mandate of entity per the ASP (b) Any activity that is outside the parameters of each public entity's enabling legislation

4.2 Section 54: Information to be submitted by the Accounting Authority	Value (Quantitative)	Nature of event (Qualitative)
<p>(2) Before a public entity concludes any of the following transactions, the Accounting Authority for the entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction:</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement</p> <p>(c) acquisition or disposal of a significant shareholding in a company</p> <p>(d) acquisition or disposal of a significant asset</p> <p>(e) commencement or cessation of a significant business activity</p>	<p>N/A</p> <p>N/A</p> <p>Any transaction of which the amount exceeds 1% of the total value of assets per AFS</p> <p>Any transaction of which the amount exceeds 1% of the total value of assets per AFS</p>	<p>Any unplanned event per the ASP that may affect the core purpose or mandate of the entity</p> <p>Any unplanned event per the ASP that may affect the core purpose or mandate of the entity</p> <p>Any unplanned event per the ASP that may affect the core purpose or mandate of the entity</p> <p>Any unplanned event per the ASP that may affect the core purpose or mandate of the entity</p>
4.3 Section 55: Annual Report and Annual Financial Statements	Value (Quantitative)	Nature of event (Qualitative)
<p>(2) the annual report and financial statements must:</p> <p>(b) include particulars of:</p> <p>(i) any material losses through criminal conduct and,</p> <p>any irregular expenditure and fruitless and wasteful expenditure that occurred during the year</p> <p>(iii) any losses recovered or written off</p>	<p>(a) Any loss of which the amount exceeds 1% of the total value of assets per AFS</p> <p>(b) Any loss of a National Estate as defined in section 3 of the National Heritage Resources Act , 1999 (Act no 25 of 1999)</p> <p>All</p> <p>All</p>	<p>Any unplanned loss per the ASP that may affect the core purpose or mandate of the entity</p> <p>All</p> <p>All</p>
4.4 Section 66: Restrictions on borrowing, guarantees and other commitments		
Iziko Museums may not enter into any financial commitment beyond its approved budgets and its accumulated reserves	N/A	N/A

MATERIALITY FRAMEWORK

Basis	Acceptable % range	2006 Value	Minimum Value	Maximum Value	Iziko Materiality	%
Total Assets as per 2006 AFS	1% - 2%	25,900,300	259,003	518,006	260,000	1.00%
Revenue as per 2006 AFS	0.5% - 1%	45,733,942	228,670	457,339	229,000	0.50%
Net surplus 2006 AFS	2% - 5%	2,174,814	43,496	108,741	108,000	5%

