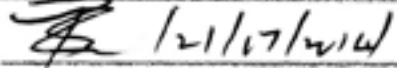


**Africa South Art Initiative
(Registration number 2008/004687/08)
Annual Financial Statements
for the year ended 28 February 2014**


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Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Index

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

Index	Page
Directors' Responsibilities and Approval	2
Independent Auditor's Report	3 - 4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12

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

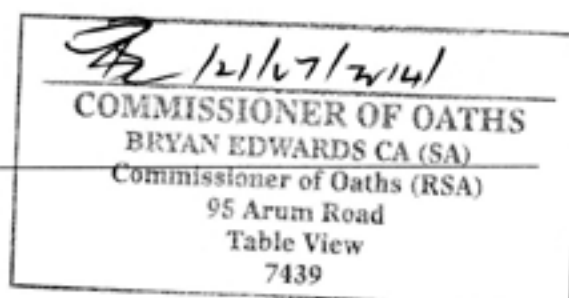
Detailed Income Statement	13
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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

These financials were prepared by:

DJ Channing BCompt
Page Accounting CC



Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

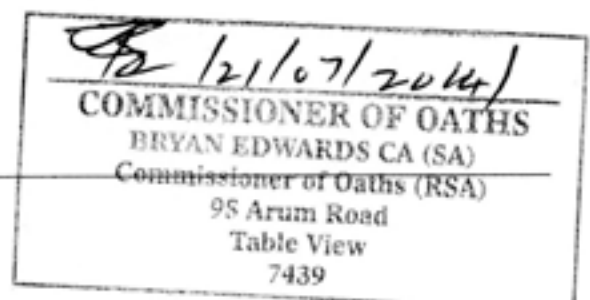
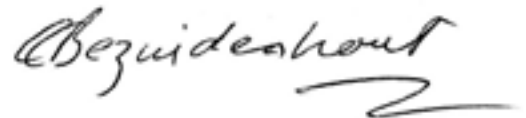
The directors have reviewed the organisation's cash flow forecast for the year to 28 February 2015 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditor and their report is presented on page 3.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of directors on 13 June 2014 and were signed on its behalf by:



Director



Chartered Accountant (SA)

Independent Auditor's Report

To the members of Africa South Art Initiative

I have audited the annual financial statements of Africa South Art Initiative, as set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The organisation directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the entity to institute accounting controls over cash collections from donations and fundraising income prior to the initial entry of collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

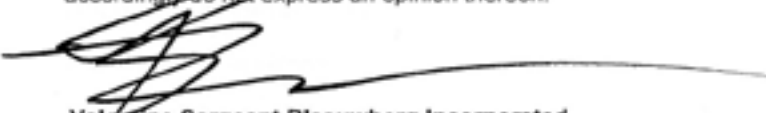
Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Africa South Art Initiative as at 28 February 2014, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

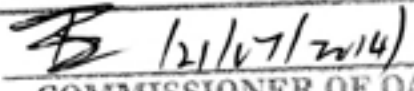
Independent Auditor's Report

Supplementary Information

Without qualifying my opinion, I draw attention to the fact that supplementary information set out on page 13 does not form part of the annual financial statements and is presented as additional information. I have not audited this information and accordingly do not express an opinion thereon.



Valentine Sargeant Blaauwberg Incorporated
BT Edwards CA (SA)
Registered Auditor
13 June 2014

 (21/07/2014)
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Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Africa South Art Initiative for the year ended 28 February 2014.

1. Nature of business

Africa South Art Initiative was incorporated in South Africa, is engaged in educational and research activities and operates principally in South Africa.

There have been no material changes to the nature of the organisation's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The organisation recorded a deficit after tax for the year ended 28 February 2014 of R(190 111).

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Directors

The directors in office at the date of this report are as follows:

Directors

F Badsha
DE Ward
M De Andrade Pissarra
C Bezuidenhout
DP Parenzee
SE O'Connell

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Auditors

Valentine Sargeant Blaauwberg Incorporated continued in office as auditors for the company for 2014.

7. Secretary

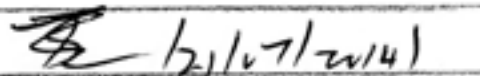
The organisations secretary is Noel Clive Vincent.

Postal address

P.O. Box 1565
Bellville
7535

Business address

7 Sandsteen Street
Stellenridge
Bellville
7530


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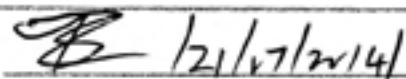
Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Statement of Financial Position as at 28 February 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	17 488	1 185
Current Assets			
Cash and cash equivalents	3	87 029	304 307
Total Assets		104 517	305 492
Equity and Liabilities			
Equity			
Retained income		99 777	289 888
Liabilities			
Current Liabilities			
Trade and other payables	4	4 740	15 604
Total Equity and Liabilities		104 517	305 492


12/17/2014
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Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue		324 850	501 899
Other income		3 416	410
Operating expenses		(522 917)	(213 890)
Operating (Deficit) surplus		(194 651)	288 419
Investment revenue	5	4 540	429
(Deficit) surplus for the year		(190 111)	288 848
Other comprehensive income		-	-
Total comprehensive (Deficit) Surplus for the year		(190 111)	288 848

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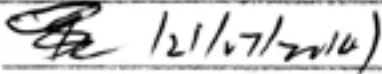
Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 March 2012	1 040	1 040
Surplus for the year	288 848	288 848
Other comprehensive income	-	-
Total comprehensive income for the year	288 848	288 848
Balance at 01 March 2013	289 888	289 888
Deficit for the year	(190 111)	(190 111)
Other comprehensive income	-	-
Total comprehensive loss for the year	(190 111)	(190 111)
Balance at 28 February 2014	99 777	99 777


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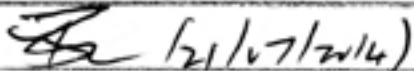
Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash (used in) generated from operations	8	(201 510)	283 801
Interest income		4 540	429
Net cash from operating activities		(196 970)	284 230
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(20 308)	-
Total cash movement for the year		(217 278)	284 230
Cash at the beginning of the year		304 307	20 077
Total cash at end of the year	3	87 029	304 307


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Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
IT equipment	3 Years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

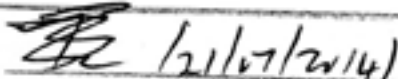
Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised


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Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Accounting Policies

1.3 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

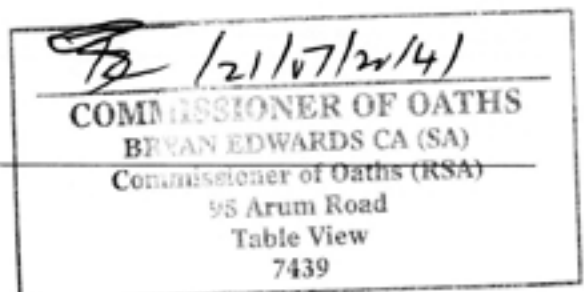
If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.4 Revenue

Revenue is recognised as income received from donations, fundraising and miscellaneous income.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.



Africa South Art Initiative

(Registration number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2014

Notes to the Annual Financial Statements

Figures in Rand 2014 2013

2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
IT equipment	63 723	(46 235)	17 488	43 416	(42 231)	1 185

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
IT equipment	1 185	20 308	(4 005)	17 488

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	87 029	304 307
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4. Trade and other payables

Accrued expense	4 740	15 604
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5. Investment revenue

Interest revenue		
Bank	4 540	429

6. Taxation

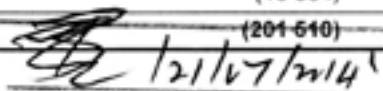
The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, and the receipts and accruals are exempt from income tax in terms of section 10(1)(c)(N) of the Act

7. Auditor's remuneration

Fees	-	11 650
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8. Cash (used in) generated from operations

(Loss) profit before taxation	(190 111)	288 848
Adjustments for:		
Depreciation and amortisation	4 004	3 519
Interest received - investment	(4 540)	(429)
Other non-cash items	1	-
Changes in working capital:		
Trade and other payables	(10 864)	(8 137)
	(201 510)	283 801


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Africa South Art Initiative

(Registration number 2008/004687/08)
Annual Financial Statements for the year ended 28 February 2014

Detailed Income Statement

	Note(s)	2014	2013
Figures in Rand			
Revenue			
Ackerman Foundation		-	4 890
British Council		-	40 000
Business and Arts South Africa - 1		18 000	-
Business and Arts South Africa - 2		6 850	-
Catalogue sales		-	60 000
Department of Cultural Affairs and Sport		-	2 364
Fee income		-	45 000
National Arts Council of South Africa - 2		300 000	-
National Arts Council of South Africa - 3		-	284 645
Foundation for Arts Initiatives		-	60 000
Sarlam		-	15 000
Stellenbosch University		324 850	501 899
Other income		750	-
Commission	5	4 540	429
Interest received		880	410
Membership fees		1 766	-
Sundry income		7 956	839
Operating expenses		(5 176)	(4 304)
Accounting fees		(61 752)	(36 633)
Administration and management fees		(8 399)	(3 756)
Advertising		-	(7 500)
Artists honoraria	7	-	(11 650)
Auditors remuneration		(3 530)	(3 334)
Bank charges		(40 686)	-
Catalogue expenses		(39 300)	(3 682)
Computer expenses		(956)	(3 478)
Conservation		(98 026)	(15 101)
Coordinator		(4 004)	(3 519)
Depreciation, amortisation and impairments		(900)	(33 645)
Employee costs		(174)	-
Entertainment		(4 571)	(3 333)
Insurance		-	(12 240)
Lease rentals on operating lease		(325)	(344)
Postage		(7 729)	(930)
Printing and stationery		(355)	-
Repairs and maintenance		(154 408)	(20 203)
Research fees		(9 201)	(8 850)
Telephone and fax		(4 232)	(2 222)
Travel		-	(2 175)
Wood		(79 193)	(36 991)
Writers and editing		(522 917)	(213 890)
(Deficit) surplus for the year		(190 111)	288 848

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

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[Signature] 12/17/2014
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