

**AFRICA SOUTH ART INITIATIVE NPC**

**(Registration Number 2008/004687/08)**

**Annual Financial Statements**

**for the year ended 28 February 2017**

**NC Vincent & Associates**

PROFESSIONAL ACCOUNTANTS (SA)

Practice No. PRAC676

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

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

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# N.C. Vincent & Associates

PROFESSIONAL ACCOUNTANTS (SA)

Practice No. PRAC676

*In association with*

**Theron du Plessis Durbanville Incorporated**

**CHARTERED ACCOUNTANTS (SA)**

Practice No. 963763



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## Report of the Compiler

### **To the Directors of Africa South Art Initiative NPC**

We have compiled the accompanying annual financial statements of Africa South Art Initiative NPC based on information you have provided. These annual financial statements comprise the statement of financial position of Africa South Art Initiative NPC as at 28 February 2017, the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

**NC VINCENT & ASSOCIATES**

Per: NC Vincent  
Professional Accountant

**31 August 2017**

**7 SANDSTEEN STREET  
STELLENRIDGE  
BELLVILLE  
7530**

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Directors' Responsibilities and Approval

The directors are required 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation 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 organisations 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The professional accountants are responsible for reporting on the annual financial statements. The professional accountants' compilation report is presented on page 2.

The annual financial statements as set out on pages 5 to 11 were approved by the board of directors on 31 August 2017 and were signed on its behalf by:



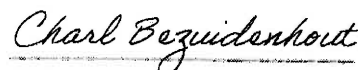
F Badsha



DE Ward



M De Andrade Pissarra



CC Bezuidenhout



A Price

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## **Directors' Report**

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The board of directors present their report for the year ended 28 February 2017.

### **1. Review of activities**

#### **Main business and operations**

The principal activity of the organisation is and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

### **2. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### **3. Events after reporting date**

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

### **4. Directors' interest in contracts**

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

### **5. Authorised and issued share capital**

No changes were approved or made to the authorised or issued share capital of the company during the year

### **6. Directors**

The directors of the organisation during the year and to the date of this report are as follows:

F Badsha

DE Ward

M De Andrade Pissarra

CC Bezuidenhout

A Price

### **7. Secretary**

The organisation's designated secretary is NC Vincent.

### **8. Compilers**

NC VINCENT & ASSOCIATES were the compilers for the year under review.

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements as at 28 February 2017

## Statement of Financial Position

Figures in R	Notes	2017	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	<u>12</u>	<u>3,949</u>
<b>Current Assets</b>			
Cash and cash equivalents	4	<u>669,635</u>	<u>45,298</u>
<b>Total Assets</b>		<b><u>669,647</u></b>	<b><u>49,247</u></b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Retained earnings		<u>662,590</u>	<u>42,755</u>
<b>Current Liabilities</b>			
Trade and other payables	5	<u>7,057</u>	<u>6,492</u>
<b>Total Reserves and Liabilities</b>		<b><u>669,647</u></b>	<b><u>49,247</u></b>

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Comprehensive Income

Figures in R	Notes	2017	2016
<b>Revenue</b>		1,023,179	414,975
Other income		890	2,734
Operating costs		(406,343)	(471,751)
<b>Operating surplus/(deficit)</b>		<b>617,726</b>	<b>(54,042)</b>
Finance income	6	2,173	3,771
Finance costs	7	(64)	(263)
<b>Surplus/(deficit) for the year</b>		<b>619,835</b>	<b>(50,534)</b>
Retained income at 1 March 2016		42,755	93,289
Surplus/(loss) for the year		619,835	(50,534)
Retained income at 28 February 2017		<b>662,590</b>	<b>42,755</b>

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
<b>Balance at 1 March 2015</b>	93,289	93,289
<b>Total comprehensive income for the year</b>		
Deficit for the year	(50,534)	(50,534)
<b>Total comprehensive income for the year</b>	<u>(50,534)</u>	<u>(50,534)</u>
<b>Balance at 29 February 2016</b>	<u>42,755</u>	<u>42,755</u>
<b>Balance at 1 March 2016</b>	42,755	42,755
<b>Total comprehensive income for the year</b>		
Surplus for the year	619,835	619,835
<b>Total comprehensive income for the year</b>	<u>619,835</u>	<u>619,835</u>
<b>Balance at 28 February 2017</b>	<u>662,590</u>	<u>662,590</u>



# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Cash Flows

Figures in R	2017	2016
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year	619,835	(50,534)
<i>Adjustments for:</i>		
Finance costs	64	263
Depreciation of Tangible assets	3,937	6,769
Investment income	(2,173)	(3,771)
<b>Operating cash flow before working capital changes</b>	<b>621,663</b>	<b>(47,273)</b>
<i>Working capital changes</i>		
Increase in trade and other payables	565	-
<b>Cash generated by/(utilised in) operating activities</b>	<b>622,228</b>	<b>(47,273)</b>
Investment income	2,173	3,771
Finance costs	(64)	(263)
<b>Net cash from operating activities</b>	<b>624,337</b>	<b>(43,765)</b>
Increase/(decrease) in cash and cash equivalents	624,337	(43,765)
Cash and cash equivalents at beginning of the year	45,298	89,063
<b>Cash and cash equivalents at end of the year</b>	<b>669,635</b>	<b>45,298</b>

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# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Accounting Policies

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### 1. General information

Africa South Art Initiative NPC is a non-profit organisation.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from donations, fund raising and other miscellaneous items.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

#### 2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

IT equipment	33.33%
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# **AFRICA SOUTH ART INITIATIVE NPC**

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## **Accounting Policies**

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### **2.3 Impairment of non-current assets**

At each balance sheet date, the carrying amounts of tangible and intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If the fair value less costs to sell of an asset (or group of assets) is estimated to be less than its carrying amount, the carrying amount of the asset (or group of assets) is reduced to its fair value less costs to sell. An impairment loss is recognised immediately in profit or loss.

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

### **2.4 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### **2.5 Trade payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Notes to the Annual Financial Statements

Figures in R

2017

2016

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2017 Carrying value	Cost	Accumulated depreciation	2016 Carrying value
<i>Owned assets</i>						
IT equipment	63,723	63,711	12	63,723	59,774	3,949

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
<i>Owned assets</i>					
IT equipment	3,949	-	-	(3,937)	12

### 4. Cash and cash equivalents

#### Favourable cash balances

FNB Current account	1,756	5,585
FNB Call account	42,386	39,713
FNB NPC account	625,493	-
	<u>669,635</u>	<u>45,298</u>

### 5. Trade and other payables

Accrued liabilities	<u>7,057</u>	<u>6,492</u>
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### 6. Finance income

<i>Interest income</i>		
Interest received	<u>2,173</u>	<u>3,771</u>

### 7. Finance costs

Bank overdrafts and acceptances	6	-
SARS	<u>58</u>	<u>263</u>
	<u>64</u>	<u>263</u>

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Detailed Income Statement

Figures in R	2017	2016
<b>Gross Revenue</b>		
Art Sales	8,179	21,175
District Six Museum	50,000	-
Humanitec 2015	-	6,400
Humanitec 2016	-	37,400
National Arts Council - 4	-	30,000
National Arts Council - 5	10,000	320,000
National Arts Council - 6	195,000	-
National Lotteries Commission	720,000	-
Nordic Travel Tenareiser	40,000	-
	<u>1,023,179</u>	<u>414,975</u>
<b>Other Income</b>		
Donation - UCT	-	2,000
Investment income	2,173	3,771
Membership Fees	890	-
Sundry income	-	734
	<u>3,063</u>	<u>6,505</u>
	<u><b>1,026,242</b></u>	<u><b>421,480</b></u>

# AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2017

## Detailed Income Statement

Figures in R	2017	2016
<b>Expenditure</b>		
Accounting fees	756	13,447
Admin / management fees paid	29,143	26,388
Bank charges	4,157	3,913
Communications	-	939
Compilers' remuneration	7,410	19,519
Computer expenses	360	-
Coordinator	46,345	43,686
Depreciation - Tangible assets	3,937	6,769
Editor Fees	91,409	114,915
Finance costs	64	263
Fund Raising expenses	5,453	-
Insurance	3,439	3,659
Internet Hosting	-	2,879
IT Maintenance and Backup	3,534	2,858
Mounting of Art and expenses	-	3,625
Postage	1,525	844
Printing and stationery	1,142	15,664
Project Leader Fees	5,776	-
Research Fees	177,490	179,800
Telephone and fax	4,302	-
Transport	2,234	-
Travel - local	5,181	1,738
Web Hosting, Maintenance and Development	10,750	12,108
Workmans Compensation	-	1,000
Writers Fees	2,000	18,000
	<u>406,407</u>	<u>472,014</u>
<b>Surplus/(deficit) for the year</b>	<b>619,835</b>	<b>(50,534)</b>