

AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements

for the year ended 28 February 2018

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 2018

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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 Management 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 2018, 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

16 July 2018

Per: NC Vincent
Professional Accountant

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STELLENRIDGE
BELLVILLE
7530

AFRICA SOUTH ART INITIATIVE NPC

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Annual Financial Statements for the year ended 28 February 2018

Management's Responsibilities and Approval

Management is 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.

Management acknowledges 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 management to meet these responsibilities, the management committee 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.

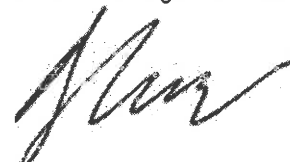
Management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control 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 management has 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 6 to 12 were approved by the management committee on 16 July 2018 and were signed on its behalf by:



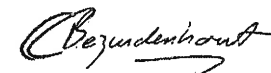
M De Andrade Pissarra



DE Ward



A Price



CC Bezuidenhout

AFRICA SOUTH ART INITIATIVE NPC

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Annual Financial Statements for the year ended 28 February 2018

Management's Report

The management committee present their report for the year ended 28 February 2018.

1. Review of activities

Main business and operations

The principal activity of the organisation is research on artists working on the African continent and producing new and necessary resources on art and artists in Africa 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. Management's 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

6. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

7. Dividends

No dividends were declared nor paid to the shareholder during the year.

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Annual Financial Statements for the year ended 28 February 2018

Management's Report

8. Management

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

M De Andrade Pissarra

DE Ward

A Price

CC Bezuidenhout

F Badsha

9. Secretary

The organisation's designated secretary is NC Vincent.

10. Compilers

NC Vincent & Associates were the compilers for the year under review.

AFRICA SOUTH ART INITIATIVE NPC

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Financial Statements for the year ended 28 February 2018

Statement of Financial Position

Figures in R	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	3	12,916	12
Current Assets			
Cash and cash equivalents	4	220,094	669,635
Total Assets		233,010	669,647
Reserves and Liabilities			
Reserves			
Retained earnings		232,440	662,590
Current Liabilities			
Trade and other payables	5	570	7,057
Total Reserves and Liabilities		233,010	669,647

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Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in R	Notes	2018	2017
Revenue		539,198	1,023,179
Other income		25,681	890
Operating costs		(999,851)	(406,343)
Operating (deficit)/surplus		(434,972)	617,726
Finance income	6	4,827	2,173
Finance costs	7	(5)	(64)
(Deficit)/surplus for the year		(430,150)	619,835
Retained income at 1 March 2017		662,590	42,755
(Loss)/surplus for the year		(430,150)	619,835
Retained income at 28 February 2018		232,440	662,590

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Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
Balance at 1 March 2016	42,755	42,755
Total comprehensive income for the year		
Surplus for the year	619,835	619,835
Total comprehensive income for the year	<u>619,835</u>	<u>619,835</u>
Balance at 28 February 2017	<u>662,590</u>	<u>662,590</u>
Balance at 1 March 2017	662,590	662,590
Total comprehensive income for the year		
Deficit for the year	(430,150)	(430,150)
Total comprehensive income for the year	<u>(430,150)</u>	<u>(430,150)</u>
Balance at 28 February 2018	<u>232,440</u>	<u>232,440</u>

AFRICA SOUTH ART INITIATIVE NPC

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Statement of Cash Flows

Figures in R	Note	2018	2017
Cash flows from operating activities			
(Deficit)/surplus for the year		(430,150)	619,835
<i>Adjustments for:</i>			
Finance costs		5	64
Depreciation of Tangible assets		2,581	3,937
Investment income		(4,827)	(2,173)
Operating cash flow before working capital changes		(432,391)	621,663
<i>Working capital changes</i>			
(Decrease)/increase in trade and other payables		(6,487)	565
Cash (utilised in)/generated by operating activities		(438,878)	622,228
Investment income		4,827	2,173
Finance costs		(5)	(64)
Net cash from operating activities		(434,056)	624,337
Property, plant and equipment acquired	3	(15,485)	-
(Decrease)/increase in cash and cash equivalents		(449,541)	624,337
Cash and cash equivalents at beginning of the year		669,635	45,298
Cash and cash equivalents at end of the year	4	220,094	669,635

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Financial Statements for the year ended 28 February 2018

Accounting Policies

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

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Financial Statements for the year ended 28 February 2018

Accounting Policies

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 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.

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Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in R

2018

2017

3. Property, plant and equipment

	Cost	Accumulate d depreciation	2018 Carrying value	Cost	Accumulate d depreciation	2017 Carrying value
<i>Owned assets</i>						
IT equipment	79,208	66,292	12,916	63,723	63,711	12

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2018 Carrying value at end of year
<i>Owned assets</i>					
IT equipment	12	15,485	-	(2,581)	12,916

	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	3,158	1,756
FNB Call account	112,513	42,386
FNB NPC account	103,894	625,493
Petty Cash	529	-
	<u>220,094</u>	<u>669,635</u>

5. Trade and other payables

Accrued liabilities	570	7,057
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6. Finance income

Interest income		
Interest received	4,827	2,173

7. Finance costs

Bank overdrafts and acceptances	2	6
SARS	3	58
	<u>5</u>	<u>64</u>

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Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in R	2018	2017
Gross Revenue		
Book Sales	28,720	8,179
Department of Cultural Affairs and Sport	45,000	-
District Six Museum	-	50,000
National Arts Council - 5	-	10,000
National Arts Council - 6	-	195,000
National Arts Council - 7	195,000	-
National Lotteries Commission	180,000	720,000
Nordic Travel Tenareiser	-	40,000
Thunda Fund	40,478	-
University of the Western Cape	50,000	-
	<u>539,198</u>	<u>1,023,179</u>
Other Income		
Donations received	25,681	-
Investment income	4,827	2,173
Membership Fees	-	890
	<u>30,508</u>	<u>3,063</u>
	<u>569,706</u>	<u>1,026,242</u>

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Detailed Income Statement

Figures in R	2018	2017
Expenditure		
Accounting fees	5,472	756
Admin / management fees paid	142,861	29,143
Advertising	10,260	-
Bank charges	6,078	4,157
Compilers' remuneration	-	7,410
Computer expenses	-	360
Coordinator	126,475	46,345
Depreciation - Tangible assets	2,581	3,937
Designer	40,000	-
Documentation fee	6,000	-
Editor Fees	94,484	91,409
Facilitator	15,420	-
Finance costs	5	64
Fund Raising expenses	-	5,453
Insurance	-	3,439
Internet Hosting	516	-
IT Maintenance and Backup	27,894	3,534
Materials	7,100	-
Photography	23,589	-
Postage	7,785	1,525
Printing and stationery	224,932	1,142
Project Leader Fees	40,107	5,776
Repairs and maintenance	45	-
Research Fees	80,282	177,490
Staff welfare	173	-
Telephone and fax	5,198	4,302
Transcription	20,199	-
Transport	-	2,234
Travel - local	89,062	5,181
Web Hosting, Maintenance and Development	-	10,750
Writers Fees	23,338	2,000
	<u>999,856</u>	<u>406,407</u>
(Deficit)/surplus for the year	(430,150)	619,835