

**Africa South Art Initiative NPC  
(Registration number 2008/004687/08)  
Annual Financial Statements  
for the year ended 28 February 2021**

# Africa South Art Initiative NPC

(Registration number: 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2021

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

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

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

### Preparer

C Sawyer  
Professional Accountant (SA)

### Published

28 February 2022

# Africa South Art Initiative NPC

(Registration number: 2008/004687/08)

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## Directors' Responsibilities and Approval

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The directors are required by the Companies Act of South Africa, 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 company 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 company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 company's cash flow forecast for the year to 28 February 2022 and, in the light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 7 - 6.

The annual financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved by the directors on 28 February 2022 and were signed on its behalf by:

### Approval of annual financial statements



Director



Director

# Africa South Art Initiative NPC

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## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Africa South Art Initiative NPC for the year ended 28 February 2021.

### 1. Nature of business

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.

There have been no material changes to the nature of the company'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 of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directors

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

#### Directors

DE Ward

CC Bezuidenhout

NM Ruiters

L Van Robbroeck

GO Valley

BR Hlongwane

M De Andrade Pissarra

There have been no changes to the directorate for the period under review.

### 4. 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.

### 5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 6. Auditors

VSB Edwards Inc continued in office as auditors for the company for 2021.

At the AGM, the shareholder will be requested to reappoint VSB Edwards Inc as the independent external auditors of the company and to confirm Mr BT Edwards CA(SA) as the designated lead audit partner for the 2022 financial year.

### 7. Secretary

The company secretary is NC Vincent.

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## Directors' Report

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### 8. Covid-19 Impact

Following the nationwide lockdown which came into effect 27/03/2020, the spread of COVID-19 has severely impacted local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

While the directors acknowledge the impact of COVID-19, which has resulted in trading operations being curtailed for the period 27/03/2020 to 30/06/2020 due to the nationwide lockdown implemented, the asset value of the company remains largely unaffected and the directors remain confident that the company has sufficient cash reserves which will see it through this period and are therefore classified as non-adjusting events. Accordingly, the financial position and results of the operations for the year ended 28/02/2021 have not been adjusted as result of the COVID-19 global pandemic.

## Independent Auditor's Report

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### To the Shareholder of Africa South Art Initiative NPC

#### Qualified Opinion

I have audited the annual financial statements of Africa South Art Initiative NPC (the company) set out on pages 7 to 13, which comprise the statement of financial position as at 28 February 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of my report, the annual financial statements present fairly, in all material respects, the financial position of Africa South Art Initiative NPC as at 28 February 2021, 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 of South Africa.

#### 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 impractical for us to extend our examination beyond the receipts actually recorded.

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of my report. I am independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Africa South Art Initiative NPC annual financial statements for the year ended 28 February 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 14. The other information does not include the annual financial statements and my auditor's report thereon.

My opinion on the annual financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the annual financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

# Independent Auditor's Report

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## Responsibilities of the Directors for the Annual Financial Statements

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

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

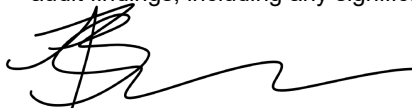
## Auditor's Responsibilities for the Audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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**VSB Edwards Inc**  
**BT Edwards CA(SA)**  
**Director**  
**Chartered Accountant (SA)**  
**Registered Auditors**

**28 February 2022**

# Africa South Art Initiative NPC

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Annual Financial Statements for the year ended 28 February 2021

## Statement of Financial Position as at 28 February 2021

Figures in Rand	Note(s)	2021	2020
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	13	2 593
Current Assets			
Cash and cash equivalents	3	145 398	207 545
<b>Total Assets</b>		<b>145 411</b>	<b>210 138</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		125 029	207 786
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	4	20 382	2 352
<b>Total Equity and Liabilities</b>		<b>145 411</b>	<b>210 138</b>



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## Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020
Revenue		750 600	376 950
Other income		3 926	20 737
Operating expenses		(837 283)	(395 046)
<b>Operating (loss) profit</b>		<b>(82 757)</b>	<b>2 641</b>
<b>(Loss) profit for the year</b>		<b>(82 757)</b>	<b>2 641</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(82 757)</b>	<b>2 641</b>

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## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 March 2019</b>	<b>205 145</b>	<b>205 145</b>
Profit for the year	2 641	2 641
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2 641</b>	<b>2 641</b>
<b>Balance at 01 March 2020</b>	<b>207 786</b>	<b>207 786</b>
Loss for the year	(82 757)	(82 757)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(82 757)</b>	<b>(82 757)</b>
<b>Balance at 28 February 2021</b>	<b>125 029</b>	<b>125 029</b>

# Africa South Art Initiative NPC

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## Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	6	<u>(62 147)</u>	<u>9 585</u>
<b>Total cash movement for the year</b>		<b>(62 147)</b>	<b>9 585</b>
Cash at the beginning of the year		<u>207 545</u>	<u>197 960</u>
<b>Total cash at end of the year</b>	3	<b><u>145 398</u></b>	<b><u>207 545</u></b>

# Africa South Art Initiative NPC

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Annual Financial Statements for the year ended 28 February 2021

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. 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 assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
IT equipment	Straight line	3 years

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When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

# Africa South Art Initiative NPC

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## Accounting Policies

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### 1.2 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They 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 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 there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

### 1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and 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 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 to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

### 1.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

# Africa South Art Initiative NPC

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## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	79 208	(79 195)	13	79 208	(76 615)	2 593

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
IT equipment	2 593	(2 580)	13

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty cash	-	529
FNB Current account	860	5 805
FNB Call account	144 538	201 211
	<b>145 398</b>	<b>207 545</b>

### 4. Trade and other payables

Trade payables	1	-
Accrued liabilities	20 381	570
Accrued PAYE and UIF	-	1 782
	<b>20 382</b>	<b>2 352</b>

### 5. Taxation

The entity 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) (cN) of the Act.

### 6. Cash (used in) generated from operations

(Loss) profit before taxation	(82 757)	2 641
<b>Adjustments for:</b>		
Depreciation and amortisation	2 580	5 162
<b>Changes in working capital:</b>		
Trade and other payables	18 030	1 782
	<b>(62 147)</b>	<b>9 585</b>

### 7. Related parties

#### Relationships

Members of key management

Mario De Andrade Pissarra  
Donovan Eric Ward  
Charl Christiaan Bezuidenhout  
Nomusa Mary Ruiters  
Lize Van Robbroeck  
Greer Odile Valley  
Bhekisisa Russel Hlongwane

# Africa South Art Initiative NPC

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## Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
<b>Revenue</b>			
Book Sales		600	150
Fees received		-	300
National Arts Council 10		400 000	-
National Arts Council 8		-	10 000
National Arts Council 9		250 000	250 000
National Research Foundation		100 000	116 500
		<b>750 600</b>	<b>376 950</b>
<b>Other income</b>			
Donations received		-	17 320
Investment income		3 926	3 317
Membership Fees		-	100
		<b>3 926</b>	<b>20 737</b>
<b>Operating expenses</b>			
Accounting fees		(40 494)	-
Administration		(7 500)	-
Bank charges		(3 464)	(2 599)
Communications		(3 705)	-
Coordinator		(129 000)	(18 917)
Depreciation, amortisation and impairments		(2 580)	(5 162)
Designer		(11 000)	-
Editor fees		(141 009)	(115 573)
Facilitator		-	(25 000)
Finance costs		-	(298)
Financial administration		(43 968)	(19 000)
IT Maintenance and Backup		(5 280)	(459)
Internet hosting		-	(2 754)
Internet support		-	(1 827)
Marketing		(3 750)	-
Postage		-	(1 138)
Printing and publishing		(21 360)	-
Printing and stationery		(1 118)	(5 000)
Repairs and maintenance		(255)	-
Research fees		(190 747)	(24 950)
Salaries		-	(23 521)
Staff welfare		(60)	-
Travel - local		(240)	(29 071)
Videography and editing		(3 250)	(6 500)
Web maintenance and development		(27 253)	(1 050)
Workmans Compensation		-	(1 227)
Writers Fees		(201 250)	(111 000)
		<b>(837 283)</b>	<b>(395 046)</b>
<b>(Loss) profit for the year</b>		<b>(82 757)</b>	<b>2 641</b>