

AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

**Annual Financial Statements
for the year ended 28 February 2022**

Compiled Financial Statements

in compliance with Companies Act 71 of 2008

Prepared: B Deschamps

Position: Professional Accountant

AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2022

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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 2022, 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.

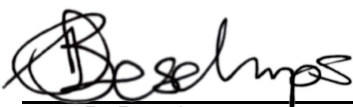
We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements,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

Number Jills Inc

17 May 2022



Per: B. Deschamps
Director / Partner
Professional Accountant

3 Lanzerac Crescent
Vredeloof
Brackenfell
7560

Directors:

Bronwyn Deschamps, Professional Accountant (SA), SAIPA Practising No. 24260, *B Acc; B Compt (Hons)*
Lelanie Theron, Professional Accountant (SA), SAIPA Practising No. 24435, *B Compt*

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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 1.

The annual financial statements as set out on pages 5 to 11 were approved by the management committee on 17 May 2022 and were signed on its behalf by:



M De Andrade Pissarra



BR Hlongwane

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Management's Report

The management committee present their report for the year ended 28 February 2022.

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.

The management have given due consideration to the potential impact of the COVID-19 pandemic on the organisation's ability to continue as a going concern. The management believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the management are of the view that the organisation has sufficient resources to continue as a going concern.

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.

Impact of COVID-19

Since 31 December 2019, the spread of the COVID-19 virus has severely impacted most economies around the globe. In any 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 closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic lockdown. Global stock markets have also experienced great volatility and a significant weakening. Government and the South African Reserve Bank have responded with monetary and fiscal interventions to stabilise economic conditions.

The management have determined that these events are non-adjusting events. Accordingly, the financial position and results of operations for the year ended 29 February 2020 have not been adjusted to reflect the impact. The duration and impact of the COVID-19 pandemic, as well the effectiveness of Government and The South African Reserve Bank responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial performance and financial position of the organisation for future periods. The management are not aware of any other material event which occurred after the reporting date and up to the date of this report.

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 year under review.

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Management's Report

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.

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
CC Bezuidenhout
BR Hlongwane
GO Valley
L van Robbroeck
MN Makhubu

9. Secretary

The organisation's designated secretary is NC Vincent.

10. Compilers

Number Jills Inc were the compilers for the year under review.

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Financial Statements for the year ended 28 February 2022

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	13	13
Current Assets			
Cash and cash equivalents	4	165,093	145,398
Total Assets		165,106	145,411
Reserves and Liabilities			
Reserves			
(Accumulated loss)/ retained earnings		(104,715)	125,029
Current Liabilities			
Trade and other payables	5	269,821	20,382
Total Reserves and Liabilities		165,106	145,411

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Statement of Comprehensive Income

Figures in R	Note	2022	2021
Revenue		512,832	750,600
Operating costs		(745,531)	(837,283)
Operating deficit		(232,699)	(86,683)
Finance income	6	2,955	3,926
Deficit for the year		(229,744)	(82,757)
Retained income at 1 March 2021		125,029	207,786
Deficit for the year		(229,744)	(82,757)
Accumulated loss at 28 February 2022		(104,715)	125,029

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Statement of Changes in Reserves

Figures in R	Accumulated deficit	Total
Balance at 1 March 2020	207,786	207,786
Total comprehensive income for the year		
Deficit for the year	(82,757)	(82,757)
Total comprehensive income for the year	(82,757)	(82,757)
Balance at 28 February 2021	125,029	125,029
Balance at 1 March 2021	125,029	125,029
Total comprehensive income for the year		
Deficit for the year	(229,744)	(229,744)
Total comprehensive income for the year	(229,744)	(229,744)
Balance at 28 February 2022	(104,715)	(104,715)

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Statement of Cash Flows

Figures in R	2022	2021
Cash flows from operating activities		
Deficit for the year	(229,744)	(82,757)
<i>Adjustments for:</i>		
Depreciation of Tangible assets	-	2,580
Investment income	(2,955)	(3,926)
Operating cash flow before working capital changes	(232,699)	(84,103)
<i>Working capital changes</i>		
Increase in trade and other payables	249,439	18,030
Cash generated by/(utilised in) operating activities	16,740	(66,073)
Investment income	2,955	3,926
Net cash from operating activities	19,695	(62,147)
Increase/(decrease) in cash and cash equivalents	19,695	(62,147)
Cash and cash equivalents at beginning of the year	145,398	207,545
Cash and cash equivalents at end of the year	165,093	145,398

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Financial Statements for the year ended 28 February 2022

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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Financial Statements for the year ended 28 February 2022

Accounting Policies

Summary of significant accounting policies continued...

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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Notes to the Annual Financial Statements

Figures in R

2022

2021

3. Property, plant and equipment

	Cost	Accumulated depreciation	2022 Carrying value	Cost	Accumulated depreciation	2021 Carrying value
<i>Owned assets</i>						
IT equipment	79,208	79,195	13	79,208	79,195	13

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2022 Carrying value at end of year
<i>Owned assets</i>					
IT equipment	13	-	-	-	13

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Owned assets</i>					
IT equipment	2,593	-	-	(2,580)	13

4. Cash and cash equivalents

Favourable cash balances

FNB Current account	2,519	860
FNB Call account	162,574	144,538
	<u>165,093</u>	<u>145,398</u>

5. Trade and other payables

Accrued liabilities	<u>269,821</u>	<u>20,382</u>
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6. Finance income

Interest income

Interest received	<u>2,955</u>	<u>3,926</u>
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7. Finance costs

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Financial Statements for the year ended 28 February 2022

Detailed Income Statement

Figures in R	2022	2021
Gross Revenue		
Book Sales	10,932	600
Fees received	1,900	-
National Arts Council - 10	100,000	400,000
National Arts Council - 11	400,000	250,000
National Research Foundation	-	100,000
	<u>512,832</u>	<u>750,600</u>
Other Income		
Investment income	2,955	3,926
	<u>2,955</u>	<u>3,926</u>
	<u>515,787</u>	<u>754,526</u>
Expenditure		
Accounting fees	17,263	40,494
Administration	773	7,500
Bank charges	3,556	3,464
Communications	14,611	3,705
Coordinator	81,889	129,000
Depreciation - Tangible assets	-	2,580
Designer	71,360	11,000
Editor Fees	93,889	141,009
Financial administration	60,568	43,968
IT Maintenance and Backup	2,515	5,280
Marketing	-	3,750
Photography	14,052	-
Printing and publishing	242,112	21,360
Printing and stationery	-	1,118
Repairs and maintenance	-	255
Research Fees	104,963	190,747
Staff welfare	-	60
Travel - local	-	240
Videography and editing	-	3,250
Web Maintenance and Development	25,980	27,253
Writers Fees	12,000	201,250
	<u>745,531</u>	<u>837,283</u>
Deficit for the year	<u>(229,744)</u>	<u>(82,757)</u>