

AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

**Annual Financial Statements
for the year ended 28 February 2023**

Compiled Financial Statements

in compliance with Companies Act 71 of 2008

Prepared: Number Jills Inc

Position: Professional Accountants

AFRICA SOUTH ART INITIATIVE NPC

(Registration Number 2008/004687/08)

Annual Financial Statements for the year ended 28 February 2023

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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 2023, 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

19 June 2023



Per: B. Deschamps
Director / Partner
Professional Accountant

3 Lanzerac Crescent
Vredeklouf
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 19 June 2023 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 2023.

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 year under review.

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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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

BR Hlongwane

GO Valley

MN Makhubu

F Mauchan (Appointed 24 June 2022)

JJ Davy (Appointed 24 June 2022)

DE Ward (Resigned 29 July 2022)

CC Bezuidenhout (Resigned 29 July 2022)

L van Robbroeck (Resigned 29 July 2022)

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 2023

Statement of Financial Position

Figures in R	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	3	13	13
Current Assets			
Cash and cash equivalents	4	135,029	165,093
Total Assets		135,042	165,106
Reserves and Liabilities			
Reserves			
Accumulated loss		(94,428)	(104,715)
Current Liabilities			
Trade and other payables	5	229,470	269,821
Total Reserves and Liabilities		135,042	165,106

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Statement of Comprehensive Income

Figures in R	Note	2023	2022
Revenue		468,500	512,832
Cost of sales		(35,919)	-
Gross surplus		<u>432,581</u>	<u>512,832</u>
Operating costs		(428,650)	(745,531)
Operating surplus / (deficit)		<u>3,931</u>	<u>(232,699)</u>
Finance income	6	6,356	2,955
Surplus / (deficit) for the year		<u>10,287</u>	<u>(229,744)</u>
Accumulated loss at 1 March 2022		(104,715)	125,029
Surplus / (deficit) for the year		10,287	(229,744)
Accumulated loss at 28 February 2023		<u>(94,428)</u>	<u>(104,715)</u>

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Statement of Changes in Reserves

Figures in R	Accumulated deficit	Total
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)
Balance at 1 March 2022	(104,715)	(104,715)
Total comprehensive income for the year		
Surplus for the year	10,287	10,287
Total comprehensive income for the year	10,287	10,287
Balance at 28 February 2023	(94,428)	(94,428)

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Statement of Cash Flows

Figures in R	2023	2022
Cash flows from operating activities		
Surplus/(deficit) for the year	10,287	(229,744)
<i>Adjustments for:</i>		
Investment income	(6,356)	(2,955)
Operating cash flow before working capital changes	<u>3,931</u>	<u>(232,699)</u>
<i>Working capital changes</i>		
(Decrease)/increase in trade and other payables	(40,351)	249,439
Cash (utilised in)/generated by operating activities	<u>(36,420)</u>	<u>16,740</u>
Investment income	6,356	2,955
Net cash from operating activities	<u>(30,064)</u>	<u>19,695</u>
(Decrease)/increase in cash and cash equivalents	(30,064)	19,695
Cash and cash equivalents at beginning of the year	165,093	145,398
Cash and cash equivalents at end of the year	<u>135,029</u>	<u>165,093</u>

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Financial Statements for the year ended 28 February 2023

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 2023

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

2023

2022

3. Property, plant and equipment

	Cost	Accumulated depreciation	2023 Carrying value	Cost	Accumulated depreciation	2022 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	2023 Carrying value at end of year
<i>Owned assets</i>					
IT equipment	13	-	-	-	13

4. Cash and cash equivalents

Favourable cash balances

FNB Current account	4,826	2,519
FNB Call account	130,203	162,574
	<u>135,029</u>	<u>165,093</u>

5. Trade and other payables

Accrued liabilities	<u>229,470</u>	<u>269,821</u>
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6. Finance income

Interest income

Interest received	<u>6,356</u>	<u>2,955</u>
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Detailed Income Statement

Figures in R	2023	2022
Gross Revenue		
Book Sales	50,891	10,932
Fees received	1,000	1,900
National Arts Council - 10	-	100,000
National Arts Council - 11	100,000	400,000
National Arts Council - 12	210,000	-
Royalties received	66,609	-
WSOA	40,000	-
	<u>468,500</u>	<u>512,832</u>
Cost of Sales		
Art sale expenses	14,500	-
Book sale expenses	21,419	-
	<u>35,919</u>	<u>-</u>
Gross Profit	<u>432,581</u>	<u>512,832</u>
Other Income		
Investment income	6,356	2,955
	<u>6,356</u>	<u>2,955</u>
	<u>438,937</u>	<u>515,787</u>
Expenditure		
Accounting fees	15,420	17,263
Administration	-	773
Artists per Diems	44,400	-
Auditors remuneration	21,490	-
Bank charges	2,350	3,556
Book royalties	32,472	-
Communications	1,500	14,611
Coordinator	82,000	81,889
Curatorial	1,700	-
Designer	6,000	71,360
Editor Fees	40,413	93,889
Facilitator	25,800	-
Financial administration	57,359	60,568
IT Maintenance and Backup	1,900	2,515
Materials	40,353	-
Photography	10,000	14,052
Printing and publishing	2,000	242,112
Project management	12,804	-
Research Fees	-	104,963
Social media	3,000	-
Travel - local	14,347	-
Web Maintenance and Development	7,000	25,980
Workmans Compensation	1,342	-
Writers Fees	5,000	12,000
	<u>428,650</u>	<u>745,531</u>
Surplus / (deficit) for the year	<u>10,287</u>	<u>(229,744)</u>