

**AFRIKA BURNS CREATIVE PROJECTS
NON-PROFIT COMPANY
(REGISTRATION NUMBER 2007/020812/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

A.S. Pocock Inc.
Chartered Accountants (SA)
Registered Auditors
Issued 11 December 2017

Afrika Burns Creative Projects Non-Profit Company

(Registration number 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	A community based arts and culture development project
Directors	R.A. Weinek A.B. Wessels S.S. Bendzulla J.N. Savage A.S. Okunlola T.B. Lyle
Registered office	16th Floor, Main Tower Standard Bank Centre Heerengracht Cape Town 8000
Postal address	P.O. Box 191 Observatory 7935
Auditors	A.S. Pocock Inc. Chartered Accountants (SA) Registered Auditors
Company registration number	2007/020812/08
Tax reference number	9235/645/16/6
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: Pocock Accounting Services CC Registered Accountants
Issued	11 December 2017

Afrika Burns Creative Projects Non-Profit Company

(Registration number 2007/020812/08)

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 auditors are 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.

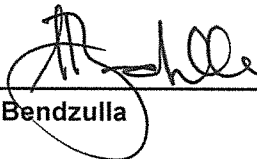
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards 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 31 July 2018 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 auditors are 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 auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 9 to 24, which have been prepared on the going concern basis, were approved by the board of directors on 11 December 2017 and were signed on its behalf by:



S.S. Bendzulla



Newlands

11 December 2017

A.S. POCOCK INC.

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS
(Registration number 2011/000541/21)

Independent Auditor's Report

To the members of Afrika Burns Creative Projects Non-Profit Company

Opinion

We have audited the annual financial statements of Afrika Burns Creative Projects Non-Profit Company set out on pages 9 to 20, which comprise the statement of financial position as at 31 July 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Afrika Burns Creative Projects Non-Profit Company as at 31 July 2017, 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 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are 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. We have fulfilled our 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

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

A.S. POCOCK INC.

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS
(Registration number 2011/000541/21)

Independent Auditor's Report

In connection with our audit of the annual financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work We have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 71 of 2008, 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

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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.

A.S. POCOCK INC.

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS
(Registration number 2011/000541/21)

Independent Auditor's Report

- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

A.S. Pocock Inc.

A.S. Pocock Inc.
Chartered Accountants (SA)
Registered Auditors

Per: C.L. Stieger
Director
Registered Auditor

11 December 2017
Newlands

Afrika Burns Creative Projects Non-Profit Company

(Registration number 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2017

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Afrika Burns Creative Projects Non-Profit Company for the year ended 31 July 2017.

1. Incorporation

The company was incorporated on 24 July 2007 and obtained its certificate to commence business on the same day.

2. Nature of business

Afrika Burns Creative Projects Non-Profit Company was incorporated in South Africa with interests in a community based arts and culture development project. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. 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.

4. 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.

5. 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.

6. Directors

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

Directors	Nationality	Changes
R.A. Weinek	South African	
A.B. Wessels	South African	Appointed 01 November 2016
S.S. Bendzulla	South African	
P.F. Grose	South African	Resigned 30 June 2017
J.N. Savage	South African	
A.S. Okunlola	British	
T.B. Lyle	South African	Appointed 01 November 2016

Afrika Burns Creative Projects Non-Profit Company

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Directors' Report

7. Secretary

The company had no secretary during the year.

8. Auditors

A.S. Pocock Inc. will continue in office as auditors for the company for 2018.

Afrika Burns Creative Projects Non-Profit Company

(Registration number 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2017

Statement of Financial Position as at 31 July 2017

	Note(s)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 328 161	606 912
Other financial assets	3	218 428	-
Deferred tax	4	39 015	43 137
		<u>1 585 604</u>	<u>650 049</u>
Current Assets			
Trade and other receivables	5	113 843	295 538
Current tax receivable		278 563	58 904
Cash and cash equivalents	6	6 378 417	5 394 781
		<u>6 770 823</u>	<u>5 749 223</u>
Total Assets		<u>8 356 427</u>	<u>6 399 272</u>
Equity and Liabilities			
Equity			
Accumulated surplus		<u>7 674 288</u>	<u>6 139 866</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	682 139	259 406
Total Equity and Liabilities		<u>8 356 427</u>	<u>6 399 272</u>

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Statement of Comprehensive Income

	Note(s)	2017 R	2016 R
Event revenue	8	18 639 110	12 570 187
Event expenses		(6 769 626)	(5 230 745)
Gross surplus		11 869 484	7 339 442
Other income		483 683	258 753
Operating expenses		(9 286 472)	(5 065 754)
Donor income		124 059	1 521 501
Operating surplus	9	3 190 754	4 053 942
Investment revenue	10	362 771	284 600
Project costs	11	(1 355 544)	(1 793 058)
Finance costs	12	-	(16 427)
Surplus before taxation		2 197 981	2 529 057
Taxation	13	(663 559)	(643 919)
Surplus for the year		1 534 422	1 885 138
Other comprehensive income		-	-
Total comprehensive income for the year		1 534 422	1 885 138

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Annual Financial Statements for the year ended 31 July 2017

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 August 2015	4 254 728	4 254 728
Surplus for the year	1 885 138	1 885 138
Other comprehensive income	-	-
Total comprehensive income for the year	1 885 138	1 885 138
Balance at 01 August 2016	6 139 866	6 139 866
Surplus for the year	1 534 422	1 534 422
Other comprehensive income	-	-
Total comprehensive income for the year	1 534 422	1 534 422
Balance at 31 July 2017	7 674 288	7 674 288

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Annual Financial Statements for the year ended 31 July 2017

Statement of Cash Flows

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash receipts from customers		19 428 547	14 252 471
Cash paid to suppliers and employees		(16 744 957)	(11 725 031)
Cash generated from operations	15	2 683 590	2 527 440
Interest income		362 771	284 600
Finance costs		-	(16 427)
Tax paid	16	(879 096)	(812 450)
Net cash from operating activities		2 167 265	1 983 163
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(965 201)	(328 937)
Purchase of financial assets		(218 428)	-
Net cash from investing activities		(1 183 629)	(328 937)
Total cash movement for the year		983 636	1 654 226
Cash at the beginning of the year		5 394 781	3 740 555
Total cash at end of the year	6	6 378 417	5 394 781

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Annual Financial Statements for the year ended 31 July 2017

Accounting Policies

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 71 of 2008. 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

1.2 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Equipment	Straight line	6 years
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

1.3 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.

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Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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

Commitments to receive a loan 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, are measured at fair value through profit and loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Tax expenses

The tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Accounting Policies

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset 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.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.8 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.

1.9 Borrowing costs

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

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Notes to the Annual Financial Statements

	2017	2016
	R	R

2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Equipment	1 402 622	(408 624)	993 998	656 843	(242 435)	414 408
Furniture and fixtures	42 685	(15 873)	26 812	42 685	(8 757)	33 928
IT equipment	76 778	(52 351)	24 427	55 426	(32 228)	23 198
Motor vehicles	382 270	(100 505)	281 765	184 200	(50 460)	133 740
Office equipment	2 397	(1 238)	1 159	2 397	(759)	1 638
Total	1 906 752	(578 591)	1 328 161	941 551	(334 639)	606 912

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Equipment	414 408	745 779	(166 189)	993 998
Furniture and fixtures	33 928	-	(7 116)	26 812
IT equipment	23 198	21 352	(20 123)	24 427
Motor vehicles	133 740	198 070	(50 045)	281 765
Office equipment	1 638	-	(479)	1 159
	606 912	965 201	(243 952)	1 328 161

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Equipment	322 091	174 536	(82 219)	414 408
Furniture and fixtures	19 487	19 401	(4 960)	33 928
IT equipment	41 379	-	(18 181)	23 198
Motor vehicles	33 330	135 000	(34 590)	133 740
Office equipment	2 117	-	(479)	1 638
	418 404	328 937	(140 429)	606 912

3. Other financial assets

At amortised cost

S. O'Callaghan	218 428	-
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Investment in the printing and publication of the book entitled "Burn". The repayment will be made in two tranches, 30 days after the sale of the 1200th and the 1800th standard copies.

Non-current assets

At amortised cost	218 428	-
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Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
4. Deferred tax		
Deferred tax asset		
Provision for leave pay	39 015	43 137
Reconciliation of deferred tax asset		
At beginning of year	43 137	-
(Taxable) deductible temporary difference on provision for leave pay	(4 122)	43 137
	39 015	43 137
5. Trade and other receivables		
Trade receivables	2 280	-
VAT	109 871	295 538
Sundry receivable	1 692	-
	113 843	295 538
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	12 204	198
Bank balances	69 485	129 550
Short-term deposits	6 296 728	5 265 033
	6 378 417	5 394 781
7. Trade and other payables		
Trade payables	6	1 714
Accrued payroll expenses	153 830	38 944
Accrued expenses	388 962	64 687
Provision for leave pay	139 341	154 061
	682 139	259 406
8. Event revenue		
Ticket collections	18 639 110	12 570 187
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	194 646	157 794

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
9. Operating surplus (continued)		
Depreciation on property, plant and equipment	243 952	140 429
Employee costs	5 291 013	3 393 886
10. Investment revenue		
Interest revenue		
Bank	362 771	284 600
11. Project costs		
Burner exchange program	72 946	121 960
Creative grants	696 290	575 180
Development projects	-	761 848
Outreach	586 308	334 070
	1 355 544	1 793 058
12. Finance costs		
Penalties and interest - SARS	-	16 427
13. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	659 437	687 056
Deferred		
Originating and reversing temporary differences	4 122	(43 137)
	663 559	643 919
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	2 197 981	2 529 057
Tax at the applicable tax rate of 28% (2016: 28%)	615 435	708 136
Tax effect of adjustments on taxable income		
Disallowable charges	52 299	217 917
Exempt income	(4 175)	(282 134)
	663 559	643 919

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Annual Financial Statements for the year ended 31 July 2017

Notes to the Annual Financial Statements

	2017 R	2016 R	
14. Auditor's remuneration			
Fees	71 415	81 680	
15. Cash generated from operations			
Surplus before taxation	2 197 981	2 529 057	
Adjustments for:			
Depreciation and amortisation	243 952	140 429	
Interest received	(362 771)	(284 600)	
Finance costs	-	16 427	
Other non-cash item	-	2	
Changes in working capital:			
Trade and other receivables	181 695	(97 972)	
Trade and other payables	422 733	224 097	
	2 683 590	2 527 440	
16. Tax paid			
Balance at beginning of the year	58 904	(66 490)	
Current tax for the year recognised in profit (loss)	(659 437)	(687 056)	
Balance at end of the year	(278 563)	(58 904)	
	(879 096)	(812 450)	
17. Directors' remuneration			
Executive			
2017			
	Emoluments	Directors' fees	Total
R.A. Weinek	367 164	80 360	447 524
A.B. Wessels	-	94 154	94 154
S.S. Bendzulla	-	447 524	447 524
P.F. Grose	48 755	43 890	92 645
J.N. Savage	345 360	78 052	423 412
A.S. Okunlola	25 200	112 964	138 164
T.B. Lyle	358 966	57 788	416 754
	1 145 445	914 732	2 060 177

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Annual Financial Statements for the year ended 31 July 2017

Notes to the Annual Financial Statements

	2017	2016	
	R	R	
17. Directors' remuneration (continued)			
2016			
	Emoluments	Directors' fees	Total
R.A. Weinek	235 802	90 288	326 090
E.A.T. Linsell	14 630	6 270	20 900
M.A. Schiess	-	326 090	326 090
P.F. Grose	48 455	75 240	123 695
J.N. Savage	274 424	45 144	319 568
A.S. Okunlola	30 770	37 620	68 390
	604 081	580 652	1 184 733

18. Related parties

Relationships

Members of key management

S.S. Bendzulla
R.A. Weinek
J.N. Savage
A.S. Okunlola
A.B. Wessels
T.B. Lyle

19. Comparative figures

Certain comparative figures have been reclassified to enhance presentation.

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Annual Financial Statements for the year ended 31 July 2017

Statement of Financial Performance

	Note(s)	2017 R	2016 R
Event revenue			
Ticket collections		18 639 110	12 570 187
Event expenses			
Event production costs (Refer to page 23)		(6 769 626)	(5 230 745)
Gross surplus		11 869 484	7 339 442
Other income			
City of Cape Town funding		60 000	-
DAC funding		-	820 000
Donations received		14 910	187 621
Fund raising income		49 149	513 880
Interest received	10	362 771	284 600
Sundry income		483 683	258 753
		970 513	2 064 854
Expenses (Refer to page 22)		(9 286 472)	(5 065 754)
Operating surplus	9	3 553 525	4 338 542
Finance costs	12	-	(16 427)
Project costs		(1 355 544)	(1 793 058)
		(1 355 544)	(1 809 485)
Surplus before taxation		2 197 981	2 529 057
Taxation	13	(663 559)	(643 919)
Surplus for the year		1 534 422	1 885 138

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Statement of Financial Performance

	Note(s)	2017 R	2016 R
Operating expenses			
Accounting fees		(75 793)	(75 655)
Auditor's remuneration	14	(71 415)	(81 680)
Bad debts		(5 000)	-
Bank charges		(28 078)	(25 288)
Communication		(390 716)	(168 186)
Consulting and professional fees		(256 971)	(73 000)
Creative arts and artery		(97 498)	(30 380)
Depreciation, amortisation and impairments		(243 952)	(140 429)
Donations		(186 781)	-
Employee costs		(5 291 013)	(3 393 886)
General expenses		(315 079)	-
IT expenses		(359 961)	(109 485)
Insurance		(131 756)	(99 054)
Lease rentals on operating lease		(194 646)	(157 794)
Legal expenses		(46 806)	(42 232)
Motor vehicle expenses		(207 995)	-
Municipal expenses		(13 940)	(6 728)
Office expenses		(225 677)	(152 942)
Postage		(1 820)	(656)
Printing and stationery		(36 141)	(17 702)
Repairs and maintenance		(309 751)	(102 270)
Security		(5 980)	-
Staff welfare		(410 795)	(211 473)
Subscriptions		-	(100)
Sundry small assets		(6 818)	(525)
Tech grants		(8 750)	-
Telephone and fax		(34 884)	(35 495)
Theme camps		(551)	-
Training		(59 759)	(30 000)
Transport and freight		(135 100)	(18 681)
Workyard expenses		(133 046)	(92 113)
		(9 286 472)	(5 065 754)

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Events Production Cost Statement

	2017 R	2016 R
Events production expenses		
Consumables	1 413 184	1 166 325
Firefighters fees	244 004	160 480
Gate and ticketing expenses	166 586	100 536
General expenses	155 499	63 472
Hire of equipment	678 907	409 901
Kitchen expenses	195 121	47 193
Lighting costs	-	5 263
Loose tools	-	12 303
Medical expenses	605 256	423 008
Off-centre camp	44 774	17 079
Petrol, gas and oil	130 618	117 624
Security	385 580	232 730
Signage	9 878	11 612
Special events	299 964	741 164
Stipends	416 448	232 700
Subsistence costs	37 059	96 000
Ticketing fees	958 641	653 551
Transport costs	415 983	348 063
Venue hire	566 025	381 182
Volunteer expenses	46 099	10 559
	6 769 626	5 230 745
Events production costs statement for the year	6 769 626	5 230 745

Afrika Burns Creative Projects Non-Profit Company

(Taxpayer reference number 9235/645/16/6)

(Registration number 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2017

Tax Computation

	2017 R
Net profit per income statement	2 197 981
Permanent differences (Non-deductible/Non taxable items)	
Donations	186 781
Donations received	(14 910)
	<u>171 871</u>
Temporary differences	
Depreciation according to financial statements	243 952
Wear and tear allowance - (s 11(e))	(243 952)
Provision for leave pay not deductible current year	139 341
Provision for leave pay previously raised	(154 061)
	<u>(14 720)</u>
Taxable income for 2017	<u>2 355 132</u>
Tax thereon @ 28% in the Rand	<u>659 437</u>
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(58 904)
Amount refunded/(paid) in respect of prior year	58 904
Amount owing/(prepaid) in respect of prior year	<u>-</u>
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	659 437
1st provisional payment	(343 528)
2nd provisional payment	(594 472)
	<u>(278 563)</u>
Amount owing/(prepaid) at the end of year	<u>(278 563)</u>

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2017

Supplementary Information

1. Segmented Statement of Financial Performance

	2017	2016
	R	R
Event revenue	18 639 110	12 570 187
Donor income	124 059	1 521 501
Other income	483 683	258 753
Investment income	362 771	284 600
Gross income	19 609 623	14 635 041
Operating expenses	(9 286 472)	(5 065 754)
Project expenses		
- Burner exchange program	(72 946)	(121 960)
- Creative grants	(696 290)	(575 180)
- Development projects	-	(761 848)
- Events production costs	(6 769 626)	(5 230 745)
- Outreach	(586 308)	(334 070)
Operating surplus	2 197 981	2 545 484
Finance costs	-	(16 427)
Surplus before taxation	2 197 981	2 529 057
Taxation	(663 559)	(643 919)
Surplus for the year	1 534 422	1 885 138