

**AFRIKA BURNS CREATIVE PROJECTS
NON-PROFIT COMPANY
(REGISTRATION NUMBER 2007/020812/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

A.S. Pocock Inc.
Chartered Accountants (SA)
Registered Auditors
Issued 29 November 2018

Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2018

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 L. Tanner A.J. Case M.A. Schiess
Registered office	16th Floor, Main Tower Standard Bank Centre Heerengracht Cape Town 8001
Business address	8 Junction Road Salt River Cape Town 7925
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	29 November 2018

Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2018

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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.

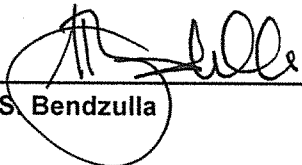
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards 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.

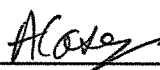
The directors have reviewed the company's cash flow forecast for the year to 31 July 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 6 to 8.

The annual financial statements set out on pages 9 to 26, which have been prepared on the going concern basis, were approved by the board of directors on 29 November 2018 and were signed by:



S.S. Bendzulla



A.J. Case

Kenilworth

29 November 2018

Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2018

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 2018.

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.

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Directors' 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	
S.S. Bendzulla	South African	
J.N. Savage	South African	Resigned 31 January 2018
A.S. Okunlola	British	Resigned 31 January 2018
T.B. Lyle	South African	Resigned 28 February 2018
L. Tanner	British	Appointed 01 March 2018
A.J. Case	South African	Appointed 01 March 2018
M.A. Schiess	South African	Appointed 01 March 2018

7. Secretary

The company has no secretary.

8. Auditors

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

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 21, which comprise the statement of financial position as at 31 July 2018, 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 2018, 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**

**29 November 2018
Kenilworth**

Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2018

Statement of Financial Position as at 31 July 2018

	Note(s)	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 441 455	1 328 161
Other financial assets	3	218 428	218 428
Deferred tax	4	47 338	39 015
		<u>2 707 221</u>	<u>1 585 604</u>
Current Assets			
Trade and other receivables	5	206 916	113 843
Current tax receivable		215 013	278 563
Cash and cash equivalents	6	5 460 545	6 378 417
		<u>5 882 474</u>	<u>6 770 823</u>
Total Assets		<u>8 589 695</u>	<u>8 356 427</u>
Equity and Liabilities			
Equity			
Accumulated surplus		<u>8 222 405</u>	<u>7 674 287</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	367 290	682 140
Total Equity and Liabilities		<u>8 589 695</u>	<u>8 356 427</u>

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Annual Financial Statements for the year ended 31 July 2018

Statement of Comprehensive Income

	Note(s)	2018 R	2017 R
Event revenue	8	17 190 020	18 639 110
Event expenses		(7 075 948)	(7 137 349)
Gross surplus		10 114 072	11 501 761
Other income		450 976	483 683
Operating expenses		(9 876 628)	(8 710 755)
Donor income		1 229 376	124 059
Operating surplus	9	1 917 796	3 398 748
Investment revenue	10	329 497	362 771
Project costs	11	(1 502 510)	(1 563 539)
Surplus before taxation		744 783	2 197 980
Taxation	12	(196 665)	(663 559)
Surplus for the year		548 118	1 534 421
Other comprehensive income		-	-
Total comprehensive income for the year		548 118	1 534 421

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Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 August 2016	6 139 866	6 139 866
Surplus for the year	1 534 421	1 534 421
Other comprehensive income	-	-
Total comprehensive income for the year	1 534 421	1 534 421
Balance at 01 August 2017	7 674 287	7 674 287
Surplus for the year	548 118	548 118
Other comprehensive income	-	-
Total comprehensive income for the year	548 118	548 118
Balance at 31 July 2018	8 222 405	8 222 405

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Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash receipts from customers		18 777 299	19 428 547
Cash paid to suppliers and employees		(18 306 424)	(16 744 957)
Cash generated from operations	14	470 875	2 683 590
Interest income		329 497	362 771
Tax paid	15	(141 437)	(879 096)
Net cash from operating activities		658 935	2 167 265
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 576 807)	(965 201)
Purchase of financial assets		-	(218 428)
Net cash from investing activities		(1 576 807)	(1 183 629)
Total cash movement for the year		(917 872)	983 636
Cash at the beginning of the year		6 378 417	5 394 781
Total cash at end of the year	6	5 460 545	6 378 417

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2018

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 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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and 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:

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

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.

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Annual Financial Statements for the year ended 31 July 2018

Accounting Policies

1.2 Property, plant and equipment (continued)

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.

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.

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

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.

1.4 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.

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Accounting Policies

1.4 Tax (continued)

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

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.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

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.

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.

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Accounting Policies

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 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
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2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Equipment	2 653 728	(736 790)	1 916 938	1 402 622	(408 624)	993 998
Furniture and fixtures	42 685	(22 988)	19 697	42 685	(15 873)	26 812
IT equipment	76 778	(64 694)	12 084	76 778	(52 351)	24 427
Motor vehicles	707 972	(215 915)	492 057	382 270	(100 505)	281 765
Office equipment	2 397	(1 718)	679	2 397	(1 238)	1 159
Total	3 483 560	(1 042 105)	2 441 455	1 906 752	(578 591)	1 328 161

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Equipment	993 998	1 251 105	(328 165)	1 916 938
Furniture and fixtures	26 812	-	(7 115)	19 697
IT equipment	24 427	-	(12 343)	12 084
Motor vehicles	281 765	325 702	(115 410)	492 057
Office equipment	1 159	-	(480)	679
	1 328 161	1 576 807	(463 513)	2 441 455

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
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

3. Other financial assets

At amortised cost

S. O'Callaghan	218 428	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	218 428
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Afrika Burns Creative Projects Non-Profit Company

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Notes to the Annual Financial Statements

	2018 R	2017 R
4. Deferred tax		
The major components of the deferred tax balance are as follows:		
Deferred tax asset		
Arising as a result of temporary differences on:		
Provision for leave pay	47 338	39 015
Reconciliation of deferred tax asset		
At beginning of year	39 015	43 137
Recognised in profit or loss:		
Movement in temporary differences on provision for leave pay	8 322	(4 122)
At end of year	47 338	39 015
5. Trade and other receivables		
Trade receivables	-	2 280
Deposits	102 476	-
VAT	104 440	109 871
Sundry receivable	-	1 692
	206 916	113 843
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	6 478	12 204
Bank balances	209 230	69 485
Short-term deposits	5 244 837	6 296 728
	5 460 545	6 378 417
7. Trade and other payables		
Trade payables	3 038	7
Accrued payroll expenses	140 920	153 830
Accrued expenses	54 269	388 962
Provision for leave pay	169 063	139 341
	367 290	682 140
8. Event revenue		
Ticket collections	17 190 020	18 639 110

Afrika Burns Creative Projects Non-Profit Company

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Notes to the Annual Financial Statements

	2018 R	2017 R
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	352 417	194 646
Depreciation on property, plant and equipment	463 513	243 952
Employee costs	6 429 256	5 291 013
10. Investment revenue		
Interest revenue		
Bank	329 354	362 771
SARS	143	-
	329 497	362 771
11. Project costs		
Burner exchange program	2 596	72 946
Creative development projects	115 058	-
Creative grants	1 106 090	904 285
Outreach	278 766	586 308
	1 502 510	1 563 539
12. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	204 987	659 437
Deferred taxation		
South African deferred tax - current year	(8 322)	4 122
	196 665	663 559
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	744 783	2 197 980
Tax at the applicable tax rate of 28% (2017: 28%)	208 539	615 434

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Annual Financial Statements for the year ended 31 July 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
12. Taxation (continued)		
Tax effect of adjustments on taxable income		
Exempt income		
Donations received	(11 874)	(4 174)
	<u>(11 874)</u>	<u>(4 174)</u>
Non-deductible expenses		
Donations	-	52 299
	-	<u>52 299</u>
	<u>196 665</u>	<u>663 559</u>
13. Auditor's remuneration		
Fees	74 655	71 415
	<u>74 655</u>	<u>71 415</u>
14. Cash generated from operations		
Surplus before taxation	744 783	2 197 980
Adjustments for:		
Depreciation and amortisation	463 513	243 952
Interest received	(329 497)	(362 771)
Other non-cash item	(1)	1
Changes in working capital:		
Trade and other receivables	(93 073)	181 695
Trade and other payables	(314 850)	422 733
	<u>470 875</u>	<u>2 683 590</u>
15. Tax paid		
Balance at beginning of the year	278 563	58 904
Current tax for the year recognised in profit (loss)	(204 987)	(659 437)
Balance at end of the year	(215 013)	(278 563)
	<u>(141 437)</u>	<u>(879 096)</u>
16. Related parties		
Relationships		
Members of key management	R.A. Weinek A.B. Wessels S.S. Bendzulla L. Tanner A.J. Case M.A. Schiess	
Compensation paid to key management		
Short-term employee benefits	2 011 902	2 060 177
	<u>2 011 902</u>	<u>2 060 177</u>

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2018

Notes to the Annual Financial Statements

	2018 R	2017 R
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17. Directors' remuneration

Executive

2018

	Emoluments	Directors' fees	Total
R.A. Weinek	368 121	139 906	508 027
A.B. Wessels	-	132 587	132 587
S.S. Bendzulla	-	508 027	508 027
J.N. Savage	25 000	23 307	48 307
A.S. Okunlola	3 000	28 038	31 038
T.B. Lyle	207 129	77 538	284 667
L. Tanner	106 067	49 686	155 753
A.J. Case	66 066	54 070	120 136
M.A. Schiess	164 559	58 801	223 360
	939 942	1 071 960	2 011 902

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

18. Comparative figures

Certain comparative figures have been reclassified to enhance presentation.

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2018

Statement of Financial Performance

	Note(s)	2018 R	2017 R
Event revenue			
Ticket collections		17 190 020	18 639 110
Event expenses			
Event production costs (Refer to page 24)		(7 075 948)	(7 137 349)
Gross surplus		10 114 072	11 501 761
Other income			
City of Cape Town funding		-	60 000
DAC funding		80 000	-
Donations received		42 410	14 910
Fund raising income		306 966	49 149
National Lotteries Commission funding		800 000	-
Recoveries		5 000	-
Interest received	10	329 497	362 771
Sundry income		445 976	483 683
		2 009 849	970 513
Expenses (Refer to page 23)		(9 876 628)	(8 710 755)
Operating surplus		2 247 293	3 761 519
Project costs	11	(1 502 510)	(1 563 539)
Surplus before taxation		744 783	2 197 980
Taxation	12	(196 665)	(663 559)
Surplus for the year		548 118	1 534 421

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Annual Financial Statements for the year ended 31 July 2018

Statement of Financial Performance

	Note(s)	2018 R	2017 R
Operating expenses			
Accounting fees		(85 570)	(75 793)
Auditor's remuneration	13	(74 655)	(71 415)
Bad debts		-	(5 000)
Bank charges		(32 463)	(28 078)
Communication		(289 040)	(390 716)
Consulting and professional fees		(90 821)	(256 971)
Creative arts and artery		(23 257)	(97 498)
Depreciation, amortisation and impairments		(463 513)	(243 952)
Donations		-	(186 781)
Employee costs		(6 429 256)	(5 291 013)
General expenses		-	(268 391)
IT expenses		(336 110)	(359 961)
Insurance		(458 612)	(131 756)
Lease rentals on operating lease		(352 417)	(194 646)
Legal expenses		(25 932)	(46 806)
Municipal expenses		(18 505)	(13 940)
Office expenses		(235 602)	(225 677)
Postage		(2 708)	(1 820)
Printing and stationery		(42 513)	(36 141)
Repairs and maintenance		(432 873)	(309 751)
Security		(72 113)	(5 980)
Staff welfare		(114 027)	(90 312)
Subscriptions		(1 250)	-
Sundry small assets		(5 409)	(6 818)
Tech grants		-	(8 750)
Telephone and fax		(39 772)	(34 884)
Training		(32 396)	(59 759)
Transport and freight		(115 470)	(135 100)
Workyard expenses		(102 344)	(133 046)
		(9 876 628)	(8 710 755)

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Annual Financial Statements for the year ended 31 July 2018

Events Production Cost Statement

	2018 R	2017 R
Events production expenses		
Consumables	1 415 592	1 413 184
Demarcation costs	5 891	46 689
Firefighters fees	230 600	244 004
Gate and ticketing expenses	157 763	166 586
General expenses	16 372	155 499
Hire of equipment	547 937	678 907
Kitchen expenses	180 358	195 121
Medical expenses	740 393	605 256
Mess food costs	442 746	320 483
Off-centre camp	21 606	44 774
Petrol, gas and oil	191 102	130 618
Security	418 805	385 580
Signage	82 245	9 878
Special events	390 899	299 964
Stipends	199 177	416 448
Subsistence costs	42 622	37 059
Theme camps	955	551
Ticketing fees	809 109	958 641
Transport costs	596 368	415 983
Venue hire	548 590	566 025
Volunteer expenses	36 818	46 099
	7 075 948	7 137 349
Events production costs statement for the year	7 075 948	7 137 349

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 2018

Tax Computation

	2018 R
Net profit per income statement	744 783
Permanent differences (Non-deductible/Non taxable items)	
Donations received	(42 410)
Temporary differences	
Depreciation according to financial statements	463 513
Wear and tear allowance (s11(e))	(463 513)
Provision for leave pay not deductible current year	169 063
Provision for leave pay previously raised	(139 341)
	29 722
Taxable income for 2018	732 095
Tax thereon @ 28% in the Rand	204 987
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(278 563)
Prior year adjustment	(143)
Amount refunded/(paid) in respect of prior year	278 706
Amount owing/(prepaid) in respect of prior year	-
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	204 987
1st provisional payment	(329 718)
2nd provisional payment	(90 282)
	(215 013)
Amount owing/(prepaid) at the end of year	(215 013)

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2018

Supplementary Information

1. Segmented Statement of Financial Performance

	2018	2017
	R	R
Event revenue	17 190 020	18 639 110
Donor income	1 229 376	124 059
Other income	450 976	483 683
Investment income	329 497	362 771
Gross income	19 199 869	19 609 623
Operating expenses	(9 876 628)	(8 710 754)
Project expenses		
- Events production costs	(7 075 948)	(7 137 349)
- Burner exchange program	(2 596)	(72 946)
- Creative development projects	-	-
- Creative grants	(1 106 090)	(904 285)
- Outreach	(278 766)	(586 308)
Surplus before taxation	744 783	2 197 981
Taxation	(196 665)	(663 559)
Surplus for the year	548 118	1 534 422