

**AFRIKA BURNS CREATIVE PROJECTS
NON-PROFIT COMPANY
(REGISTRATION NUMBER 2007/020812/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

A.S. Pocock Inc.
Chartered Accountants (SA)
Registered Auditors
Issued 08 January 2020

Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2019

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 S.S. Bendzulla L. Tanner A.J. Case M.A. Schiess
Registered office	8th Floor General Building 42 Burg Street 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	08 January 2020

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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 2020 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 27, which have been prepared on the going concern basis, were approved by the board of directors on 08 January 2020 and were signed by:



R.A. Weinek



A.J. Case

Kenilworth

08 January 2020

Afrika Burns Creative Projects Non-Profit Company

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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 2019.

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	Resigned 27 October 2018
S.S. Bendzulla	South African	
L. Tanner	British	
A.J. Case	South African	
M.A. Schiess	South African	

7. Secretary

The company has no secretary.

Afrika Burns Creative Projects Non-Profit Company

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Directors' Report

8. Auditors

A.S. Pocock Inc. continued in office as auditors for the company for 2019.

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 22, which comprise the statement of financial position as at 31 July 2019, 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 2019, 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 and the Statement of Financial Performance 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.

A.S. POCOCK INC.

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

Independent Auditor's Report

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.

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 on the other information obtained prior to the date of this auditor's report, 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

08 January 2020
Kenilworth

Afrika Burns Creative Projects Non-Profit Company

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Statement of Financial Position as at 31 July 2019

	Note(s)	2019 R	2018 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 339 729	2 441 455
Other financial assets	3	218 428	218 428
Deferred tax	4	63 798	47 338
		<u>2 621 955</u>	<u>2 707 221</u>
Current Assets			
Trade and other receivables	5	179 762	206 916
Current tax receivable		206 218	215 013
Cash and cash equivalents	6	6 120 518	5 460 545
		<u>6 506 498</u>	<u>5 882 474</u>
Total Assets		<u>9 128 453</u>	<u>8 589 695</u>
Equity and Liabilities			
Equity			
Accumulated surplus		<u>8 720 046</u>	<u>8 222 405</u>
Liabilities			
Current Liabilities			
Trade and other payables	7	408 407	367 290
Total Equity and Liabilities		<u>9 128 453</u>	<u>8 589 695</u>

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Statement of Comprehensive Income

	Note(s)	2019 R	2018 R
Event revenue	8	20 895 762	17 190 020
Event expenses		(8 294 842)	(7 105 117)
Gross surplus		12 600 920	10 084 903
Other income		702 952	522 991
Operating expenses		(10 568 173)	(9 809 916)
Donor income		553 059	1 229 376
Operating surplus	9	3 288 758	2 027 354
Investment revenue	10	286 487	329 497
Project costs	11	(2 870 525)	(1 612 068)
Finance costs	12	(9 758)	-
Surplus before taxation		694 962	744 783
Taxation	13	(197 321)	(196 665)
Surplus for the year		497 641	548 118
Other comprehensive income		-	-
Total comprehensive income for the year		497 641	548 118

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Statement of Changes in Equity

	Accumulated surplus R	Total equity R
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 01 August 2018	8 222 405	8 222 405
Surplus for the year	497 641	497 641
Other comprehensive income	-	-
Total comprehensive income for the year	497 641	497 641
Balance at 31 July 2019	8 720 046	8 720 046

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Statement of Cash Flows

	Note(s)	2019 R	2018 R
Cash flows from operating activities			
Cash receipts from customers		22 153 926	18 777 299
Cash paid to suppliers and employees		(21 031 231)	(18 306 424)
Cash generated from operations	15	1 122 695	470 875
Interest income		286 487	329 497
Finance costs		(9 758)	-
Tax paid	16	(204 987)	(141 437)
Net cash from operating activities		1 194 437	658 935
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(534 464)	(1 576 807)
Total cash movement for the year		659 973	(917 872)
Cash at the beginning of the year		5 460 545	6 378 417
Total cash at end of the year	6	6 120 518	5 460 545

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Annual Financial Statements for the year ended 31 July 2019

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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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)

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 to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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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Annual Financial Statements for the year ended 31 July 2019

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 2019

Notes to the Annual Financial Statements

	2019	2018
	R	R

2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Equipment	2 977 883	(1 187 671)	1 790 212	2 653 728	(736 790)	1 916 938
Furniture and fixtures	42 685	(30 104)	12 581	42 685	(22 988)	19 697
IT equipment	86 602	(74 266)	12 336	76 778	(64 694)	12 084
Motor vehicles	908 457	(384 057)	524 400	707 972	(215 915)	492 057
Office equipment	2 397	(2 197)	200	2 397	(1 718)	679
Total	4 018 024	(1 678 295)	2 339 729	3 483 560	(1 042 105)	2 441 455

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Equipment	1 916 938	324 155	(450 881)	1 790 212
Furniture and fixtures	19 697	-	(7 116)	12 581
IT equipment	12 084	9 824	(9 572)	12 336
Motor vehicles	492 057	200 485	(168 142)	524 400
Office equipment	679	-	(479)	200
	2 441 455	534 464	(636 190)	2 339 729

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

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 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

	2019 R	2018 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	63 798	47 338
Reconciliation of deferred tax asset		
At beginning of year	47 338	39 016
Recognised in profit or loss:		
Movement in temporary differences on provision for leave pay	16 461	8 322
At end of year	63 799	47 338
5. Trade and other receivables		
Trade receivables	27 087	-
Deposits	116 876	102 476
VAT	35 799	104 440
	179 762	206 916
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	13 878	6 478
Bank balances	37 094	209 230
Short-term deposits	6 069 546	5 244 837
	6 120 518	5 460 545
7. Trade and other payables		
Trade payables	4 301	3 038
Accrued payroll expenses	96 955	140 920
Accrued expenses	60 516	54 269
Deposits received	18 784	-
Provision for leave pay	227 851	169 063
	408 407	367 290
8. Event revenue		
Ticket collections	20 895 762	17 190 020

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Notes to the Annual Financial Statements

	2019 R	2018 R
9. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	656 585	424 432
Depreciation on property, plant and equipment	636 190	463 513
Employee costs	6 867 900	6 429 256
10. Investment revenue		
Interest revenue		
Bank	286 169	329 354
SARS	318	143
	286 487	329 497
11. Project costs		
Anathi programme	329 543	-
Arts development grants	223 986	115 058
Blank canvas express	276 500	-
Burner exchange program	25 000	2 596
Creative grants	1 292 149	1 106 090
Outreach	-	278 766
Outreach community activities	47 591	-
Outreach community grants	108 000	-
Outreach education support	93 500	-
Regional project support	70 000	-
Streetopia Legacy	298 600	-
Streetopia Obs	105 656	109 558
	2 870 525	1 612 068
12. Finance costs		
Penalties and interest - SARS	9 758	-
13. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	213 782	204 987
Deferred taxation		
South African deferred tax - current year	(16 461)	(8 322)
	197 321	196 665

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
13. Taxation (continued)		
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	694 962	744 783
Tax at the applicable tax rate of 28% (2018: 28%)	194 589	208 539
Tax effect of adjustments on taxable income		
Exempt income		
Donations received	-	(11 874)
	-	(11 874)
Non-deductible expenses		
Penalties and interest - SARS	2 732	-
	2 732	-
	197 321	196 665
14. Auditor's remuneration		
Fees	67 340	74 655
15. Cash generated from operations		
Profit before taxation	694 962	744 783
Adjustments for:		
Depreciation and amortisation	636 190	463 513
Interest received	(286 487)	(329 497)
Finance costs	9 758	-
Other non-cash item	1	(5)
Changes in working capital:		
Trade and other receivables	27 154	(93 073)
Trade and other payables	41 117	(314 846)
	1 122 695	470 875
16. Tax paid		
Balance at beginning of the year	215 013	278 563
Current tax for the year recognised in profit or loss	(213 782)	(204 987)
Balance at end of the year	(206 218)	(215 013)
	(204 987)	(141 437)

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Notes to the Annual Financial Statements

	2019 R	2018 R
17. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	689 888	692 994
- in second to fifth year inclusive	1 881 014	2 570 902
	2 570 902	3 263 896

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of five years.

18. Related parties

Relationships

Members of key management

R.A. Weinek
S.S. Bendzulla
L. Tanner
A.J. Case
M.A. Schiess

Compensation paid to key management

Short-term employee benefits	2 380 526	2 011 902
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19. Directors' remuneration

Executive

2019

	Emoluments	Directors' fees	Total
R.A. Weinek	384 467	141 123	525 590
A.B. Wessels	88 279	56 273	144 552
M.A. Schiess	384 467	141 123	525 590
S.S. Bendzulla	7 481	518 109	525 590
L. Tanner	218 029	150 384	368 413
A.J. Case	149 668	141 123	290 791
	1 232 391	1 148 135	2 380 526

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2019

Notes to the Annual Financial Statements

	2019 R	2018 R	
19. Directors' remuneration (continued)			
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

20. Comparative figures

Certain comparative figures have been reclassified to enhance presentation.

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Annual Financial Statements for the year ended 31 July 2019

Statement of Financial Performance

	Note(s)	2019 R	2018 R
Event revenue			
Ticket collections		20 895 762	17 190 020
Event expenses			
Event production costs (Refer to page 25)		(8 294 842)	(7 105 117)
Gross surplus		12 600 920	10 084 903
Other income			
City of Cape Town funding		75 000	-
Donations received		25 000	42 410
Fund raising income		141 059	306 966
Interest received	10	286 487	329 497
NAC funding		120 000	80 000
National Lotteries Commission funding		217 000	800 000
Recoveries		-	5 000
Rental income		104 234	72 015
Sundry income		573 718	445 976
		1 542 498	2 081 864
Expenses (Refer to page 24)			
		(10 568 173)	(9 809 916)
Operating surplus	9	3 575 245	2 356 851
Finance costs	12	(9 758)	-
Project costs	11	(2 870 525)	(1 612 068)
		(2 880 283)	(1 612 068)
Surplus before taxation		694 962	744 783
Taxation	13	(197 321)	(196 665)
Surplus for the year		497 641	548 118

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2019

Statement of Financial Performance

	Note(s)	2019 R	2018 R
Operating expenses			
Accounting fees		(86 740)	(85 570)
Auditor's remuneration	14	(67 340)	(74 655)
Bank charges		(40 113)	(32 463)
Communication		(273 730)	(289 040)
Consulting and professional fees		(270 086)	(116 753)
Depreciation, amortisation and impairments		(636 190)	(463 513)
Employee costs		(6 867 900)	(6 429 256)
IT expenses		(326 203)	(336 110)
Insurance		(593 051)	(458 612)
Lease rentals on operating lease		(656 585)	(424 432)
Municipal expenses		(24 348)	(18 505)
Office expenses		(217 497)	(235 602)
Postage		(698)	(2 708)
Printing and stationery		(36 794)	(42 513)
Repairs and maintenance		(339 884)	(432 873)
Security		(6 613)	(72 113)
Staff welfare		(46 114)	(114 027)
Subscriptions		(500)	(1 250)
Sundry small assets		-	(5 409)
Telephone and fax		(24 768)	(39 772)
Training		(28 450)	(32 396)
Workyard expenses		(24 569)	(102 344)
		(10 568 173)	(9 809 916)

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Annual Financial Statements for the year ended 31 July 2019

Events Production Cost Statement

	2019 R	2018 R
Events production expenses		
Consumables	1 475 558	1 415 592
Demarcation costs	3 008	5 891
Firefighters fees	244 250	230 600
Gate and ticketing expenses	109 419	157 763
General expenses	13 762	16 372
Hire of equipment	540 268	547 937
Kitchen expenses	110 532	180 358
Medical expenses	1 055 688	740 393
Mess food costs	447 068	442 746
Off-centre camp	-	21 606
Petrol, gas and oil	77 170	191 102
Research and development	74 090	-
Security	458 485	418 805
Signage	30 626	82 245
Special events	105 619	281 341
Stipends	374 337	199 177
Subsistence costs	123 699	42 622
Theme camps	2 024	955
Ticketing fees	996 713	809 109
Transport costs	1 318 142	735 095
Venue hire	653 792	548 590
Volunteer expenses	80 592	36 818
	8 294 842	7 105 117
Events production costs for the year	8 294 842	7 105 117

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 2019

Tax Computation

	2019 R
Net profit per income statement	694 962
Permanent differences (Non-deductible/Non taxable items)	
Interest, penalties paid in respect of taxes (s23(d))	9 758
Temporary differences	
Depreciation according to financial statements	636 190
Wear and tear allowance (s11(e))	(636 190)
Provision for leave pay not deductible current year	227 851
Provision for leave pay previously raised	(169 063)
	58 788
Taxable income for 2019	763 508
Tax thereon @ 28% in the Rand	213 782
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(215 013)
Amount refunded/(paid) in respect of prior year	215 013
Amount owing/(prepaid) in respect of prior year	-
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	213 782
1st provisional payment	(102 493)
2nd provisional payment	(317 507)
	(206 218)
Amount owing/(prepaid) at the end of year	(206 218)

Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2019

Supplementary Information

1. Segmented Statement of Financial Performance

	2019 R	2018 R
Event revenue	20 895 762	17 190 020
Donor income	578 059	1 229 376
Other income	677 952	522 991
Investment income	286 487	329 497
Gross income	22 438 260	19 271 884
Operating expenses	(10 568 173)	(9 809 916)
Project expenses		
Event production costs	(8 294 842)	(7 105 117)
Burner exchange program	(25 000)	(2 596)
Arts development projects:		
- Anathi programme	(329 543)	-
- Arts development grants	(223 986)	(115 058)
- Blank canvas express	(276 500)	-
- Regional project support	(70 000)	-
- Streetopia Legacy	(298 600)	-
- Streetopia Obs	(105 656)	(109 558)
	(1 304 285)	(224 616)
Creative grants	(1 292 149)	(1 106 090)
Outreach:		
- Outreach community activities	(47 591)	(278 766)
- Outreach community grants	(108 000)	-
- Outreach education support	(93 500)	-
	(249 091)	(278 766)
Finance costs	(9 758)	-
Surplus before taxation	694 962	744 783
Taxation	(197 321)	(196 665)
Surplus for the year	497 641	548 118