

**AFRIKA BURNS CREATIVE PROJECTS  
NON-PROFIT COMPANY  
(REGISTRATION NUMBER 2007/020812/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

A.S. Pocock Inc.  
Chartered Accountants (SA)  
Registered Auditors  
Issued 30 November 2020

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	A community based arts and culture development project
<b>Directors</b>	L. Tanner A.B. Wessels R. Van Wyk N. Raubenheimer
<b>Registered office</b>	The Junction Hotel 8 Junction Road Salt River Cape Town 7925
<b>Business address</b>	8 Junction Road Salt River Cape Town 7925
<b>Postal address</b>	P.O. Box 191 Observatory 7935
<b>Auditors</b>	A.S. Pocock Inc. Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2007/020812/08
<b>Tax reference number</b>	9235/645/16/6
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: Pocock Accounting Services CC Registered Accountants
<b>Issued</b>	30 November 2020

# Afrika Burns Creative Projects Non-Profit Company

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# Afrika Burns Creative Projects Non-Profit Company

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## Directors' Responsibilities and Approval

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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 sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the 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 2021 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 30 November 2020 and were signed by:

  
L. Tanner

  
N. Raubenheimer

Kenilworth

30 November 2020

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

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## Directors' Report

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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 2020.

### 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 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.

Whilst COVID-19 has had a significant negative impact on the company's primary source of income during the current financial year, this has been mitigated by cost savings that will be carried through to subsequent years.

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 have considered the impact of COVID-19 and they believe that COVID-19 will have a material impact on the results or disclosures in the next years annual financial statements.

The directors are not aware of any other matter or circumstance arising since the end of the financial year and up to the approval date that have a material impact on the results or disclosures in these annual financial statements.

# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

## Directors' Report

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### 6. Directors

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

<b>Directors</b>	<b>Nationality</b>	<b>Changes</b>
L. Tanner	British	
A.B. Wessels	South African	Appointed 01 June 2020
R. Van Wyk	South African	Appointed 01 June 2020
N. Raubenheimer	South African	Appointed 01 June 2020
R.A. Weinek	South African	Resigned 31 May 2020
S.S. Bendzulla	South African	Resigned 02 February 2020
A.J. Case	South African	Resigned 31 May 2020
M.A. Schiess	South African	Resigned 31 May 2020

### 7. Secretary

The company has no secretary.

### 8. Auditors

A.S. Pocock Inc. continued in office as auditors for the company for 2020.

# A.S. POCOCK INC.

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

## Independent Auditor's Report

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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 2020, 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 2020, 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**

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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

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- 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

30 November 2020  
Kenilworth

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## Statement of Financial Position as at 31 July 2020

	Note(s)	2020 R	2019 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1 965 639	2 339 729
Other financial assets	3	218 428	218 428
Deferred tax	4	-	63 798
		<u>2 184 067</u>	<u>2 621 955</u>
<b>Current Assets</b>			
Trade and other receivables	5	454 652	179 762
Current tax receivable		106 418	206 218
Cash and cash equivalents	6	4 958 466	6 120 518
		<u>5 519 536</u>	<u>6 506 498</u>
<b>Total Assets</b>		<u>7 703 603</u>	<u>9 128 453</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		<u>7 341 869</u>	<u>8 720 046</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	361 734	408 407
<b>Total Equity and Liabilities</b>		<u>7 703 603</u>	<u>9 128 453</u>

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## Statement of Comprehensive Income

	Note(s)	2020 R	2019 R
Event revenue	8	10 985 366	20 895 762
Event expenses		(2 010 522)	(8 423 611)
<b>Gross surplus</b>		<b>8 974 844</b>	<b>12 472 151</b>
Other income		203 327	677 952
Operating expenses		(9 562 701)	(10 439 404)
Donor income		36 826	578 059
<b>Operating surplus</b>	9	<b>(347 704)</b>	<b>3 288 758</b>
Investment revenue	10	207 284	286 487
Project costs	11	(1 173 677)	(2 870 525)
Finance costs	12	(282)	(9 758)
<b>(Deficit) Surplus before taxation</b>		<b>(1 314 379)</b>	<b>694 962</b>
Taxation	13	(63 798)	(197 321)
<b>(Deficit) Surplus for the year</b>		<b>(1 378 177)</b>	<b>497 641</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(1 378 177)</b>	<b>497 641</b>

## Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

### Statement of Changes in Equity

	Accumulated surplus R	Total equity R
<b>Balance at 01 August 2018</b>	<b>8 222 405</b>	<b>8 222 405</b>
Surplus for the year	497 641	497 641
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>497 641</b>	<b>497 641</b>
<b>Balance at 01 August 2019</b>	<b>8 720 046</b>	<b>8 720 046</b>
Deficit for the year	(1 378 177)	(1 378 177)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(1 378 177)</b>	<b>(1 378 177)</b>
<b>Balance at 31 July 2020</b>	<b>7 341 869</b>	<b>7 341 869</b>

## Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

### Statement of Cash Flows

	Note(s)	2020 R	2019 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		10 950 629	22 153 926
Cash paid to suppliers and employees		<u>(12 116 086)</u>	<u>(21 031 231)</u>
Cash (used in) generated from operations	15	(1 165 457)	1 122 695
Interest income		207 284	286 487
Finance costs		(282)	(9 758)
Tax received (paid)	16	<u>99 800</u>	<u>(204 987)</u>
<b>Net cash from operating activities</b>		<b><u>(858 655)</u></b>	<b><u>1 194 437</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	<u>(303 397)</u>	<u>(534 464)</u>
<b>Total cash movement for the year</b>		<b>(1 162 052)</b>	<b>659 973</b>
Cash at the beginning of the year		<u>6 120 518</u>	<u>5 460 545</u>
<b>Total cash at end of the year</b>	6	<b><u>4 958 466</u></b>	<b><u>6 120 518</u></b>

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## Accounting Policies

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### 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:

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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.

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## Accounting Policies

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### 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.

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## Accounting Policies

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### 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.

The company has been approved as a Public Benefit Organisation in terms of Section 30 of the Income Tax Act in the current year.

The company is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.

Donations by or to the company are exempt from donations tax in terms of Section 56(1)(h) of the income Tax Act.

### 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 - lessor

Operating lease income is recognised as an income 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 receipt of payments is 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.

#### 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.



# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

## Accounting Policies

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### 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

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2020

### Notes to the Annual Financial Statements

	2020	2019
	R	R
<b>2. Property, plant and equipment</b>		
	2020	2019
	Cost	Accumulated depreciation
	Carrying value	Cost
	Accumulated depreciation	Carrying value
Equipment	3 281 280	(1 678 298)
Furniture and fixtures	42 685	(36 689)
IT equipment	86 602	(82 493)
Motor vehicles	908 457	(555 908)
Office equipment	2 397	(2 394)
<b>Total</b>	<b>4 321 421</b>	<b>(2 355 782)</b>

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Equipment	1 790 212	303 397	(490 627)	1 602 982
Furniture and fixtures	12 581	-	(6 585)	5 996
IT equipment	12 336	-	(8 227)	4 109
Motor vehicles	524 400	-	(171 851)	352 549
Office equipment	200	-	(197)	3
	<b>2 339 729</b>	<b>303 397</b>	<b>(677 487)</b>	<b>1 965 639</b>

#### 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
	<b>2 441 455</b>	<b>534 464</b>	<b>(636 190)</b>	<b>2 339 729</b>

### 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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## Notes to the Annual Financial Statements

	2020 R	2019 R
<b>4. Deferred tax</b>		
The major components of the deferred tax balance are as follows:		
<b>Deferred tax asset</b>		
<b>Arising as a result of temporary differences on:</b>		
Provision for leave pay	-	63 798
<b>Reconciliation of deferred tax asset</b>		
At beginning of year	63 798	47 338
<b>Recognised in profit or loss:</b>		
Movement in temporary differences on provision for leave pay	(63 798)	16 461
<b>At end of year</b>	<b>-</b>	<b>63 798</b>
<b>5. Trade and other receivables</b>		
Trade receivables	29 566	27 087
Deposits	404 196	116 876
VAT	20 890	35 799
	<b>454 652</b>	<b>179 762</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	1 000	13 878
Bank balances	86 059	37 094
Short-term deposits	4 871 407	6 069 546
	<b>4 958 466</b>	<b>6 120 518</b>
<b>7. Trade and other payables</b>		
Trade payables	378	4 301
Accrued payroll expenses	55 592	96 955
Accrued expenses	106 690	60 516
Deposits received	18 784	18 784
Provision for leave pay	180 290	227 851
	<b>361 734</b>	<b>408 407</b>
<b>8. Event revenue</b>		
Ticket collections	10 985 366	20 895 762

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## Notes to the Annual Financial Statements

	2020 R	2019 R
<b>9. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	491 261	651 916
Depreciation on property, plant and equipment	677 487	636 190
Employee costs	6 171 327	6 867 900
Research and development costs	202 727	74 090
<b>10. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	207 284	286 169
SARS	-	318
	<u>207 284</u>	<u>286 487</u>
<b>11. Project costs</b>		
Anathi programme	42 081	329 543
Arts development grants	-	223 986
Blank canvas express	4	276 500
Burner exchange program	-	25 000
Creative grants	924 140	1 292 149
Outreach community activities	80 113	47 591
Outreach community grants	-	108 000
Outreach education support	39 000	93 500
Regional project support	-	70 000
Streetopia Legacy	-	298 600
Streetopia Obs	88 339	105 656
	<u>1 173 677</u>	<u>2 870 525</u>
<b>12. Finance costs</b>		
Penalties and interest - SARS	282	9 758
<b>13. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
South African normal tax - current year	-	213 782
<b>Deferred taxation</b>		
South African deferred tax - current year	63 798	(16 461)
	<u>63 798</u>	<u>197 321</u>

## Afrika Burns Creative Projects Non-Profit Company

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### Notes to the Annual Financial Statements

	2020 R	2019 R
<b>13. Taxation (continued)</b>		
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting (loss) profit	(1 314 379)	694 962
Tax at the applicable tax rate of 28% (2019: 28%)	(368 026)	194 589
<b>Non-deductible expenses</b>		
Penalties and interest - SARS	-	2 732
	<u>-</u>	<u>2 732</u>
<b>Other</b>		
Derecognition of deferred tax assets	63 798	-
Section 10(1)(cN) exemption	368 026	-
	<u>431 824</u>	<u>-</u>
	<u>63 798</u>	<u>197 321</u>
No provision has been made for 2020 tax as the company is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.		
<b>14. Auditor's remuneration</b>		
Fees	<u>93 545</u>	<u>67 340</u>
<b>15. Cash (used in) generated from operations</b>		
(Loss) profit before taxation	(1 314 379)	694 962
<b>Adjustments for:</b>		
Depreciation and amortisation	677 487	636 190
Interest received	(207 284)	(286 487)
Finance costs	282	9 758
<b>Changes in working capital:</b>		
Trade and other receivables	(274 890)	27 154
Trade and other payables	(46 673)	41 118
	<u>(1 165 457)</u>	<u>1 122 695</u>
<b>16. Tax paid</b>		
Balance at beginning of the year	206 218	215 013
Current tax for the year recognised in loss	-	(213 782)
Balance at end of the year	<u>(106 418)</u>	<u>(206 218)</u>
	<u>99 800</u>	<u>(204 987)</u>

# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

## Notes to the Annual Financial Statements

	2020 R	2019 R
<b>17. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	741 629	689 888
- in second to fifth year inclusive	1 413 092	1 881 014
	<b>2 154 721</b>	<b>2 570 902</b>

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

L. Tanner  
A.B. Wessels  
R. Van Wyk  
N. Raubenheimer

## 19. Directors' remuneration

### Executive

#### 2020

	Emoluments	Directors' fees	Total
L. Tanner	185 369	275 420	460 789
R.A. Weinek	400 507	117 602	518 109
M.A. Schiess	400 507	117 602	518 109
S.S. Bendzulla	239 528	259 055	498 583
A.J. Case	174 950	117 602	292 552
	<b>1 400 861</b>	<b>887 281</b>	<b>2 288 142</b>

#### 2019

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

# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

## Notes to the Annual Financial Statements

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2020  
R

2019  
R

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### 20. 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 2020

## Statement of Financial Performance

	Note(s)	2020 R	2019 R
<b>Event revenue</b>			
Ticket collections		10 985 366	20 895 762
<b>Event expenses</b>			
Event production costs (Refer to page 25)		(2 010 522)	(8 423 611)
<b>Gross surplus</b>		<b>8 974 844</b>	<b>12 472 151</b>
<b>Other income</b>			
City of Cape Town funding		-	75 000
Department of stuff		522	-
Donations received		6 826	25 000
Fund raising income		-	141 059
Interest received	10	207 284	286 487
NAC funding		30 000	120 000
National Lotteries Commission funding		-	217 000
Online events		5 817	-
Rental income		79 015	104 234
Sundry income		117 973	573 718
		<b>447 437</b>	<b>1 542 498</b>
<b>Expenses (Refer to page 24)</b>		<b>(9 562 701)</b>	<b>(10 439 404)</b>
<b>Operating surplus</b>	9	<b>(140 420)</b>	<b>3 575 245</b>
Finance costs	12	(282)	(9 758)
Project costs	11	(1 173 677)	(2 870 525)
		<b>(1 173 959)</b>	<b>(2 880 283)</b>
<b>Surplus before taxation</b>		<b>(1 314 379)</b>	<b>694 962</b>
Taxation	13	(63 798)	(197 321)
<b>Surplus for the year</b>		<b>(1 378 177)</b>	<b>497 641</b>



# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

## Statement of Financial Performance

	Note(s)	2020 R	2019 R
<b>Operating expenses</b>			
Accounting fees		(72 000)	(86 740)
Auditor's remuneration	14	(93 545)	(67 340)
Bank charges		(27 981)	(40 113)
Communication		(80 852)	(273 730)
Consulting and professional fees		(577 156)	(270 086)
Depreciation, amortisation and impairments		(677 487)	(636 190)
Dept of stuff		(1 987)	-
Employee costs		(6 171 327)	(6 867 900)
Gifts		(16 000)	-
IT expenses		(175 183)	(326 203)
Insurance		(460 387)	(593 051)
Lease rentals on operating lease		(491 261)	(651 916)
Municipal expenses		(20 296)	(24 348)
Office expenses		(6 348)	(14 638)
Postage		(465)	(698)
Printing and stationery		(6 033)	(36 794)
Repairs and maintenance		(345 950)	(339 884)
Research and development costs		(202 727)	(74 090)
Security		(6 356)	(6 613)
Staff welfare		(43 066)	(46 114)
Subscriptions		-	(500)
Telephone and fax		(23 786)	(24 768)
Training		(22 256)	(28 450)
Workyard expenses		(40 252)	(29 238)
		<u>(9 562 701)</u>	<u>(10 439 404)</u>

## Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

### Events Production Cost Statement

	2020 R	2019 R
<b>Events production expenses</b>		
Consumables	402 684	1 529 192
Demarcation costs	-	3 008
EMS service providers	89 265	1 177 332
Firefighters fees	30 250	244 250
Gate and ticketing expenses	22 425	109 419
General expenses	9 500	13 762
Hire of equipment	11 001	540 268
Kitchen expenses	14 221	110 532
Mess food costs	12 758	447 068
Petrol, gas and oil	14 471	77 170
Security	124 281	458 485
Signage	-	30 626
Special events	3 995	105 619
Stipends	64 010	374 337
Subsistence costs	6 001	123 699
Theme camps	822	2 024
Ticketing fees	663 495	996 713
Transport costs	252 826	1 205 008
Venue hire	212 756	653 792
Volunteer expenses	75 761	221 307
	<b>2 010 522</b>	<b>8 423 611</b>
Events production costs for the year	<b>2 010 522</b>	<b>8 423 611</b>

# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2020

## Supplementary Information

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### 1. Segmented Statement of Financial Performance

	2020	2019
	R	R
Event income	10 985 366	20 895 762
Donor income	36 826	578 059
Other income	203 327	677 952
Investment income	<u>207 284</u>	<u>286 487</u>
<b>Gross income</b>	<b>11 432 803</b>	<b>22 438 260</b>
Operating expenses	(9 562 701)	(10 439 404)
<b>Project expenses</b>		
Event production costs	(2 010 522)	(8 423 611)
Burner exchange program	-	(25 000)
Arts development projects:		
- Anathi programme	(42 081)	(329 543)
- Arts development grants	-	(223 986)
- Blank canvas express	(4)	(276 500)
- Regional project support	-	(70 000)
- Streetopia Legacy	-	(298 600)
- Streetopia Obs	<u>(88 339)</u>	<u>(105 656)</u>
	(130 424)	(1 304 285)
Creative grants	(924 140)	(1 292 149)
Outreach:		
- Outreach community activities	(80 113)	(47 591)
- Outreach community grants	-	(108 000)
- Outreach education support	<u>(39 000)</u>	<u>(93 500)</u>
	(119 113)	(249 091)
Finance costs	<u>(282)</u>	<u>(9 758)</u>
<b>(Deficit) Surplus before taxation</b>	<b>(1 314 379)</b>	<b>694 962</b>
Taxation	(63 798)	(197 321)
<b>(Deficit) Surplus for the year</b>	<b><u>(1 378 177)</u></b>	<b><u>497 641</u></b>