

**AFRIKA BURNS CREATIVE PROJECTS  
NON-PROFIT COMPANY  
(REGISTRATION NUMBER 2007/020812/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

A.S. Pocock Inc.  
Chartered Accountants (SA)  
Registered Auditors  
Issued 03 March 2022

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## 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 R.A. Van Wyk N.J. Raubenheimer L. Zakwe R.H. Borland M. Phaswana
<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>	03 March 2022

# Afrika Burns Creative Projects Non-Profit Company

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# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2021

## 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.

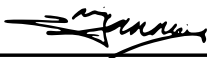
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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 2022 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 21, which have been prepared on the going concern basis, were approved by the board of directors on 03 March 2022 and were signed on its behalf by:



L. Tanner



M. Phaswana

Kenilworth

03 March 2022

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## 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 2021.

### 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.

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

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## 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	Resigned 18 December 2020
R.A. Van Wyk	South African	
N.J. Raubenheimer	South African	
L. Zakwe	South African	Appointed 01 March 2021
R.H. Borland	South African	Appointed 01 March 2021
M. Phaswana	South African	Appointed 01 March 2021

### 7. Secretary

The company has no secretary.

### 8. Auditors

A.S. Pocock Inc. continued in office as auditors for the company for 2021.

# 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 21, which comprise the statement of financial position as at 31 July 2021, 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 2021, 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**

**03 March 2022**  
**Kenilworth**

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## Statement of Financial Position as at 31 July 2021

	Note(s)	2021 R	2020 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	1 557 160	1 965 639
Other financial assets	3	218 428	218 428
		<u>1 775 588</u>	<u>2 184 067</u>
<b>Current Assets</b>			
Trade and other receivables	4	498 805	454 651
Current tax receivable		-	106 418
Cash and cash equivalents	5	3 345 653	4 958 466
		<u>3 844 458</u>	<u>5 519 535</u>
<b>Total Assets</b>		<u>5 620 046</u>	<u>7 703 602</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		<u>5 408 567</u>	<u>7 341 869</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	211 479	361 733
<b>Total Equity and Liabilities</b>		<u>5 620 046</u>	<u>7 703 602</u>

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Event revenue	7	2 462 459	10 985 366
Event expenses		(181 920)	(2 010 522)
<b>Gross surplus</b>		<b>2 280 539</b>	<b>8 974 844</b>
Other income		434 437	203 327
Operating expenses		(6 629 407)	(9 562 701)
Donor income		2 405 869	36 826
<b>Operating surplus</b>	8	<b>(1 508 562)</b>	<b>(347 704)</b>
Investment revenue	9	102 861	207 284
Project costs	10	(527 601)	(1 173 677)
Finance costs	11	-	(282)
<b>Deficit before taxation</b>		<b>(1 933 302)</b>	<b>(1 314 379)</b>
Taxation	12	-	(63 798)
<b>Deficit for the year</b>		<b>(1 933 302)</b>	<b>(1 378 177)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1 933 302)</b>	<b>(1 378 177)</b>

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## Statement of Changes in Equity

	Accumulated surplus R	Total equity R
<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 01 August 2020</b>	<b>7 341 869</b>	<b>7 341 869</b>
Deficit for the year	(1 933 302)	(1 933 302)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(1 933 302)</b>	<b>(1 933 302)</b>
<b>Balance at 31 July 2021</b>	<b>5 408 567</b>	<b>5 408 567</b>

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## Statement of Cash Flows

	Note(s)	2021 R	2020 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		5 258 611	10 950 629
Cash paid to suppliers and employees		(6 834 326)	(12 116 086)
Cash used in operations	14	(1 575 715)	(1 165 457)
Interest income		102 861	207 284
Finance costs		-	(282)
Tax received	15	106 418	99 800
<b>Net cash from operating activities</b>		<b>(1 366 436)</b>	<b>(858 655)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(246 377)	(303 397)
<b>Total cash movement for the year</b>		<b>(1 612 813)</b>	<b>(1 162 052)</b>
Cash at the beginning of the year		4 958 466	6 120 518
<b>Total cash at end of the year</b>	5	<b>3 345 653</b>	<b>4 958 466</b>

# Afrika Burns Creative Projects Non-Profit Company

(Registration number: 2007/020812/08)

Annual Financial Statements for the year ended 31 July 2021

## 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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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
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 2021

## 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 2021

## 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

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Annual Financial Statements for the year ended 31 July 2021

## 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 2021

## Notes to the Annual Financial Statements

	2021	2020
	R	R

### 2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Equipment	3 477 657	(2 172 045)	1 305 612	3 281 280	(1 678 298)	1 602 982
Furniture and fixtures	42 685	(39 923)	2 762	42 685	(36 689)	5 996
IT equipment	86 602	(85 768)	834	86 602	(82 493)	4 109
Motor vehicles	958 457	(710 508)	247 949	908 457	(555 908)	352 549
Office equipment	2 397	(2 394)	3	2 397	(2 394)	3
<b>Total</b>	<b>4 567 798</b>	<b>(3 010 638)</b>	<b>1 557 160</b>	<b>4 321 421</b>	<b>(2 355 782)</b>	<b>1 965 639</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Equipment	1 602 982	196 377	(493 747)	1 305 612
Furniture and fixtures	5 996	-	(3 234)	2 762
IT equipment	4 109	-	(3 275)	834
Motor vehicles	352 549	50 000	(154 600)	247 949
Office equipment	3	-	-	3
	<b>1 965 639</b>	<b>246 377</b>	<b>(654 856)</b>	<b>1 557 160</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>

### 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

	2021 R	2020 R
<b>4. Trade and other receivables</b>		
Trade receivables	-	29 566
Deposits	404 196	404 196
VAT	93 976	20 889
Sundry receivables	633	-
	<b>498 805</b>	<b>454 651</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	9 302	1 000
Bank balances	253 069	86 059
Short-term deposits	3 083 282	4 871 407
	<b>3 345 653</b>	<b>4 958 466</b>
<b>6. Trade and other payables</b>		
Trade payables	-	377
Accrued payroll expenses	28 542	55 592
Accrued expenses	12 052	106 690
Deposits received	18 784	18 784
Provision for leave pay	152 101	180 290
	<b>211 479</b>	<b>361 733</b>
<b>7. Event revenue</b>		
Ticket collections	2 462 459	10 985 366
<b>8. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	183 423	491 261
Depreciation on property, plant and equipment	654 856	677 487
Employee costs	3 564 361	6 171 327
Research and development costs	343 704	202 727
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	102 388	207 284
SARS	473	-
	<b>102 861</b>	<b>207 284</b>

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## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>10. Project costs</b>		
Anathi programme	-	42 081
Blank canvas express	-	4
Creative Crew Activation	25 032	-
Creative grants	-	924 140
Dignity Project	4 174	-
Eco-Trip	121 318	-
Hammer School	1 500	-
Outreach community activities	208	80 113
Outreach education support	34 500	39 000
Project - Pot SKOP and Slaap	269 019	-
RISE	1 500	-
Streetopia Obs	70 350	88 339
	<b>527 601</b>	<b>1 173 677</b>
<b>11. Finance costs</b>		
Penalties and interest - SARS	-	282
<b>12. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Deferred taxation</b>		
South African deferred tax - current year	-	63 798
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(1 933 302)	(1 314 379)
Tax at the applicable tax rate of 28% (2020: 28%)	(541 325)	(368 026)
<b>Other</b>		
Derecognition of deferred tax assets	-	63 798
Section 10(1)(cN) exemption	541 325	368 026
	<b>-</b>	<b>63 798</b>
No provision has been made for 2021 tax as the company is exempt from income tax in terms of Section 10(1)(cN) of the Income Tax Act.		
<b>13. Auditor's remuneration</b>		
Fees	77 260	93 545

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## Notes to the Annual Financial Statements

	2021 R	2020 R
<b>14. Cash used in operations</b>		
Loss before taxation	(1 933 302)	(1 314 379)
<b>Adjustments for:</b>		
Depreciation and amortisation	654 856	677 487
Interest received	(102 861)	(207 284)
Finance costs	-	282
Other non-cash item	-	(1)
<b>Changes in working capital:</b>		
Trade and other receivables	(44 154)	(274 890)
Trade and other payables	(150 254)	(46 672)
	<b>(1 575 715)</b>	<b>(1 165 457)</b>
<b>15. Tax paid</b>		
Balance at beginning of the year	106 418	206 218
Balance at end of the year	-	(106 418)
	<b>106 418</b>	<b>99 800</b>
<b>16. Commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	233 427	741 629
- in second to fifth year inclusive	3 833 496	1 413 092
- later than five years	3 584 112	-
	<b>7 651 035</b>	<b>2 154 721</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.

### 17. Related parties

Relationships

Members of key management

L. Tanner  
A.B. Wessels  
R. Van Wyk  
N.J. Raubenheimer  
L. Zakwe  
R.H. Borland  
M. Phaswana

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## Notes to the Annual Financial Statements

	2021 R	2020 R	
<b>18. Directors' remuneration</b>			
<b>Executive</b>			
<b>2021</b>			
L. Tanner	Emoluments 423 122	Total 423 122	
<b>2020</b>			
	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>

## 19. 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 2021

## Statement of Financial Performance

	Note(s)	2021 R	2020 R
<b>Event revenue</b>			
Ticket collections		2 462 459	10 985 366
<b>Event expenses</b>			
Event production costs (Refer to page 24)		(181 920)	(2 010 522)
<b>Gross surplus</b>		<b>2 280 539</b>	<b>8 974 844</b>
<b>Other income</b>			
COVID-19 relief		157 925	-
City of Cape Town funding		75 000	-
Creative Crew Activations		70 001	-
Department of stuff		18 280	522
Donations and crowd funding		479 645	6 826
Eco-Trip income		117 630	-
General fundraising		18 024	-
Interest received	9	102 861	207 284
NAC funding		100 000	30 000
NAC PESP 1		232 400	-
NAC PESP 2		435 800	-
National Lotteries Commission funding		815 000	-
Online events		-	5 817
Rental income		57 326	79 015
Solidarity fund		250 000	-
Sundry income		13 275	117 973
		<b>2 943 167</b>	<b>447 437</b>
<b>Expenses (Refer to page 23)</b>			
		<b>(6 629 407)</b>	<b>(9 562 701)</b>
<b>Operating surplus</b>	8	<b>(1 405 701)</b>	<b>(140 420)</b>
Finance costs	11	-	(282)
Project costs	10	(527 601)	(1 173 677)
		<b>(527 601)</b>	<b>(1 173 959)</b>
<b>Surplus before taxation</b>		<b>(1 933 302)</b>	<b>(1 314 379)</b>
Taxation	12	-	(63 798)
<b>Surplus for the year</b>		<b>(1 933 302)</b>	<b>(1 378 177)</b>

## Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2021

### Statement of Financial Performance

	Note(s)	2021 R	2020 R
<b>Operating expenses</b>			
Accounting fees		(28 527)	(72 000)
Auditor's remuneration	13	(77 260)	(93 545)
Bad debts		(45 232)	-
Bank charges		(20 625)	(27 981)
Communication		-	(80 852)
Consulting and professional fees		(165 172)	(577 156)
Depreciation, amortisation and impairments		(654 856)	(677 487)
Dept of stuff		(3 071)	(1 987)
Employee costs		(3 564 361)	(6 171 327)
Fundraising costs		(24 944)	-
Gifts		-	(16 000)
IT expenses		(109 171)	(175 183)
Insurance		(124 484)	(460 387)
Lease rentals on operating lease		(183 423)	(491 261)
Move expenses		(837 564)	-
Municipal expenses		(26 577)	(20 296)
Office expenses		(14 240)	(6 348)
Postage		-	(465)
Printing and stationery		(864)	(6 033)
Repairs and maintenance		(384 240)	(345 950)
Research and development costs		(343 704)	(202 727)
Security		(4 940)	(6 356)
Staff welfare		(5 407)	(43 066)
Telephone and fax		(9 150)	(23 786)
Training		-	(22 256)
Travel - local		(1 595)	-
Workyard expenses		-	(40 252)
		<b>(6 629 407)</b>	<b>(9 562 701)</b>



# Afrika Burns Creative Projects Non-Profit Company

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## Events Production Cost Statement

	2021	2020
	R	R
<b>Events production expenses</b>		
Consumables	-	402 684
EMS service providers	-	89 265
Event 2020 recovery	(30 435)	-
Firefighters fees	-	30 250
Gate and ticketing expenses	-	22 425
General expenses	-	9 500
Health and safety	3 000	-
Hire of equipment	-	11 001
Kitchen expenses	-	14 221
Mess food costs	-	12 758
Petrol, gas and oil	-	14 471
Security	-	124 281
Special events	-	3 995
Stipends	-	64 010
Subsistence costs	-	6 001
Theme camps	-	822
Ticketing fees	-	663 495
Ticketing fees recovered	(4 341)	-
Transport costs	-	252 826
Venue hire	212 756	212 756
Volunteer expenses	940	75 761
	<b>181 920</b>	<b>2 010 522</b>
Events production costs for the year	181 920	2 010 522

# Afrika Burns Creative Projects Non-Profit Company

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Annual Financial Statements for the year ended 31 July 2021

## Supplementary Information

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### 1. Segmented Statement of Financial Performance

	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
Event income	2 462 459	10 985 366
Donor income	2 405 869	36 826
COVID-19 relief	157 925	-
Programme income	187 631	5 817
Other income	88 881	197 510
Investment income	<u>102 862</u>	<u>207 284</u>
<b>Gross income</b>	<b>5 405 627</b>	<b>11 432 803</b>
Operating expenses	(6 629 407)	(9 562 701)
<b>Project expenses</b>		
Event production costs	(181 920)	(2 010 522)
Arts development projects:		
- Anathi programme	-	(42 081)
- Blank canvas express	-	(4)
- Project - Pot SKOP and Slaap	(269 019)	-
- Streetopia Obs	<u>(70 350)</u>	<u>(88 339)</u>
	(339 369)	(130 424)
Creative grants	-	(924 140)
Outreach:		
- Outreach community activities	(208)	(80 113)
- Outreach education support	<u>(34 500)</u>	<u>(39 000)</u>
	(34 708)	(119 113)
Project expenses:		
- Creative Crew Activation	(25 032)	-
- Dignity Project	(4 174)	-
- Eco-Trip	(121 319)	-
- Hammer School	(1 500)	-
- RISE	<u>(1 500)</u>	<u>-</u>
	(153 525)	-
Finance costs	-	<u>(282)</u>
<b>Deficit before taxation</b>	<b>(1 933 302)</b>	<b>(1 314 379)</b>
Taxation	-	(63 798)
<b>Deficit for the year</b>	<b><u>(1 933 302)</u></b>	<b><u>(1 378 177)</u></b>