

**ASSOCIATION FOR VISUAL ARTS**  
*(Registration number 035-161-NPO)*  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 December 2018

**ASSOCIATION FOR VISUAL ARTS**

(Registration number 035-161-NPO)

Financial Statements for the year ended 31 December 2018

**General information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Promotion of art and artists
<b>Managing Committee</b>	Belisa Rodrigues Diana Williams Eunice Geustyn Graeme Scott Jacques du Toit Mirjam Asmal Annebille Schreuders Cheryl Traub-Adler Heidi Erdmann Loyisa Qanya Reneè Holleman Thembinkosi Goniwe Wonder Marthinus Michael Tymbios (Resigned 17/01/18) Niall Kramer (Resigned 30/10/18) Pamela Cunningham (Resigned 11/04/18) Pamella Dlungwana (Resigned 01/06/18) Sarie Potter (Resigned 13/12/18) Yazeed Kamaldien (Resigned 30/10/18)
<b>Accountants</b>	Bach Accountants and Management Consultants CC
<b>NPO number</b>	035-161-NPO

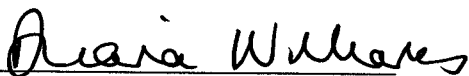
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The reports and statements set out below comprise the annual financial statements presented to the members:

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We have approved the financial statements set out on pages 2 to 9.



**Member**

30 August 2019



**Member**

# CRAIG WHITTLE ACCOUNTING

Postnet Suite #52, Private Bag X16, Constantia 7848 Tel : 076 456 3270  
Practice no : 901641

## INDEPENDENT AUDITOR'S REPORT

To the members of the Association for Visual Arts

### Report on the Financial Statements

We have audited the annual financial statements of the Association for Visual Arts that comprises the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant policies and other explanatory information, as set out on pages 5-10.

### Committee's Responsibility for the Financial Statements

The association's committee is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our audit. We conducted our audit in accordance with International Standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Qualified Opinion

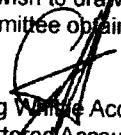
In common with similar organisations, it is not feasible for the association to institute accounting control over cash collections prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

### Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of the Association for Visual Arts as at 31 December 2018, and its financial performance and cashflows for the year ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### Emphasis of matter

We wish to draw your attention to the fact that the continued existence of the association is dependent on the committee obtaining donations and raising the necessary funding.

  
Craig Whittle Accounting  
Chartered Accountants (SA)  
Cape Town  
1 August 2019

**Statement of financial position**

	<b>Notes</b>	<b>2018</b>	<b>2017</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	154 021	193 025
		154 021	193 025
<b>Current assets</b>			
Trade Receivables	5	389 763	400 395
Cash and cash equivalents	4	70 081	-
		319 681	400 395
<b>Total assets</b>		<b>543 783</b>	<b>593 420</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Accumulated Surplus		534 786	560 034
		534 786	560 034
<b>Current liabilities</b>			
Trade and other payables		8 997	33 387
		8 997	33 387
<b>Total reserves and liabilities</b>		<b>543 783</b>	<b>593 420</b>

**ASSOCIATION FOR VISUAL ARTS**

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Financial Statements for the year ended 31 December 2018

**Statement of financial performance**

	Notes	2018	2017
<b>Revenue</b>			
Exhibition sales		876 271	1 176 507
3rd Party Commission		27 194	-
Insurance Claim		23 791	-
Membership Fees		15 723	12 513
Books and catalogues		8 843	3 724
Gallery rental		106 478	125 921
Venue and event rental		54 174	21 500
Workshop		1 145	-
		<u>1 113 620</u>	<u>1 340 166</u>
<b>Other income</b>			
Donations received	7	532 499	448 244
Donations and - cash and first Thursdays		2 909	4 483
Grants	8	196 441	384 699
Interest received		-	1 783
		<u>731 848</u>	<u>839 209</u>
<b>Total income</b>		<u>1 845 468</u>	<u>2 179 375</u>
<b>Less: Expenses</b>		<u>1 870 715</u>	<u>1 885 594</u>
Accounting fees		55 044	18 750
Advertising		73 843	36 451
Alcohol & catering		4 167	3 162
Artfairs		5 000	4 152
Artists commission		502 840	690 105
Artists in residence		21 366	-
Artreach		83 603	174 808
Art transportation		-	43 268
Bank charges		24 346	19 336
Casual wages		250	-
Cleaning materials		1 042	14 300
Computer expenses		5 307	4 459
Courier and postage		1 376	411
Depreciation		39 004	28 400
Discount allowed		4 517	-
Donations		1 030	-
Entertainment expenses		-	622
Equipment,printing & postage		13 939	33 110
Events & special projects		4 740	-
Exhibition expenses / installation		42 046	38 718
Framing		10 899	-
Freight & packaging		12 637	584
Gifts and flowers		1 184	660
Governance and board expenses		5 420	999
Insurance		18 467	19 771
IT Development		4 032	-
Internet & website		12 138	-
Interest - paid to Sars		5 671	1 427
Motor vehicle expenses		5 151	2 113
Periodicals		-	400
Premises costs		209 455	146 894
Rent paid - laptop rental		1 500	-
Repairs and maintenance		6 151	7 429
Salaries and wages		662 389	563 124
Security		4 565	3 287
Staff welfare		4 943	5 199
Telephone and internet		22 652	22 963
Travel and accommodation		-	2 121
<b>Operating surplus/(loss)</b>		<u>(25 247)</u>	<u>293 781</u>
<b>Finance costs</b>		<u>-</u>	<u>-</u>
<b>Surplus/(loss) before taxation</b>		<u>(25 247)</u>	<u>292 355</u>

**ASSOCIATION FOR VISUAL ARTS**

(Registration number 035-161-NPO)

Financial Statements for the year ended 31 December 2018

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**Statement of changes in equity**

	Accumulated surplus	Total
<b>Balance at 1 January 2017</b>	<b>267 679</b>	<b>267 679</b>
Changes in equity		
Total comprehensive income for the year	292 354	292 354
Total changes	<u>292 354</u>	<u>292 354</u>
<b>Balance at 31 January 2017</b>	<b>560 033</b>	<b>560 033</b>
Changes in equity		
Total comprehensive profit for the year	(25 247)	(25 247)
Total changes	<u>(25 247)</u>	<u>(25 247)</u>
<b>Balance at 31 January 2018</b>	<b>534 786</b>	<b>534 786</b>

**Statement of Cash Flows**

Figures in Rand	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from operations	6	(80 714)	327 408
Interest income		-	1 783
Finance charges		-	-
<b>Net cash from financing activities</b>		<u>(80 714)</u>	<u>329 192</u>
<b>Cash flows from investing activities</b>			
Addition to fixed assets		-	(215 000)
Disposal of fixed assets		-	-
<b>Cash utilised from investing activities</b>		-	(215 000)
<b>Cash flows from financing activities</b>			
Movement in other financial liabilities		-	-
<b>Net cash from financing activities</b>		-	-
<b>Total cash movement for the year</b>		(80 714)	114 192
Cash and cash equivalents at beginning of year		<u>400 395</u>	<u>286 203</u>
<b>Cash and cash equivalents at end of year</b>	4	<u>319 681</u>	<u>400 395</u>



**Accounting Policies**

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**1 Presentation of Annual Financial Statements**

The annual financial statements are prepared in conformity with International Financial Reporting Standards. The 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

**1.1 Property, plant and equipment**

Property, plant and equipment are tangible items that :

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and cost 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 carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, using the following rates applicable:

<b>Item:</b>	<b>Years</b>
Furniture and fixtures	6
Computer equipment	3

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

**1.2 Financial instruments**

**Financial instruments at amortised cost**

Financials intruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of asstes held in this category are reviewed todetermine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

**1.3 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.

**1.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for levies.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

**Notes to the annual financial statements**

	2018	2017
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**2. Property, plant and equipment**

	<b>2018</b>		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Book value</b>
Building Improvements	215 000	64 213	150 787
Furniture and fixtures	123 356	122 124	1 232
Computer equipment	165 329	163 327	2 002
	<u>503 685</u>	<u>349 664</u>	<u>154 021</u>

	<b>2017</b>		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Book value</b>
Building Improvements	215 000	(26 517)	188 483
Furniture and fixtures	123 356	(121 816)	1 540
Computer equipment	165 329	(162 327)	3 002
	<u>503 685</u>	<u>(310 660)</u>	<u>193 025</u>

**Reconciliation of property, plant and equipment - 2018**

	<b>Opening balance</b>	<b>Additions/ (Disposals)</b>	<b>Depreciation</b>	<b>Total</b>
Building Improvements	215 000	-	64 214	150 786
Furniture and fixtures	123 356	-	122 124	1 232
Computer Equipment	165 329	-	163 327	2 002
	<u>503 685</u>		<u>349 664</u>	<u>154 021</u>

**Reconciliation of property, plant and equipment - 2017**

	<b>Opening balance</b>	<b>Additions/ (Disposals)</b>	<b>Depreciation</b>	<b>Total</b>
Building Improvements	-	215 000	(26 517)	188 483
Furniture and fixtures	1 924	-	(385)	1 539
IT equipment	4 501	-	(1 499)	3 002
	<u>6 425</u>	<u>215 000</u>	<u>(28 400)</u>	<u>193 024</u>

**3. Trade and other receivables**

Trade debtors	68 031	-
Prepayments Received	2 050	-
	<u>70 081</u>	<u>-</u>

**Notes to the annual financial statements**

	2018	2017
<b>4. Cash and cash equivalents</b>		
Nedbank Current Account 1009933299	294 352	245 852
Artreach WC (National Lotteries Commission) Acc Nr 1009933310	23 369	154 246
Petty Cash	1 960	297
	<u>319 681</u>	<u>400 395</u>
<b>5. Trade and other payables</b>		
Trade creditors	469	1 471
Accruals - Provision for Accounting Fees	-	6 971
South African Revenue Service - VAT201	8 528	24 945
	<u>8 997</u>	<u>33 387</u>
<b>6. Cash generated from operations</b>		
Profit before taxation	(25 247)	292 355
<b>Adjustments for:</b>		
Depreciation	39 004	28 400
Interest received	-	(1 783)
Interest paid	-	-
<b>Change in working capital:</b>		
Trade and other receivables	(70 081)	-
Trade and other payables	(24 390)	8 437
	<u>(80 714)</u>	<u>327 408</u>
<b>7. Donations received</b>		
Joan St Leger Lindbergh Charitable Trust	180 000	180 000
Artreach	-	33 033
Spier Art Trust	200 000	11 000
Strauss & Co	60 000	40 000
Marco van Embden donation	-	15 000
Donation Box	20 498	-
Josie Grindrod	50 000	-
ELA Espaço Luanda Arte	22 000	-
Reside Prop/Spier Arts Trust	-	169 211
	<u>532 499</u>	<u>448 244</u>
<b>8. Grants received</b>		
Pro Helvetia	-	24 292
National Lotteries Commission	-	319 200
PGWC Department of Cultural Affairs & Sport	4 702	41 207
VANSA	77 739	-
Arts and Culture Trust	64 000	-
BASA	50 000	-
	<u>196 441</u>	<u>384 699</u>
<b>9. Taxation</b>		

No taxation is provided for as the association is a registered Public Benefit Organisation and is exempt from income tax in terms of section 30 of the Income Tax Act.