

# **ASSOCIATION FOR VISUAL ARTS GALLERY**

Trading as

**AVA GALLERY**

**(Registration Number 035-161-NPO)**

**Annual Financial Statements**

**for the year ended 31 December 2020**

## **Audited Financial Statements**

Prepared by: Abigale Möller

Professional designation: Business Accountant in Practice (SA)

Reviewed by: Craig Whittle Accounting

Professional designation: Independent Auditor

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2020

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

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# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2020

## General Information

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### COUNTRY OF INCORPORATION AND DOMICILE

South Africa

### NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Promotion of art and artists

### MANAGEMENT

Mirjam Asmal  
Renée Holleman  
Cheryl Traub-Adler  
Wonder Marthinus  
Ricardo van Lingen  
Jane Taylor  
Annebelle Schreuders  
Philippa Tumubweinee (Appointed 22 September 2020)  
Marinda Claasen (Appointed 22 September 2020)  
Lindsey Samuels (Appointed 22 September 2020)  
Noncedo Gxekwa (Appointed 22 September 2020)  
Boitumelo Tlhoale (Appointed 22 September 2020)  
Athena Sotomi (Resigned 3 May 2020)  
Diana Williams (Resigned 25 September 2020)

### REGISTERED OFFICE

35 Church Street  
Cape Town  
8001

### BUSINESS ADDRESS

35 Church Street  
Cape Town  
8001

### INDEPENDENT AUDITORS

Craig Whittle Accounting  
Postnet Suite #52  
Private Bag X16  
Constantia  
Cape Town  
7848

## **Independent Auditor's Report**

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### **To the Management of Association for Visual Arts Gallery**

#### **Qualified Opinion**

We have audited the financial statements of Association for Visual Arts Gallery set out on pages 9 to 18, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Association for Visual Arts Gallery as at 31 December 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.

#### **Basis for Qualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organisation 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Responsibilities of the Management for the Financial Statements**

The management are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management are responsible for assessing the organisation'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 management either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 organisation'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 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 organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the management 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.

**Craig Whittle Accounting**

**30 July 2021**

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**Per: Craig Whittle (CA) SA  
Director / Partner  
Business Accountant in Practice (SA)**

**Postnet Suite #52  
Private Bag X16  
Constantia  
Cape Town  
7848**

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2020

## Management's Responsibilities and Approval

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Management is required 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Management is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, Craig Whittle Accounting, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. Management believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' qualified audit report is presented on page 3 to 4.

The annual financial statements as set out on pages 9 to 18 were approved by the management committee on 30 July 2021 and were signed on its behalf by:

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Mirjam Asmal

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Renée Holleman

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Cheryl Traub-Adler

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Wonder Marthinus

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# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2020

## Management's Responsibilities and Approval

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\_\_\_\_\_  
Ricardo van Lingen

\_\_\_\_\_  
Jane Taylor

\_\_\_\_\_  
Annebelle Schreuders

\_\_\_\_\_  
Philippa Tumubweinee

\_\_\_\_\_  
Marinda Claasen

\_\_\_\_\_  
Lindsey Samuels

\_\_\_\_\_  
Noncedo Gxekwa

\_\_\_\_\_  
Boitumelo Tlhoale

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2020

## Management's Report

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The management committee present their report for the year ended 31 December 2020.

### 1. Review of activities

#### Main business and operations

The principal activity of the organisation is promotion of art and artists and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The management have given due consideration to the potential impact of the COVID-19 pandemic on the organisation's ability to continue as a going concern. The management believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the management are of the view that the organisation has sufficient resources to continue as a going concern.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

#### Impact of COVID-19

Since 31 December 2019, the spread of the COVID-19 virus has severely impacted most economies around the globe. In any countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic lockdown. Global stock markets have also experienced great volatility and a significant weakening. Government and the South African Reserve Bank have responded with monetary and fiscal interventions to stabilise economic conditions.

The management have determined that these events are non-adjusting events. Accordingly, the financial position and results of operations for the year ended 31 December 2020 have not been adjusted to reflect the impact. The duration and impact of the COVID-19 pandemic, as well the effectiveness of Government and The South African Reserve Bank responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial performance and financial position of the organisation for future periods. The management are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 4. Management

The management of the organisation during the year and to the date of this report are as follows:



# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2020

## Management's Report

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Mirjam Asmal  
Renée Holleman  
Cheryl Traub-Adler  
Wonder Marthinus  
Ricardo van Lingen  
Jane Taylor  
Annebelle Schreuders  
Philippa Tumubweinee  
Marinda Claasen  
Lindsey Samuels  
Noncedo Gxekwa  
Boitumelo Tlhoaele  
Athena Sotomi  
Diana Williams

### 5. Independent Auditors

Craig Whittle Accounting were the independent auditors for the year under review.

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Financial Position

| Figures in R                          | Notes | 2020             | 2019             |
|---------------------------------------|-------|------------------|------------------|
| <b>Assets</b>                         |       |                  |                  |
| <b>Non-Current Assets</b>             |       |                  |                  |
| Property, plant and equipment         | 3     | 225,718          | 217,801          |
| <b>Current Assets</b>                 |       |                  |                  |
| Trade and other receivables           | 4     | 79,751           | 183,344          |
| Cash and cash equivalents             | 5     | 983,711          | 741,723          |
|                                       |       | <b>1,063,462</b> | <b>925,067</b>   |
| <b>Total Assets</b>                   |       | <b>1,289,180</b> | <b>1,142,868</b> |
| <b>Reserves and Liabilities</b>       |       |                  |                  |
| <b>Reserves</b>                       |       |                  |                  |
| Other components of equity            | 6     | 160,000          | 220,000          |
| Retained earnings                     |       | 1,118,836        | 893,671          |
|                                       |       | <b>1,278,836</b> | <b>1,113,671</b> |
| <b>Current Liabilities</b>            |       |                  |                  |
| Trade and other payables              | 7     | 10,344           | 29,197           |
| <b>Total Reserves and Liabilities</b> |       | <b>1,289,180</b> | <b>1,142,868</b> |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Comprehensive Income

| Figures in R                | Notes | 2020                  | 2019                  |
|-----------------------------|-------|-----------------------|-----------------------|
| <b>Revenue</b>              | 8     | 554,457               | 1,014,214             |
| Cost of sales               | 9     | (551,219)             | (271,807)             |
| Gross surplus               |       | <u>3,238</u>          | <u>742,407</u>        |
| Other income                | 10    | 1,237,857             | 767,047               |
| Operating costs             |       | (1,013,192)           | (1,140,672)           |
| <b>Operating surplus</b>    |       | <u><b>227,903</b></u> | <u><b>368,782</b></u> |
| Finance income              |       | 2,015                 | -                     |
| Finance costs               | 12    | (4,753)               | (10,016)              |
| <b>Surplus for the year</b> |       | <u><b>225,165</b></u> | <u><b>358,766</b></u> |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Changes in Reserves

| Figures in R                                   | Reserve 1      | Accumulated surplus | Total            |
|--|----------------|---------------------|------------------|
| <b>Balance at 1 January 2019</b>               | 220,000        | 534,905             | 754,905          |
| <b>Total comprehensive income for the year</b> |                |                     |                  |
| Surplus for the year                           |                | 358,766             | 358,766          |
| <b>Total comprehensive income for the year</b> | -              | 358,766             | 358,766          |
| <b>Balance at 31 December 2019</b>             | <b>220,000</b> | <b>893,671</b>      | <b>1,113,671</b> |
| <b>Balance at 1 January 2020</b>               | 220,000        | 893,671             | 1,113,671        |
| <b>Total comprehensive income for the year</b> |                |                     |                  |
| Surplus for the year                           |                | 225,165             | 225,165          |
| <b>Total comprehensive income for the year</b> | -              | 225,165             | 225,165          |
| Transfer                                       | (60,000)       |                     | (60,000)         |
| <b>Balance at 31 December 2020</b>             | <b>160,000</b> | <b>1,118,836</b>    | <b>1,278,836</b> |
| <b>Note</b>                                    | 6              |                     |                  |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Statement of Cash Flows

| Figures in R  | Note | 2020                   | 2019                   |
|---|------|------------------------|------------------------|
| <b>Cash flows from operating activities</b>                 |      |                        |                        |
| Surplus for the year  |      | 225,165                | 358,766                |
| <i>Adjustments for:</i>                                     |      |                        |                        |
| Finance costs   |      | 4,753                  | 10,016                 |
| Depreciation of tangible assets                             |      | 35,371                 | (30,332)               |
| Investment income   |      | (2,015)                | -                      |
| <b>Operating cash flow before working capital changes</b>   |      | <u>263,274</u>         | <u>338,450</u>         |
| <i>Working capital changes</i>                              |      |                        |                        |
| Decrease / (increase) in trade and other receivables        |      | 103,593                | (113,261)              |
| (Decrease) / increase in trade and other payables           |      | (18,853)               | 20,199                 |
| <b>Net cash flows from operations</b>                       |      | <u>348,014</u>         | <u>245,388</u>         |
| Investment income   |      | 2,015                  | -                      |
| Finance costs   |      | (4,753)                | (10,016)               |
| <b>Net cash flows from operating activities</b>             |      | <u><b>345,276</b></u>  | <u><b>235,372</b></u>  |
| <b>Cash flows used in investing activities</b>              |      |                        |                        |
| Property, plant and equipment acquired                      | 3    | (43,288)               | (33,448)               |
| <b>Net cash flows used in investing activities</b>          |      | <u><b>(43,288)</b></u> | <u><b>(33,448)</b></u> |
| <b>Cash flows (used in) / from financing activities</b>     |      |                        |                        |
| AVA 50 Circle Collectors contributions                      |      | (60,000)               | 220,000                |
| Other   |      | -                      | 118                    |
| <b>Net cash flows (used in) / from financing activities</b> |      | <u><b>(60,000)</b></u> | <u><b>220,118</b></u>  |
| Net increase in cash and cash equivalents                   |      | 241,988                | 422,042                |
| Cash and cash equivalents at beginning of the year          |      | 741,723                | 319,681                |
| <b>Cash and cash equivalents at end of the year</b>         | 5    | <u><b>983,711</b></u>  | <u><b>741,723</b></u>  |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### 1. General information

Association for Visual Arts Gallery is a non-profit organisation.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the organisation's activities. Revenue is shown net of value-added tax, returns, and discounts.

The organisation recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the organisation's activities, as described below:

##### Services revenue

The service rendered is recognised as revenue by reference to the stage of completion of the transaction at the balance sheet date.

#### 2.2 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the organisation has complied with all attached conditions. Grants received where the organisation has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

#### 2.3 Income taxes

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

#### 2.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include 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.

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### *Summary of significant accounting policies continued...*

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

|                        |        |
|------------------------|--------|
| Building improvements  | 4.00%  |
| Furniture and fittings | 16.67% |
| IT equipment           | 33.33% |

### **2.5 Trade and other receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

### **2.6 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

### **2.7 Trade payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R

2020

2019

### 3. Property, plant and equipment

|                        | Cost           | Accumulated depreciation | 2020 Carrying value | Cost           | Accumulated depreciation | 2019 Carrying value |
|------------------------|----------------|--------------------------|---------------------|----------------|--------------------------|---------------------|
| <i>Owned assets</i>    |                |                          |                     |                |                          |                     |
| Building improvements  | 215,000        | 34,400                   | <b>180,600</b>      | 215,000        | 25,800                   | 189,200             |
| Furniture and fittings | 152,304        | 136,093                  | <b>16,211</b>       | 125,804        | 123,082                  | 2,722               |
| IT equipment           | 213,116        | 184,209                  | <b>28,907</b>       | 196,329        | 170,450                  | 25,879              |
|                        | <b>580,420</b> | <b>354,702</b>           | <b>225,718</b>      | <b>537,133</b> | <b>319,332</b>           | <b>217,801</b>      |

The carrying amounts of property, plant and equipment can be reconciled as follows:

|                        | Carrying value at beginning of year | Additions     | Disposals | Depreciation    | 2020 Carrying value at end of year |
|------------------------|-------------------------------------|---------------|-----------|-----------------|------------------------------------|
| <i>Owned assets</i>    |                                     |               |           |                 |                                    |
| Building improvements  | 189,200                             | -             | -         | (8,600)         | 180,600                            |
| Furniture and fittings | 2,722                               | 26,501        | -         | (13,012)        | 16,211                             |
| IT equipment           | 25,879                              | 16,787        | -         | (13,759)        | 28,907                             |
|                        | <b>217,801</b>                      | <b>43,288</b> | <b>-</b>  | <b>(35,371)</b> | <b>225,718</b>                     |

|                        | Carrying value at beginning of year | Additions     | Disposals | Depreciation  | 2019 Carrying value at end of year |
|------------------------|-------------------------------------|---------------|-----------|---------------|------------------------------------|
| <i>Owned assets</i>    |                                     |               |           |               |                                    |
| Building improvements  | 150,787                             | -             | -         | 38,413        | 189,200                            |
| Furniture and fittings | 1,232                               | 2,448         | -         | (958)         | 2,722                              |
| IT equipment           | 2,002                               | 31,000        | -         | (7,123)       | 25,879                             |
|                        | <b>154,021</b>                      | <b>33,448</b> | <b>-</b>  | <b>30,332</b> | <b>217,801</b>                     |

### 4. Trade and other receivables

|                      |               |                |
|----------------------|---------------|----------------|
| Trade debtors        | 63,052        | 155,400        |
| Deposits             | 5,000         | 5,000          |
| Value Added Taxation | 11,699        | 22,944         |
|                      | <b>79,751</b> | <b>183,344</b> |

### 5. Cash and cash equivalents

#### Favourable cash balances

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Cash on hand                         | 1,120          | 339            |
| Nedbank Current Acc: 1009933299      | 50             | 516,319        |
| Artreach Western Cape: 1009933310    | -              | 214,900        |
| FNB Current Account: 628 3313 6733   | 820,526        | 10,165         |
| AVA Investment/Circle Endowment Fund | 162,015        | -              |
|                                      | <b>983,711</b> | <b>741,723</b> |



# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R

|  | 2020 | 2019 |
|--|------|------|
|--|------|------|

### 6. Other components of equity

The Circle - AVA 50 Collectors contributions will go towards the establishment of an endowment fund that will ensure the AVA's ongoing sustainability in the rapidly growing and commercialising Cape Town visual arts eco system.

### 7. Trade and other payables

|                     |               |               |
|---------------------|---------------|---------------|
| Trade creditors     | 9             | 29,197        |
| EMP control account | 10,335        | -             |
|                     | <u>10,344</u> | <u>29,197</u> |

### 8. Revenue

An analysis of revenue is as follows:

|                       |                |                  |
|-----------------------|----------------|------------------|
| Artist in Residence   | -              | 47,200           |
| Books and Catalogues  | 3,620          | 9,861            |
| Gallery rental        | 21,870         | 156,000          |
| Membership fees       | 14,471         | 15,495           |
| Venue & Events        | 20,827         | 91,587           |
| Courier & framing     | 54,112         | 25,889           |
| Commission received   | 438,514        | 640,183          |
| Insurance claims      | -              | 10,956           |
| Installation services | 1,043          | 17,043           |
|                       | <u>554,457</u> | <u>1,014,214</u> |

### 9. Cost of Sales

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Alcohol & Catering                 | 1,416          | 1,391          |
| Artfairs                           | 6,197          | 14,634         |
| Artist in Residence                | 2,153          | 44,048         |
| Artreach                           | 53,214         | 7,430          |
| Circle - AVA 50 Collectors         | 5,718          | 69,690         |
| Commission paid                    | 316,903        | -              |
| Equipment, Printing & Postage      | -              | 7,850          |
| Events & Special Projects          | -              | 6,345          |
| Exhibition Expenses / Installation | 11,285         | 26,888         |
| Framing                            | -              | 4,163          |
| Freight & Packaging                | 58,404         | 29,603         |
| Installation Crew Training         | 36,659         | 48,755         |
| Internships                        | 18,050         | 7,200          |
| Lounge +                           | 28,027         | -              |
| Travel & Transport                 | -              | 800            |
| Workshops                          | 13,193         | 3,010          |
|                                    | <u>551,219</u> | <u>271,807</u> |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R 2020 2019

### 10. Other Income

|                    |                  |                |
|--------------------|------------------|----------------|
| Donations Received | 492,157          | 622,036        |
| Grants             | 745,700          | 145,011        |
|                    | <u>1,237,857</u> | <u>767,047</u> |

*Detailed breakdown:*

#### Donations received

|   |                |                |
|---|----------------|----------------|
| Donations box & First Thursdays                     | 1,757          | 14,998         |
| Joan St Leger Lindbergh Charitable Trust            | 180,000        | 180,000        |
| Spier Arts Trust/Yellowwoods Social Investments NPC | 200,000        | 235,698        |
| Strauss & Co  | 30,000         | 30,000         |
| Jaegerman Family                                    | -              | 20,000         |
| Brendan Leitch                                      | -              | 11,060         |
| Scheryn Art Collection                              | -              | 30,280         |
| Fondation Antoine de Galbert                        | 95,400         | -              |
| AVA 50 Circle Collectors Events Contributions *     | (15,000)       | 100,000        |
|   | <u>492,157</u> | <u>622,036</u> |

#### Grants received

|   |                |                |
|---|----------------|----------------|
| PGWC Department of Cultural Affairs & Sport | 20,000         | 49,211         |
| VANSA                                       | 5,700          | -              |
| Arts & Culture Trust                        | 70,000         | 16,000         |
| BASA  | 30,000         | -              |
| National Lotteries Commission               | 520,000        | 79,800         |
| National Arts Council                       | 100,000        | -              |
|   | <u>745,700</u> | <u>145,011</u> |

#### \* Circle - AVA 50 Collectors Events Contributions breakdown:

|  |                 |                |
|--|-----------------|----------------|
| Georgina Jaffee                          | -               | 5,000          |
| Lizelle & Frank Kilbourn                 | -               | 10,000         |
| Patrick Chapman                          | -               | 5,000          |
| Teresa Raposo                            | -               | 5,000          |
| Joan St Leger Lindbergh Charitable Trust | -               | 25,000         |
| Josephine Grindrod                       | -               | 20,000         |
| Dominique & Adrian Enthoven              | (5,000)         | 5,000          |
| Grizelda Hall                            | -               | 5,000          |
| Jonathan Bloch                           | -               | 5,000          |
| Spier Farm Management (Pty) Ltd          | (10,000)        | 10,000         |
| Catherine Owen                           | -               | 5,000          |
|  | <u>(15,000)</u> | <u>100,000</u> |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Notes to the Annual Financial Statements

Figures in R

2020

2019

### 11. Profit before tax

The following items have been recognised as expenses (income) in determining profit before tax:

|                                |        |          |
|--------------------------------|--------|----------|
| Depreciation - Tangible assets | 35,371 | (30,332) |
|--------------------------------|--------|----------|

### 12. Finance costs

|       |              |               |
|-------|--------------|---------------|
| SARS  | 4,599        | 9,832         |
| Other | 154          | 184           |
|       | <u>4,753</u> | <u>10,016</u> |

### 13. Going Concern & the COVID-19 Impact

Management believes that the organisation will be a going concern in the year ahead. The impact of COVID-19 on the gallery has been well-managed with relief funding obtained, future committed donations from long term donors secured, pivoting sales online and reopening to the public. Due to the measures implemented and cash reserves, we continue to adopt the going concern basis in preparing the financial statements.

### 14. Approval of annual financial statements

These financial statements were approved by the managing committee and authorised for issue on 30 July 2021.

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Detailed Income Statement

| Figures in R                       | 2020                    | 2019                    |
|------------------------------------|-------------------------|-------------------------|
| <b>Gross Revenue</b>               |                         |                         |
| Artist in Residence                | -                       | 47,200                  |
| Books and Catalogues               | 3,620                   | 9,861                   |
| Commission received                | 438,514                 | 640,183                 |
| Courier & framing                  | 54,112                  | 25,889                  |
| Gallery rental                     | 21,870                  | 156,000                 |
| Installation services              | 1,043                   | 17,043                  |
| Insurance claims                   | -                       | 10,956                  |
| Membership fees                    | 14,471                  | 15,495                  |
| Venue & Events                     | 20,827                  | 91,587                  |
|                                    | <u>554,457</u>          | <u>1,014,214</u>        |
| <b>Cost of Sales</b>               |                         |                         |
| Alcohol & Catering                 | 1,416                   | 1,391                   |
| Artfairs                           | 6,197                   | 14,634                  |
| Artist in Residence                | 2,153                   | 44,048                  |
| Artreach                           | 53,214                  | 7,430                   |
| Circle - AVA 50 Collectors         | 5,718                   | 69,690                  |
| Commission paid                    | 316,903                 | -                       |
| Equipment, Printing & Postage      | -                       | 7,850                   |
| Events & Special Projects          | -                       | 6,345                   |
| Exhibition Expenses / Installation | 11,285                  | 26,888                  |
| Framing                            | -                       | 4,163                   |
| Freight & Packaging                | 58,404                  | 29,603                  |
| Installation Crew Training         | 36,659                  | 48,755                  |
| Internships                        | 18,050                  | 7,200                   |
| Lounge +                           | 28,027                  | -                       |
| Travel & Transport                 | -                       | 800                     |
| Workshops                          | 13,193                  | 3,010                   |
|                                    | <u>551,219</u>          | <u>271,807</u>          |
| <b>Gross Profit</b>                | <u><b>3,238</b></u>     | <u><b>742,407</b></u>   |
| <b>Other Income</b>                |                         |                         |
| Donations Received                 | 492,157                 | 622,036                 |
| Grants                             | 745,700                 | 145,011                 |
| Investment income                  | 2,015                   | -                       |
|                                    | <u>1,239,872</u>        | <u>767,047</u>          |
|                                    | <u><b>1,243,110</b></u> | <u><b>1,509,454</b></u> |

# ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2020

## Detailed Income Statement

| Figures in R                   | 2020             | 2019             |
|--------------------------------|------------------|------------------|
| <b>Expenditure</b>             |                  |                  |
| Accounting fees                | 38,177           | 16,258           |
| Advertising                    | 28,852           | 30,799           |
| Auditors' remuneration         | 3,000            | 6,000            |
| Bank charges                   | 15,253           | 29,663           |
| Cleaning                       | 1,936            | 2,622            |
| Computer expenses              | 1,797            | 8,190            |
| Consulting fees                | -                | 6,800            |
| Depreciation - Tangible assets | 35,371           | (30,332)         |
| Donations                      | 652              | -                |
| Finance costs                  | 4,753            | 10,016           |
| Hire - Equipment               | 3,550            | 1,250            |
| Insurance                      | 20,249           | 19,844           |
| Loss on foreign exchange       | -                | 137              |
| Packaging                      | 1,958            | 14,702           |
| Postage                        | 1,431            | 1,638            |
| Premises costs                 | 137,550          | 140,057          |
| Printing and stationery        | 2,876            | 5,919            |
| Repairs and maintenance        | 21,680           | 15,526           |
| Salaries                       | 633,853          | 833,685          |
| Security                       | 6,301            | 5,118            |
| Small assets                   | 3,149            | 2,745            |
| Staff welfare                  | 8,632            | 5,416            |
| Stewardship                    | 3,410            | 1,576            |
| Subscriptions                  | 35,266           | 7,291            |
| Telephone and fax              | 7,353            | 10,256           |
| Training                       | -                | 146              |
| Travel - local                 | 896              | 5,366            |
|                                | <u>1,017,945</u> | <u>1,150,688</u> |
| <b>Surplus for the year</b>    | <b>225,165</b>   | <b>358,766</b>   |