

**ASSOCIATION OF VISUAL ARTS
(REGISTRATION NUMBER 035-161-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Meridian Accountants and Auditors Incorporated
Chartered Accountants (S.A.)
Registered Auditor

These annual financial statements have been audited in compliance with the applicable requirements of the constitution of the organisation.



Association of Visual Arts

(Registration number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Promotion of art and artists
Committee	E Geustyn N Kramer Y Kamaldien L Zondi P Dlungwana J Du Toit B Rodrigues M Tymbios P Cunningham S Potter A Nacerodien (Chairperson) J Nilsen-Misra (Treasurer) L Hugo M Minnaar L Nel M Asmal (Director)
Business address	35 Church Street Cape Town 8001
Postal address	Po Box 15218 Vlaeberg 8018
Bankers	Nedbank Limited
Auditors	Meridian Accountants and Auditors Incorporated Chartered Accountants (S.A.) Registered Auditor
NPO number	035-161-NPO
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisations Act of South Africa.
Preparer	The annual financial statements were independently compiled by: Meridian Accounting and Tax Consultants Proprietary Limited Professional Accountants
Issued	07 July 2016

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Committee's Responsibilities and Approval

The committee is required by the Non-Profit Organisations Act of South Africa, 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 association 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.

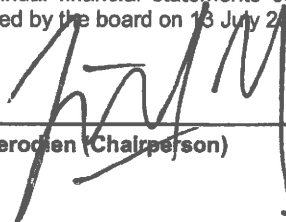
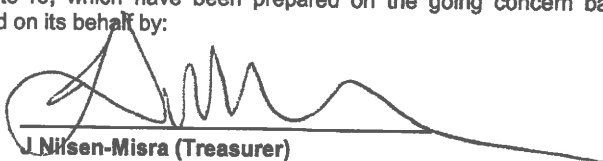
The committee acknowledge that they are ultimately responsible for the system of internal financial control established by the committee and place considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the committee sets standards 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee 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 committee has reviewed the association's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the association 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 association's annual financial statements. The annual financial statements have been examined by the association's external auditor's and their report is presented on page 4 to 5.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board on 13 July 2016 and were signed on its behalf by:


A Nacerodien (Chairperson)
J Niisen-Misra (Treasurer)

Cape Town
13 July 2016

Independent Auditor's Report

To the shareholders of Association of Visual Arts

We have audited the annual financial statements of Association of Visual Arts, as set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the annual financial statements 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 association'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 annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Association of Visual Arts as at 31 December 2015, 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 Non-Profit Organisations Act of South Africa.

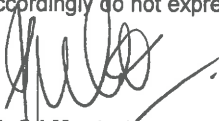
Emphasis of Matter

Without qualifying our opinion, we draw to your attention that, in common with similar organisations, it is not feasible for the company to institute accounting controls over cash collections from donations prior to initial entry of the receipts in the accounting records. Accordingly, it was impracticable for us to extend our examinations beyond the receipts actually recorded.

Independent Auditor's Report

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



Mr S J Mostert
Director
Registered Auditor

07 July 2016
Meridian House
Greenford Office Estate
Punters Way
Kenilworth
Cape Town
7708



Association of Visual Arts

(Registration number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2015

Committee's Report

The committee has pleasure in submitting their report on the annual financial statements of Association of Visual Arts for the year ended 31 December 2015.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisations Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the association are set out in these annual financial statements.

2. Committee

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

Members

E Geustyn
 N Kramer
 Y Kamaldien
 L Zondi
 P Dlungwana
 J Du Toit
 B Rodrigues
 M Tymbios
 P Cunningham
 S Potter
 A Nacerodien (Chairperson)
 J Nilsen-Misra (Treasurer)
 L Hugo
 M Minnaar
 L Nel
 M Asmal (Director)
 H Mohamed

Changes

Appointed 01 October 2015
 Appointed 01 July 2015,
 Resigned 01 August 2015
 Resigned 01 July 2015
 Resigned 01 August 2015
 Resigned 01 July 2015

R Salleys
 P Malatjie (Director)
 M Blackman

3. Events after the reporting period

The committee is not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The committee believe that the association 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 committee have satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The committee is not aware of any new material changes that may adversely impact the association. The committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

5. Auditors

Meridian Accountants and Auditors Incorporated was appointed in office as auditors for the association for 2015.



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Annual Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

	Note(s)	2015 R	2014 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	12,445	18,466
Current Assets			
Trade and other receivables	3	15,534	19,854
Cash and cash equivalents	4	61,345	353,443
		76,879	373,297
Total Assets		89,324	391,763
Equity and Liabilities			
Equity			
Accumulated surplus		82,157	375,565
Liabilities			
Current Liabilities			
Trade and other payables	5	6,167	16,198
		7,167	16,198
Total Equity and Liabilities		89,324	391,763

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Annual Financial Statements for the year ended 31 December 2015

Statement of Comprehensive Income

	Note(s)	2015 R	2014 R
Revenue	6	437,554	425,902
Other income	7	110,074	756,485
Operating expenses		(846,825)	(1,112,001)
Operating (loss) profit	8	(299,197)	70,386
Investment revenue	9	6,996	7,718
Finance costs	10	(1,207)	(2,921)
Surplus for the year		(293,408)	75,183
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(293,408)	75,183

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Annual Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 January 2014	300,382	300,382
Profit for the year	75,183	75,183
Other comprehensive income	-	-
Total comprehensive income for the year	75,183	75,183
Balance at 01 January 2015	375,565	375,565
Loss for the year	(293,408)	(293,408)
Other comprehensive income	-	-
Total comprehensive loss for the year	(293,408)	(293,408)
Balance at 31 December 2015	82,157	82,157

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Annual Financial Statements for the year ended 31 December 2015

Statement of Cash Flows

	Note(s)	2015 R	2014 R
Cash flows from operating activities			
Cash (used in) generated from operations	13	(298,887)	74,316
Interest income		6,996	7,718
Finance costs		(1,207)	(2,921)
Net cash from operating activities		(293,098)	79,113
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(5,613)
Cash flows from financing activities			
Net cash from financing activities		1,000	-
Total cash movement for the year		(292,098)	73,500
Cash at the beginning of the year		353,443	279,943
Total cash at end of the year	4	61,345	353,443

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Annual Financial Statements for the year ended 31 December 2015

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Non-Profit Organisations Act of South Africa. 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.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 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, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost 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.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6.67 years
IT equipment	Straight line	3 Years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

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.

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Accounting Policies

1.3 Financial instruments (continued)

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

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably 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, are measured at fair value through profit and loss.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment 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.

1.5 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.

1.6 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.

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Annual Financial Statements for the year ended 31 December 2015

Notes to the Annual Financial Statements

	2015 R	2014 R
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2. Property, plant and equipment

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	118,836	(115,125)	3,711	118,836	(113,338)	5,498
IT equipment	165,329	(156,595)	8,734	165,329	(152,361)	12,968
Total	284,165	(271,720)	12,445	284,165	(265,699)	18,466

Reconciliation of property, plant and equipment - 2015

	Opening balance	Depreciation	Total
Furniture and fixtures	5,498	(1,787)	3,711
IT equipment	12,968	(4,234)	8,734
	18,466	(6,021)	12,445

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	5,689	5,613	(5,804)	5,498
IT equipment	14,751	-	(1,783)	12,968
	20,440	5,613	(7,587)	18,466

3. Trade and other receivables

Other receivables		-	659
VAT		15,534	19,195
		15,534	19,854

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances		60,268	348,871
Cash on hand		1,077	4,572
		61,345	353,443

5. Trade and other payables

Accrued expenses		6,167	16,198
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6. Revenue

Commissions received	5,263	-
Exhibition sales	365,243	419,035
Interest received	5,118	1,741
Rental income	61,930	5,126
	437,554	425,902

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Notes to the Annual Financial Statements

	2015 R	2014 R
7. Other income		
Donations received	110,074	756,485
8. Operating (loss) profit		
Operating (loss) profit for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	6,021	7,587
Employee costs	389,418	514,853
9. Investment revenue		
Interest revenue		
Bank	6,996	7,718
10. Finance costs		
Late payment of tax	1,207	2,921
11. Taxation		
Major components of the tax expense		
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.		
12. Reviewer's remuneration		
Fees	7,310	17,150
13. Cash (used in) generated from operations		
(Loss) profit before taxation	(293,408)	75,183
Adjustments for:		
Depreciation	6,021	7,587
Interest received	(6,996)	(7,718)
Finance costs	1,207	2,921
Changes in working capital:		
Trade and other receivables	4,320	(19,854)
Trade and other payables	(10,031)	16,197
	(298,887)	74,316

Association of Visual Arts

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Annual Financial Statements for the year ended 31 December 2015

Detailed Income Statement

	Note(s)	2015 R	2014 R
Revenue			
Commissions received		5,263	-
Exhibition sales		365,243	419,035
Rental income		61,930	5,126
Subscriptions		5,118	1,741
	6	437,554	425,902
Other income			
Donations received		110,074	756,485
Interest received	9	6,996	7,718
		117,070	764,203
Operating expenses			
Accounting fees		13,165	12,815
Advertising		18,829	10,354
Bank charges		11,589	12,797
Cleaning		28,110	9,385
Computer expenses		489	1,830
Depreciation		6,021	7,587
Employee costs		389,418	514,853
Entertainment		-	817
Exhibition expenses		185,461	302,330
Insurance		5,432	8,428
Legal expenses		1,950	-
Packaging		399	1,372
Postage		1,925	72
Printing and stationery		6,131	8,236
Repairs and maintenance		15,592	60,167
Reviewers remuneration	12	7,310	17,150
Security		5,007	4,962
Staff training and welfare		4,415	4,533
Telephone and fax		15,074	15,944
Travel - local		8,989	10,786
Utilities		121,519	107,583
		846,825	1,112,001
Operating (loss) profit	8	(292,201)	78,104
Finance costs	10	(1,207)	(2,921)
(Loss) profit for the year		(293,408)	75,183

The supplementary information presented does not form part of the annual financial statements and is unaudited

