

ASSOCIATION FOR VISUAL ARTS GALLERY

Trading as

AVA GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements

for the year ended 31 December 2022

Management Financials

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Professional designation: Business Accountant in Practice (SA)

Letter from the Board

The Association for Visual Arts is a non-profit organisation whose purpose is to promote contemporary visual art production through regular exhibitions, showcasing all media, by established and emerging artists. Despite the challenges posed by the lingering effects of the COVID-19 pandemic and the economic malaise that has befallen various sectors the world over, the AVA has remained steadfast in its commitment to promote nationally and internationally the discursive and experimental nature of contemporary South African art and to make important contributions to the 'open texture' of South Africa's art community.

In 2022, management accomplished this through a number of ventures. These include:

1. Archives

Five decades of archives are currently stored in the AVA's attic and lounge. Its contents include notes, correspondence, exhibition documents, administration records, financial data, letters, minutes of board meetings and AGMs, media communications, architectural plans, visitors books, membership details and other paraphernalia. The archive is currently in the process of being digitised to increase public access and research around it. Additionally, Dr. Kim Gurney has written a manuscript based on the AVA archives called *Flipside* that is scheduled for publication by Iwalewa Books. This project, in its various phases, has been supported by the National Arts Council, the National Lotteries Commission and, more recently, the National Heritage Council.

2. ArtReach

ArtReach grants enable emerging artists and curators the space to exhibit and explore in the form of gallery fee waivers and co-production support. The group and solo exhibitions supported by ArtReach in 2022 included:

Living Space by Tyra Naidoo, Lianca Heemro and Queezy Babaz

Arena by Matthew van der Walt

Projected Interior by Silver Mackenzie

V E R S E by Megan McNamara

The Flip by Anthea Buys

Location by Lesole Tautswala and Shakes Mbolekwana

KURA UWONE/GROW UP AND SEE by Lionel Mbayiwa

First Thursdays 10 Year Anniversary Exhibition

A place to call home for waste collectors by Mpumelelo Buthelezi

Film in the Age of Uncertainty by 050554 (Zamani)

Ebifananyi Kya Muteesa: A King Imagined by Eria Nsubuga and Andrea Stultiens

In Flux: Etchings of Memory, Community & Legacy by Creative Avenue

3. Partnerships

In 2022, management leveraged a number of relationships with partner institutions to supplement its exhibition calendar and, thus, provide more opportunities for artists to exhibit. These include group exhibitions that took place at the following spaces:

- The Vault at the Silo Hotel
- Leeuwenhof Remembrance Gallery
- Wale Street Chambers
- BlackBrick Club
- Zero
- Daddy Long Legs Art Hotel

Events subsequent to financial year end 2022

Looking ahead to 2023 and beyond, we must admit that management changes and financial precarity have significantly impacted the organisation.

At its monthly meeting of 28 October 2022, ExCo (then comprising Richard Kilpert, Boitumelo Tlhoale and Linsey Samuels), granted Director Mirjam Asmal part-time leave to attend to personal matters for a period of 5 months between 1 December 2022 and 1 June 2023. This was with the understanding that she will continue remotely with administrative duties including fundraising, finances etc, and to return in June 2023, on a continued part-time contract (50%) until 31 December 2024. After an internal advertisement and a series of interviews, Richard Kilpert was chosen to step down as Chairperson and assume the role of Co-Director. Linsey Samuels was made Chairperson and Winnie Sze replaced her as Treasurer in January 2023.

In March 2023, Mirjam Asmal made the decision to resign with immediate effect. Board members who resigned shortly thereafter include Oliver Nurock, Mirna Wessels and Boitumelo Tlhoale. Thereafter, all board members, with the exception of Linsey Samuels, our Chair, were new inductees, having only joined the organisation at the 2022 AGM in September 2022.

The remaining board members mobilised to assume some of the responsibilities of Mirjam's position. Olga Speakes took on Fundraising, Phokeng Setai became the lead on the Archives Project, Ina Voloshin took on Governance and so forth. Keely Shinnars became Vice Chairperson and, together with ExCo (Linsey Samuels and Winnie Sze), underwent a formal KPA process with Richard Kilpert. In June, Antony Arvan was co-opted as a board member. In July, it was decided by mutual agreement that Richard Kilpert would step down as Co-Director following a handover process that culminated on 31 August 2023.

During that same time, an open call for the position of Director was released. 13 applications were submitted, out of which 6 candidates were chosen for a first round of interviews with Keely Shinnars, Winnie Sze and Ina Voloshin. Thereafter, 3 candidates were shortlisted and interviewed in a second round by external adjudicators (and former Board Members) Mirna Wessels and Renee Holleman. A meeting was held on Thursday, 14 September with the entire

interview committee where the successful candidate was selected. Olga Speakes was officially co-opted as the incumbent in a Board meeting on Wednesday, 20 September.

Other movements on the Board during this time included resignations by Marinda Classen and Linsey Samuels in August and Phokeng Setai in September. Keely Shinnars became Chairperson in September 2023. A Vice-Chairperson was not appointed. An election to induct new board members is scheduled to take place at the AGM on 27 October 2023.

On the financial side, we have used this tumultuous period to assess controls, disclose issues and, beginning with this set of AFS, implement best financial practice. Additionally, the incumbent and the board have discussed a plan to raise funds and mitigate risk of going concerns moving forward. This plan includes, but is not limited to a comprehensive sales strategy (including fostering a balance between experimental and sellable exhibitions). Despite the competitive and ring-fenced nature of state funding, we will continue identifying and applying for grants. Our marketing strategy is soon to be updated. We've acknowledged the past success of the Circle Membership, and intend to improve and revive the programme.

Despite the challenges, the AVA has remained resilient, due in large part to its committed board, dedicated staff, faithful community and generous funders. It is this, we feel, that will ensure the survival of the organisation in the long term.

Sincerely,
The Board

Board members

Board members (2022)	Board members (2023)
Richard Kilpert (Chair until Nov 2022, resigned Nov 2022)	Keely Shinnars (joined AGM 2022, Vice Chair since May 2023, Chair since Aug 2023)
Linsey Samuels (Treasurer until Jan 2023, Chair from Jan 2023)	Linsey Samuels (Chair, resigned Aug 2023)
Boitumelo Thoele (Vice Chair)	Boitumelo Thoele (Vice Chair until May 2023, resigned May 2023)
Cheryl Traub Adler (Chair until AGM 2022, resigned AGM 2022)	Winnie Sze (joined AGM 2022, Treasurer since Jan 2023)
Renee Hollerman (Vice Chair until AGM 2022, resigned AGM 2022)	Ina Voloshin (joined AGM 2022)
Philippa Tumubweinee (resigned AGM 2022)	Olga Speakes (joined AGM 2022, resigned Sep 2023, co-opted as incumbent Director Sep 2023)
Ricardo van Lingen (resigned AGM 2022)	Antony Arvan (seconded May 2023)
Noncedo Charmaine (resigned AGM 2022)	Phokeng Setai (joined AGM 2022, resigned Sep 2023)
Mirna Wessels	Mirna Wessels (resigned Mar 2023)
Marinda Claasen	Marinda Claasen (resigned Aug 2023)
Jane Taylor (leave of absence due to illness)	Oliver Nurock (joined AGM 2022, resigned Mar 2023)
	Jane Taylor (deceased Sep 2023)

Letter from the Treasurer on the 2022 Annual Financial Statement

It is customary for management to explain in words what has been expressed in numbers in the financial statements. But as the Director and the Treasurer responsible for the reporting period have resigned, though I have only been the Treasurer since January 2023, I will endeavour to explain and unpack the key financial issues affecting the AVA over the last few years and the impact today.

Since 2020, the AVA has been operating at a loss. This is due to declining sales and rising costs. Sales was negatively impacted by covid, but even with the easing of lockdown in 2022, sales were only at half of 2019's level. Expenses, on the other hand, rose by 29 rand for every 100 during the period. The biggest rises were in salaries, which is the biggest cost, and in rates and utilities on the premises. The losses (i.e. "deficits") reduced the AVA's reserves, not only in accounting-terms but also in draining cash from the bank account and the endowment fund.

The AVA's cash drainage would have been worse were it not for grants. The grants were not to be used at the AVA's discretion but were "ring-fenced" to fund specific projects. But as the grants arrived in one (or two) lump-sum(s), but the running of the projects and therefore the spending of the monies happened over time, until the projects were completed there were cash surpluses. It was these surpluses that the former Director used to offset the cash drain of operations.

On the one hand, this "borrowing" from project grants to tie over operations is pragmatic, but on the other hand, it created two risks for the AVA. The first is due to the grants being inappropriately reported. The portion of the grants not yet spent on their designated projects should have been reported as a liability – because it is a debt owing to the funders. This was not done. I have changed the accounting for 2022 but have not retroactively changed 2021 and 2020 so not all line items in the reports are directly comparable across the years (it is also why 2020 should have been a loss).

The second issue is that eventually the projects must be delivered even if the cash had been "borrowed" to pay for the other parts of the AVA. Since the former Director resigned, my fellow board members and I have used the time to first unpick the AVA's financial travails, determined the status of the promised projects, and put in place a plan to deliver on what was promised. In the process, the reserves have had to be further drained. As a result of these past years' policies and our need to make amends, the AVA is in a weakened state.

The AFS is in the process of being audited and will take longer than usual as to ensure that it is now done properly, and safeguard systems put in place. The board, not involved during the reporting year, signs the AFS on good faith, dependent on the knowledge of staff and our accountant.

Even as I express the seriousness of the situation, nevertheless I am cautiously optimistic. The board is pleased to announce that we have made an offer to a new Director. She and the board affirm the AVA's core mission of promoting artists and commit to pursuing only projects and related funding that furthers that mission. As Treasurer I commit to bringing greater transparency to financial management (such as this letter), the creation and overseeing of a budget, and the implementation of a reconciliation of artwork sales for timeous payment to artists.

I draw my letter to a close by saying that financial statements cannot report everything: it cannot report the commitment and effort of my fellow board members, the new energy and vision the incoming Director will bring, the faith and support that is behind each grant, donation and membership fee. As Treasurer, I would like to be the first to say that even as we need to count rands and cents, we must also count the support and belief in the AVA's mission of offering opportunities for artists, across all walks of life, in South Africa.

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2022

Index

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

General Information	1
Directors' Responsibilities and Approval	2 - 3
Directors' Report	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Financial Statements	11 - 15
Supplementary information: Detailed Income Statement	16 - 17

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2022

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Promotion of art and artists
MANAGEMENT	Keely Shinnars (Appointed 12 October 2022) Winnie Sze (Appointed 12 October 2022) Ina Voloshin (Appointed 12 October 2022) Antony Arvan (Appointed 31 May 2023) Mirjam Asmal (Resigned 31 March 2023) Renée Holleman (Resigned 12 October 2022) Cheryl Traub-Adler (Resigned 12 October 2022) Ricardo van Lingen (Resigned 12 October 2022) Jane Taylor (Resigned 30 September 2023) Philippa Tumubweinee (Resigned 12 October 2022) Marinda Claasen (Resigned 31 August 2023) Linsey Samuels (Resigned 31 August 2023) Noncedo Gxekwa (Resigned 12 October 2022) Boitumelo Tlhoale (Resigned 31 May 2023) Mirna Wessels (Resigned 30 September 2023)
REGISTERED OFFICE	35 Church Street Cape Town 8001
BUSINESS ADDRESS	35 Church Street Cape Town 8001
COMPILERS	Abakus Accounting Solutions (Pty) Ltd 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 2022

Management's Responsibilities and Approval

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 annual financial statements as set out on pages 5 to 15 were approved by the management committee on 20 September 2023 and were signed on its behalf by:

Keely Shinnars

Winnie Sze

Ina Voloshin

Antony Arvan

Mirjam Asmal

Renée Holleman

Cheryl Traub-Adler

Ricardo van Lingen

Jane Taylor

Philippa Tumubweinee

Marinda Claasen

Linsey Samuels

Noncedo Gxekwa

Boitumelo Tlhoale

Association for Visual Arts Gallery

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2022

Management's Responsibilities and Approval

Mirna Wessels

Richard Kilpert

Boitumelo Thoele

Olga Speakes

Phokeng Setai

Oliver Nurock

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Annual Financial Statements for the year ended 31 December 2022

Management's Report

The management committee present their report for the year ended 31 December 2022.

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.

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.

4. Management

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

Keely Shinnars (Appointed 12 October 2022)
Winnie Sze (Appointed 12 October 2022)
Ina Voloshin (Appointed 12 October 2022)
Antony Arvan (Appointed 31 May 2023)
Mirjam Asmal (Resigned 31 March 2023)
Renée Holleman (Resigned 12 October 2022)
Cheryl Traub-Adler (Resigned 12 October 2022)
Ricardo van Lingen (Resigned 12 October 2022)
Jane Taylor (Resigned 30 September 2023)
Philippa Tumubweinee (Resigned 12 October 2022)
Marinda Claasen (Resigned 31 August 2023)
Linsey Samuels (Resigned 31 August 2023)
Noncedo Gxekwa (Resigned 12 October 2022)
Boitumelo Tlhoale (Resigned 31 May 2023)
Mirna Wessels (Resigned 30 September 2023)

5. Compilers

Abakus Accounting Solutions (Pty) Ltd were the compilers for the year under review.

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Statement of Financial Position

Figures in R	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	3	193,614	198,482
Current Assets			
Trade and other receivables	4	107,655	307,950
Cash and cash equivalents	5	213,936	412,228
		321,591	720,178
Total Assets		515,205	918,660
Reserves and Liabilities			
Reserves			
Other components of equity	6	255,000	160,000
(Accumulated loss) / retained earnings		(93,677)	741,663
		161,323	901,663
Current Liabilities			
Trade and other payables	7	353,882	16,997
Total Reserves and Liabilities		515,205	918,660

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Statement of Comprehensive Income

Figures in R	Notes	2022	2021
Revenue	8	533,379	539,806
Cost of sales	9	(358,531)	(483,391)
Gross surplus		174,848	56,415
Other income	10	294,073	965,106
Operating costs		(1,309,215)	(1,188,075)
Operating deficit		(840,294)	(166,554)
Finance income		8,624	9,565
Finance costs	12	(3,670)	(184)
Deficit for the year		(835,340)	(157,173)

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Statement of Changes in Reserves

Figures in R	Reserve 1	Accumulated deficit	Total
Balance at 1 January 2021	160,000	898,836	1,058,836
Total comprehensive income for the year			
Deficit for the year		(157,173)	(157,173)
Total comprehensive income for the year	-	(157,173)	(157,173)
Balance at 31 December 2021	160,000	741,663	901,663
Balance at 1 January 2022	160,000	741,663	901,663
Total comprehensive income for the year			
Deficit for the year		(835,340)	(835,340)
Total comprehensive income for the year	-	(835,340)	(835,340)
Transfer	95,000		95,000
Balance at 31 December 2022	255,000	(93,677)	161,323
Note	6		

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Statement of Cash Flows

Figures in R	Note	2022	2021
Cash flows used in operating activities			
Deficit for the year		(835,340)	(157,173)
<i>Adjustments for:</i>			
Finance costs		3,670	184
Depreciation of tangible assets		20,991	27,236
Investment income		(8,624)	(9,565)
Operating cash flow before working capital changes		(819,303)	(139,318)
<i>Working capital changes</i>			
Decrease / (increase) in trade and other receivables		200,295	(228,199)
Increase / (decrease) in trade and other payables		336,885	(213,347)
Net cash flows used in operations		(282,123)	(580,864)
Investment income		8,624	9,565
Finance costs		(3,670)	(184)
Net cash flows used in operating activities		(277,169)	(571,483)
Property, plant and equipment acquired	3	(21,956)	-
Proceeds on disposals of property, plant and equipment		5,833	-
Cash flows from financing activities			
AVA 50 Circle Collectors contributions		95,000	-
Other		-	-
Net cash flows from financing activities		95,000	-
Net decrease in cash and cash equivalents		(198,292)	(571,483)
Cash and cash equivalents at beginning of the year		412,228	983,711
Cash and cash equivalents at end of the year	5	213,936	412,228

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Accounting Policies

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:

2.1.1 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 2022

Accounting Policies

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%
Kitchen equipment	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 2022

Notes to the Annual Financial Statements

Figures in R

2022

2021

3. Property, plant and equipment

	Cost	Accumulated depreciation	2022 Carrying value	Cost	Accumulated depreciation	2021 Carrying value
<i>Owned assets</i>						
Building improvements	215,000	51,600	163,400	215,000	43,000	172,000
Furniture and fittings	152,304	141,909	10,395	152,304	139,001	13,303
Kitchen equipment	5,435	302	5,133	-	-	-
IT equipment	214,638	199,952	14,686	213,116	199,937	13,179
	587,377	393,763	193,614	580,420	381,938	198,482

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2022 Carrying value at end of year
<i>Owned assets</i>					
Building improvements	172,000	-	-	(8,600)	163,400
Furniture and fittings	13,303	-	-	(2,908)	10,395
Kitchen equipment	-	5,435	-	(302)	5,133
IT equipment	13,179	16,521	(5,833)	(9,181)	14,686
	198,482	21,956	(5,833)	(20,991)	193,614

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Owned assets</i>					
Building improvements	180,600	-	-	(8,600)	172,000
Furniture and fittings	16,211	-	-	(2,908)	13,303
IT equipment	28,907	-	-	(15,728)	13,179
	225,718	-	-	(27,236)	198,482

4. Trade and other receivables

Trade debtors	77,975	273,720
Deposits	5,000	20,241
Value Added Taxation	24,680	13,989
	107,655	307,950

5. Cash and cash equivalents

Favourable cash balances

Cash on hand	2,952	275
FNB Current Account: 628 3313 6733	112,663	240,373
FNB 32 Day Flexi Notice Acc: 748 615 3700	98,321	171,580
	213,936	412,228

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in R

	2022	2021
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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

Accrued liabilities	25,637	-
Sundry creditors	-	2,800
Trade creditors	14,276	14,198
PAYE & UIF liability	(238)	(1)
Income received in advance	314,207	-
	<u>353,882</u>	<u>16,997</u>

Income received in advance

Trade receivables	4,000	-
National Lotteries Commission	175,527	-
Provincial Government of the Western Cape, Department of Cultural Affairs and Sport	134,680	-
	<u>314,207</u>	<u>-</u>

8. Revenue

An analysis of revenue is as follows:

Books and Catalogues	1,560	4,610
Gallery rental	45,770	76,870
Membership fees	40,725	12,843
Venue & Events	43,004	20,000
Workshop	23,800	5,652
Courier & framing	4,709	2,801
Commission received	346,941	371,945
Insurance claims	17,500	4,500
Installation services	9,370	40,585
	<u>533,379</u>	<u>539,806</u>

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in R	2022	2021
9. Cost of Sales		
Alcohol & Catering	2,194	1,364
Artreach	61,181	182,914
Circle - AVA 50 Collectors	180	2,891
Commission paid	114,970	130,184
Equipment, Printing & Postage	444	550
Events & Special Projects	97,062	21,250
Exhibition Expenses / Installation	36,153	15,807
Framing	5,200	(199)
Freight & Packaging	7,640	3,970
Installation Crew Training	11,425	33,954
Internships	-	15,700
Lounge +	3,155	72,273
Travel & Transport	-	572
Workshops	18,927	2,161
	<u>358,531</u>	<u>483,391</u>
<i>Commission paid</i>		
Third-party commission	50,806	3,600
Staff commission	64,164	126,584
	<u>114,970</u>	<u>130,184</u>

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in R

	2022	2021
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10. Other Income

Donations Received	221,280	273,749
Grants	72,793	691,357
	<u>294,073</u>	<u>965,106</u>

Detailed breakdown:

Donations received

Donations box & First Thursdays	280	2,749
Joan St Leger Lindbergh Charitable Trust	180,000	180,000
Strauss & Co	-	30,000
Fifty-Eight in the Cradle	-	25,000
Saeed Davids	-	10,000
Stevenson Gallery	-	1,000
Culture Connection	1,000	-
JHI	5,000	-
Mr Price	5,000	-
AVA 50 Circle Collectors Events Contributions	30,000	-
	<u>221,280</u>	<u>248,749</u>

Grants received

Provincial Government of the Western Cape, Department of Cultural Affairs and Sport	165,320	110,000
The Visual Arts Network of South Africa (VANSA)	-	16,357
The Arts & Culture Trust (ACT)	-	-
Business and Arts South Africa NPC (BASA)	18,000	20,000
The National Arts Council Presidential Employment Stimulus Package (NAC PESP)	-	155,000
City of Cape Town	-	70,000
National Lotteries Commission *	(175,527)	300,000
National Arts Council	26,000	20,000
KwaZulu Natal Society of Arts (KZNSA)	39,000	-
	<u>72,793</u>	<u>691,357</u>

* The negative balance reflected is due to an adjustment made that relates to prior financial years. This adjustment is to account for the deferred income on the grant that will be used in the following financial years.

11. Profit before tax

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

Depreciation - Tangible assets	<u>20,991</u>	<u>27,236</u>
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ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Notes to the Annual Financial Statements

Figures in R	2022	2021
12. Finance costs		
SARS	3,436	(1)
Other	234	185
	<u>3,670</u>	<u>184</u>

13. Approval of annual financial statements

These financial statements were approved by the managing committee and authorised for issue on 20 September 2023.

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Detailed Income Statement

Figures in R	2022	2021
Gross Revenue		
Books and Catalogues	1,560	4,610
Commission received	346,941	371,945
Courier & framing	4,709	2,801
Gallery rental	45,770	76,870
Installation services	9,370	40,585
Insurance claims	17,500	4,500
Membership fees	40,725	12,843
Venue & Events	43,004	20,000
Workshop	23,800	5,652
	<u>533,379</u>	<u>539,806</u>
Cost of Sales		
Alcohol & Catering	2,194	1,364
Artreach	61,181	182,914
Circle - AVA 50 Collectors	180	2,891
Commission paid	114,970	130,184
Equipment, Printing & Postage	444	550
Events & Special Projects	97,062	21,250
Exhibition Expenses / Installation	36,153	15,807
Framing	5,200	(199)
Freight & Packaging	7,640	3,970
Installation Crew Training	11,425	33,954
Internships	-	15,700
Lounge +	3,155	72,273
Travel & Transport	-	572
Workshops	18,927	2,161
	<u>358,531</u>	<u>483,391</u>
Gross Profit	<u>174,848</u>	<u>56,415</u>
Other Income		
Donations Received	221,280	273,749
Grants	72,793	691,357
Investment income	8,624	9,565
	<u>302,697</u>	<u>974,671</u>
	<u>477,545</u>	<u>1,031,086</u>

ASSOCIATION FOR VISUAL ARTS GALLERY

(Registration Number 035-161-NPO)

Financial Statements for the year ended 31 December 2022

Detailed Income Statement

Figures in R	2022	2021
Expenditure		
Accounting fees	36,810	43,239
Advertising	26,428	14,649
Bad debts	42,538	-
Bank charges	22,265	11,265
Cleaning	1,649	1,747
Compilers' remuneration	-	3,500
Computer expenses	327	5,753
Depreciation - Tangible assets	20,991	27,236
Discount allowed	11,048	8,268
Hire - Equipment	-	300
Insurance	26,341	20,542
Interest Paid - Other	3,670	184
Loss on stolen fixed assets	5,833	-
Packaging	1,198	717
Postage	206	2,947
Premises costs	137,141	158,522
Printing and stationery	720	7,574
Repairs and maintenance	8,637	2,301
Salaries	783,917	730,816
Security	6,236	5,652
Small assets	3,156	2,085
Special Projects	116,140	95,000
Staff welfare	3,955	7,096
Stewardship	643	1,933
Subscriptions	43,956	25,714
Telephone and fax	4,740	5,952
Training	500	798
Travel & accomodation	3,840	4,469
	<u>1,312,885</u>	<u>1,188,259</u>
Deficit for the year	(835,340)	(157,173)