

SIBIKWA COMMUNITY PROJECT NPC

ANNUAL FINANCIAL STATEMENTS

YEAR END: 31 DECEMBER 2021

REGISTRATION NUMBER:

1990/003433/08

REGISTERED ADDRESS:

13 LIVERPOOL ROAD, BENONI, 1501

ADDRESS OF PLACE OF BUSINESS:

13 LIVERPOOL ROAD, BENONI, 1501

COUNTRY OF INCORPORATION:

SOUTH AFRICA

PRESENTATION CURRENCY

SOUTH AFRICAN RANDS ("R")



SIBIKWA COMMUNITY PROJECT NPC

ANNUAL FINANCIAL STATEMENTS - 31 DECEMBER 2021

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Revenue

9 829 989

Net profit (loss) before taxation

574 774

Cash flow from operations

225 560

Total assets

4 217 061

Shareholder's equity

4 150 227



SIBIKWA COMMUNITY PROJECT NPC

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2021

The Company's directors are responsible for the preparation and fair presentation of the annual financial statements, comprising: the directors' report; the balance sheet at the year end date; the income statements; the statements of changes in equity; cash flow statements for the year then ended; a summary of significant accounting policies and the notes to the financial statements in accordance with Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of any supplementary schedules included in these financial statements.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the businesses will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework and legislation.

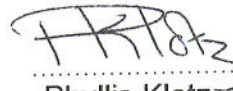
Approval of the annual financial statements

The annual financial statements were approved by the Board of Directors and are signed on their behalf by:

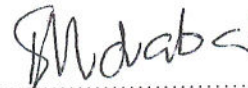
11 April 2022

Date of signing

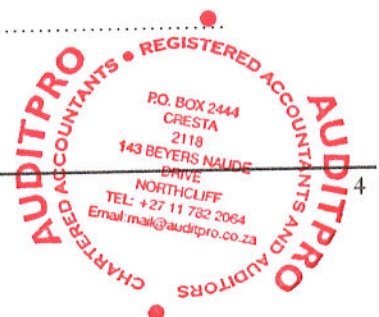

Zwelakhe Gumede


Phyllis Klotz


Mologadi Kekana


Small Ndaba


Rick Edmonds



REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBER'S OF SIBIKWA COMMUNITY PROJECT NPC
FOR THE YEAR ENDED 31 DECEMBER 2021

Report on the financial statements

We have reviewed the annual financial statements of the abovementioned company that comprise the statement of financial position as at the abovementioned year end and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on the foregoing pages.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements. A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded. Except for the effects of any adjustment which might have been necessary, had it been possible for us to extend our examination of receipts, nothing has come to our attention that causes us to believe that the annual financial statements do not present fairly, in all material respects the financial position of the abovementioned company as at the abovementioned year end and its financial performance and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the Companies Act of South Africa.



AUDITPRO

Registered Accountants & Auditors

Partner: M Bhamjee

Tel: +27 (11) 782 2064

Fax: +27 (11) 888 4649

Signed:

Date of signing:

12/04/22



SIBIKWA COMMUNITY PROJECT NPC

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

The directors present their annual report, which forms part of the audited annual financial statements of the company for the year ended.

NATURE OF BUSINESS

The Company was incorporated in 1990 under the laws of the Republic of South Africa. The principal activities are the provision of arts education, vocational training, promotion of theatre and performance arts. These activities are conducted primarily in South Africa.

GENERAL REVIEW

The state of the company's affairs is adequately represented in the attached financial statements

PROPERTY, PLANT & EQUIPMENT

Details of the company's Property, plant & equipment are reflected in Note 1 of the explanatory notes to the annual financial statements. There was no major change in the nature nor in the policy relating in respect of their use.

DIRECTORATE

There were no changes to the directorate of the company for the year.
The directorate of the company is reflected as follows at year end.

Mr. PS Ndaba
Ms. P Klotz
Ms. MN Kekana
Mrs. PJ Grayman
Mr. HME Edmonds
Mr. ZM Gumede

SECRETARIAT


The company has no appointed secretary.

EXTERNAL AUDITORS

Auditpro Chartered Accountants will continue in office in accordance with the Companies Act of South Africa.

POST BALANCE SHEET EVENTS

No material events or circumstances have occurred between the close of the financial year and the date of this report.


.....
Chairman

11 April 2022

.....
Date of signing



SIBIKWA COMMUNITY PROJECT NPC

BALANCE SHEET AT 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>	<u>Notes</u>
ASSETS			
NON-CURRENT ASSETS			
Plant & equipment	6 963	-	1
	<u>6 963</u>	<u>-</u>	
CURRENT ASSETS			
Cash & cash equivalents	4 210 098	3 994 983	5
Inventory	-	-	
Accounts receivable	-	-	
	<u>4 210 098</u>	<u>3 994 983</u>	
TOTAL ASSETS	<u>R 4 217 061</u>	<u>R 3 994 983</u>	
EQUITY AND LIABILITIES			
RESERVES			
Retained income/(Accumulated loss)	4 150 227	3 575 453	
TOTAL EQUITY	<u>4 150 227</u>	<u>3 575 453</u>	
CURRENT LIABILITIES			
Accounts payable	66 834	419 530	
	<u>66 834</u>	<u>419 530</u>	
TOTAL LIABILITIES	<u>66 834</u>	<u>419 530</u>	
TOTAL EQUITY AND LIABILITIES	<u>R 4 217 061</u>	<u>R 3 994 983</u>	



SIBIKWA COMMUNITY PROJECT NPC

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>	Notes
REVENUE			
Grants and generated income	5 990 980	3 337 008	
Development of Provincial Community Arts Programme	3 000 009	6 768 106	
Department of Sports, Arts & Culture -Refurbishment	839 000	-	
	<u>9 829 989</u>	<u>10 105 114</u>	2
EXPENDITURE			
Project expenses	5 117 311	5 815 179	
Directors emoluments	1 313 065	799 080	3
Auditor's remuneration	23 800	19 300	
Depreciation/Impairment	3 482	54 356	
Other expenses	2 843 244	2 713 272	
	<u>9 300 902</u>	<u>9 401 187</u>	6,7
OPERATING PROFIT (LOSS)	529 087	703 927	
Interest received	45 688	37 280	
Interest paid	(1)	(15)	
NET PROFIT (LOSS) BEFORE TAXATION	<u>574 774</u>	<u>741 192</u>	
TAXATION	-	-	4
NET PROFIT (LOSS) FOR THE YEAR	<u><u>R 574 774</u></u>	<u><u>R 741 192</u></u>	



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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained income/ (Accumulated loss)	Total
BALANCE - 31 DECEMBER 2019	2 834 261	2 834 261
NET PROFIT FOR THE YEAR	741 192	741 192
BALANCE - 31 DECEMBER 2020	3 575 453	3 575 453
NET PROFIT FOR THE YEAR	574 774	574 774
BALANCE - 31 DECEMBER 2021	R 4 150 227	R 4 150 227



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020	Notes
CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES			
Cash generated from (utilised by) operations	179 873	1 358 357	1
Interest received	45 688	37 280	
Interest paid	(1)	(15)	
Taxation paid	-	-	2
	<u>225 560</u>	<u>1 395 622</u>	
CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES			
Investment to expand operations			
Additions to plant & equipment	(10 445)	-	
	<u>(10 445)</u>	<u>-</u>	
CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES			
Secured liabilities raised (repaid)	-	-	
Unsecured liabilities raised (repaid)	-	-	
	<u>-</u>	<u>-</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	215 115	1 395 622	
CASH AND CASH EQUIVALENTS -31 DECEMBER 2020	3 994 983	2 599 361	
CASH AND CASH EQUIVALENTS -31 DECEMBER 2021	<u>R 4 210 098</u>	<u>R 3 994 983</u>	3



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NOTES TO THE CASH FLOW STATEMENT - 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>
1. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED FROM (UTILISED BY) OPERATIONS		
Operating profit	529 087	703 927
Adjustments for:		
- Depreciation/Impairment	3 482	54 356
Operating profit before working capital changes	<u>532 569</u>	<u>758 283</u>
Working capital changes		
- Decrease (increase) in inventory	-	189 406
- Decrease (increase) in accounts receivable	(352 696)	410 668
- Increase (decrease) in accounts payable	<u>(352 696)</u>	<u>600 074</u>
Cash generated from (utilised by) operations	<u>R 179 873</u>	<u>R 1 358 357</u>
2. TAXATION PAID		
Amount unpaid prior year	-	-
Current taxation charged to income statement	-	-
Amount unpaid end of the year	<u>-</u>	<u>-</u>
	<u>R -</u>	<u>R -</u>
3. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of cash on hand and balances with banks	4 210 098	3 994 983
Cash & cash equivalents	-	-
Bank overdraft	<u>-</u>	<u>-</u>
	<u>R 4 210 098</u>	<u>R 3 994 983</u>



STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice and the requirements of the South African Companies Act.

BASIS OF PREPARATION

The annual financial statements are prepared in South African rands modified cash basis. Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance, while others are recorded for presentation as notes. Elements are primarily recognised when they arise from cash inflows or outflows. The preparation of financial statements in conformity with Generally Accepted Accounting Practice requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

REVENUE RECOGNITION**Goods sold and services rendered**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at balance sheet date. The stage of completion is assessed by reference to surveys of the work performed. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods as well as continuing management involvement with goods to a degree usually associated with ownership. Where the company acts as agent and is remunerated on a commission basis, only the commission income, and not the value of the business transaction, is included in revenue.

Interest

Interest is recognised on the time proportion basis, taking account of the principal debt outstanding and the effective rate over the period to maturity.

Rental income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease.

Borrowing costs

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

FINANCIAL ASSETS

The principal financial assets are investments and loans, accounts receivable, short-term loans, funds on call and deposit, and bank and cash balances:

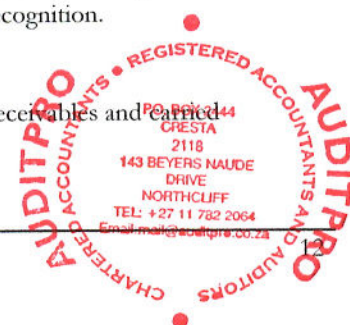
Accounts receivable

Trade and other receivables are stated at their amortised cost less impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Funds on call and deposit, and bank and cash balances

Cash on hand is measured at fair value.

Deposits held on call, and investments in money market instruments, are classified as loans and receivables and carried at amortised cost.



FINANCIAL LIABILITIES

The principal financial liabilities are interest-bearing debt, accounts payable and bank borrowings.

Interest-bearing debt

Interest-bearing debt, including finance lease obligations, is initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing debt is recognised at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective-interest basis.

Bank overdraft

Bank borrowings, consisting of interest-bearing bank loans and overdrafts, are recorded at the proceeds received, net of direct issue costs. Finance costs, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Accounts payable

Trade and other payables are stated at amortised cost. Due to the short-term nature of the company's trade and other payables, the cost approximates its fair value.

PROVISION FOR PROJECT EXPENSES

Due to the uncertainty around collectability and retention of donor funds, no provisions for future project expenditure is realised.

EQUITY INSTRUMENTS

Equity instruments are recorded at the proceeds received, net of direct issue costs.

INVENTORY

Inventory is stated at the lower of cost and net realisable value. Cost is determined according to the first-in, first-out method.

INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and for capital appreciation, is held as a long-term investment and is recognised as follows:

The fair value model is used. The asset is recognised as follows:

Initially at cost

Subsequently, the asset is revalued

OWNER OCCUPIED PROPERTY

Owner occupied property which is property held for use in the production or supply of goods or services or for administrative purposes is recognised as follows:

The revaluation value model is used. The asset is recognised as follows:

Initially at cost

Subsequently, the asset is revalued

Land is considered to have an indefinite useful life and is therefore not depreciated

Buildings are depreciated over their useful lives at 2% using the straight line method

PROPERTY, PLANT & EQUIPMENT

The cost model is used to account for property, plant & equipment. For impairment purposes the fair value less costs to sell is used. The company depreciates its fixed assets over their expected useful lives on the straight line method at the following annual rates after taking residual values into account:

Motor Vehicles	20%
Office equipment	20%
Other fixed assets	20%



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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

1 PLANT & EQUIPMENT

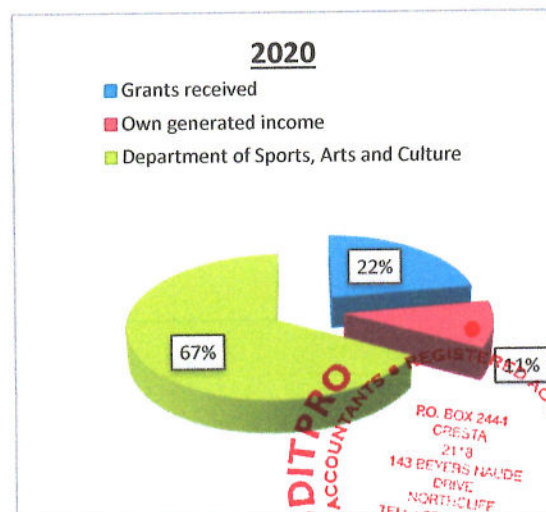
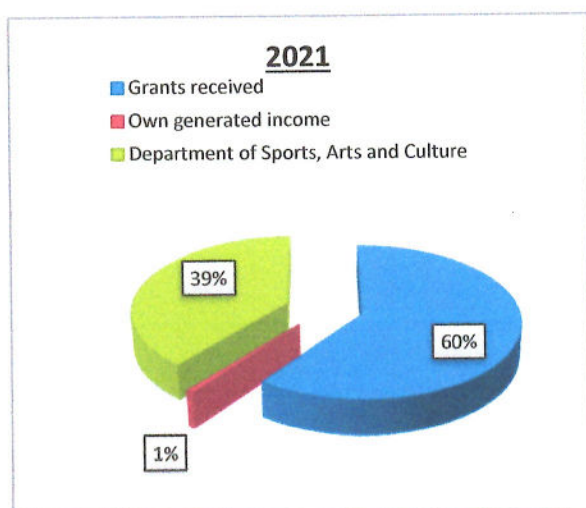
	2021			2020	
	Motor Vehicles	Office equipment	Other fixed assets	Current year Total	Prior year Total
Carrying value beginning of year					54 356
Cost	1 069 021	1 520 648	681 880	3 271 549	3 271 549
Accumulated depreciation	1 069 021	1 520 648	681 880	3 271 549	3 217 193
Additions	-	10 445	-	10 445	-
Disposed	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Depreciation/Impairment	-	3 482	-	3 482	54 356
Cost	1 069 021	1 531 093	681 880	3 281 994	3 271 549
Accumulated depreciation	1 069 021	1 524 130	681 880	3 275 031	3 271 549
Carrying value end of year	R -	R 6 963	R -	R 6 963	R -



SIBIKWA COMMUNITY PROJECT NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>
2, REVENUE		
Revenue comprises:		
Grants received		
Arts & Culture Trust - The Sibikwa Story	16 000	-
Arts & Culture Trust - Tlholo Project	-	40 000
Business and Arts South Africa - Marketing / PR	9 000	-
CATHSSETA - Performing Arts Intenship	-	16 800
Concerts SA - Phola Vibez - Jazz Festival	30 000	-
DAC- Artists in Schools 2021/2022	2 090 100	800 000
DAC -SA EU Policy Dialogue	450 000	75 813
Department of Sports, Arts & Culture - Seriti sa basadi	97 500	-
Hayley Steinberg - Marimba Mallets	-	12 500
Hulla & Com-KG-Shukuma Mzansi -SAEUCAC	-	69 328
ICAP Bursaries 2021	100 000	-
NAC PESP Stream 2	496 800	-
National Arts Council - Inclusive Creative Arts Programme	192 000	75 000
National Arts Council -Banna ba Sebele	244 020	-
NLC: Training & Development	-	186 916
Oppenheimer Memorial Trust - Saturday Arts Academy	325 000	325 000
Pro Helvetia ANT Mobility Fund	-	48 000
Rand Merchant Bank - Exit Grant	500 000	-
SAMRO Foundation - African Indigeneus Music Project	45 000	45 000
South African Cities Network - Seriti Sa Basadi	-	30 000
The French Institute of South Africa - Kabusha	28 950	-
Total Energies (Pty) Ltd - Inclusive, Development, Education and Advocacy	750 000	-
Total South Africa (Pty) Ltd - Saturday Arts Academy	550 000	550 000
	<u>5 924 370</u>	<u>2 274 357</u>
Own generated income		
Projects	<u>66 610</u>	<u>1 062 651</u>
Department of Sports, Arts and Culture		
Development of Provincial Community Arts Programme	3 000 009	6 768 106
Department of Sports, Arts & Culture -Refurbishment	<u>839 000</u>	<u>-</u>
	<u>R 9 829 989</u>	<u>R 10 105 114</u>



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SIBIKWA COMMUNITY PROJECT NPC

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>
3. DIRECTORS EMOLUMENTS		
Included in salaries and human resources project costs are amounts paid to directors for executive management salaries:		
P Klotz - Salaries	233 338	399 540
P Klotz - Retrenchment Payout	300 000	-
P Klotz - Consulting Fees	131 500	-
SP Ndaba - Salaries	216 727	399 540
SP Ndaba - Retrechment Payout	300 000	-
SP Ndaba - Consulting Fees	131 500	-
	<u>R 1 313 065</u>	<u>R 799 080</u>

All amounts paid during the year for management salaries.

4. TAXATION

No provision for taxation has been made as the trust is exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act No58 of 1962.

5. CASH & CASH EQUIVALENTS

Current accounts	2 007 521	2 122 362
Savings accounts	2 202 577	1 872 621
	<u>R 4 210 098</u>	<u>R 3 994 983</u>

6. RELATED PARTY TRANSACTIONS

There has been no significant changes in related-party relationships since the previous year.

The sales to and purchases from related parties of goods and services are made at arm's length prices.

Unless otherwise indicated below, outstanding balances at the year-end are unsecured and interest free with no fixed repayment terms. There have been no guarantees provided or received for any related party receivables or payables. No impairment of amounts owed by related parties has been made for the year, nor is any impairment deemed necessary. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



SIBIKWA COMMUNITY PROJECT NPC

SUPPLEMENTARY SCHEDULES - 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
7. OTHER EXPENSES			
Accounting Fees	96 000	108 000	104 000
Administration Fees	2 850	-	1 500
Bank Charges	34 443	42 371	43 232
Cleaning	147 704	70 023	92 636
Cloud Backup	1 360	-	-
Computer Expenses	66 589	50 970	50 440
Consulting Fees	8 850	22 650	3 000
Courier & Postage	1 099	168	263
Consumables	2 151	433	-
Donations	6 350	4 900	-
Drama Exam Fees	-	-	7 415
Entertainment Expenses	1 297	406	5 081
Editorial Monitoring	1 660	-	-
Facilitators - Adult Classes	10 200	-	-
General Expense	15 186	18 879	11 272
Insurance	148 843	145 345	108 581
Marketing & Publicity	6 048	2 741	12 103
Motor Vehicle Expenses	67 606	82 986	83 418
Printing & Stationery	45 543	41 875	51 064
Repairs & Maintenance	40 928	17 415	23 441
Salaries & Wages	1 578 229	1 565 021	1 924 474
Personal protection Equipment	8 555	5 627	-
Security	196 125	247 338	174 724
Sibikwa Events	4 569	-	84 470
Staff Welfare	17 259	6 935	16 404
Subscriptions	6 234	4 849	-
Telephone & Fax	62 845	27 842	46 108
Training	9 848	11 100	-
Travel	3 298	856	2 711
Utilities	222 544	234 542	181 032
Uniforms	26 381	-	-
Website Retainer	1 650	-	-
Workshops	1 000	-	-
	R 2 843 244	R 2 713 272	R 3 027 369

