



Arterial Network South Africa
Annual Financial Statements
for the year ended 31 December 2013

Arterial Network South Africa

Annual Financial Statements for the year ended 31 December 2013

General Information

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Arterial Network South and Southern Africa is committed to developing South African arts, culture and heritage in its own right and as a means to contribute to democracy, human rights and development in South and Southern Africa.

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General Information

Auditors

Braude Gordon & Co
Chartered Accountants (S.A.)
Registered Auditors

Secretary

Valmont Layne

Preparer

The annual financial statements were internally compiled by:
Neil Tillemans
Chartered Accountant (SA)

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

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Steering Committee's Responsibilities and Approval

The Steering committee is obliged to maintain adequate accounting records to enable the association to satisfy all reporting requirements applicable to it and to provide adequate precautions against theft, loss or intentional or accidental damage or destruction, falsification, to facilitate the discovery of any falsification and to comply with any other applicable law dealing with accounting records, access to information, or confidentiality. 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 association, and explain the transactions and financial position of the business of the association at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the association and supported by reasonable and prudent judgements and estimates.

The Steering committee acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Steering 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 Steering 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Steering Committee has no reason to believe that the association will not be a going concern in the foreseeable future. The financial statements support the viability of the association.

The financial statements have been audited by the independent auditing firm, Braude Gordon & Co, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of those charged with governance of the entity and the Steering Committee. The Steering Committee believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors qualified report is presented on page 5.

The annual financial statements set out on pages 7 to 15 were approved by the board on 11 April 2014 and were signed on its behalf by:

andre le roux
andre le roux (Apr 22, 2014)

Chairperson

Independent Auditors' Report

To the Members of Arterial Network South Africa

We have audited the annual financial statements of Arterial Network South Africa, as set out on pages 9 to 13, which comprise the statement of financial position as at 31 December 2013, and the statement of income and retained earnings and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Committee members' Responsibility for the Annual Financial Statements

The committee members are 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, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the committee members determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. Except as discussed in the following paragraph 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 auditors' 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the company to institute accounting controls over donations received prior to initial entry in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the qualification above, the annual financial statements present fairly, in all material respects, the financial position of Arterial Network South Africa as at 31 December 2013, 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.

Independent Auditors' Report

Other matter

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on pages 14 to 16 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.

**Braude Gordon & Co
Registered Auditors**

11 April 2014

**Suite 201
200 on Main
Claremont
7708**

**Per: L.Sher CA (SA)
Registered Auditor
Partner**

Arterial Network South Africa

Annual Financial Statements for the year ended 31 December 2013

Steering Committee's Report

The Steering Committee have the pleasure in submitting their report on the annual financial statements of Arterial Network South Africa for the year ended 31 December 2013.

1. Incorporation

Arterial Network South Africa is committed to the development of the arts, culture and heritage sector in South Africa and is one of 40 similar national chapters under the umbrella of Arterial Network, operating across the African Continent. The Chapter is in the process of incorporating as a voluntary association in South Africa under SA common law. The constitution was adopted on 14 June 2013. The association is currently reviewing its constitution. The association operates in South and Southern Africa.

2. Nature of business

The Association is committed to developing South African arts, culture and heritage in its own right and as a means to contribute to democracy, human rights and development in South and Southern Africa.

The Association is a National Chapter of Arterial Network. Arterial Network's constitution allows for representation at its general meetings by one nationally representative entity per African country. These entities are organised into National Chapters.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities.

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

Arterial Network South Africa

Annual Financial Statements for the year ended 31 December 2013

Steering Committee's Report

4. Steering Committee

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

Steering Committee

Adri Herbert
Andre le Roux
Avril Joffe
Ayanda Mpono
Ayanda Roda
Brett Pyper
Carlynn de Waal Swart
Chantal Snyman
Chris de Bruyn
Christa Rautenbach
Cosmas Mairosi
Dani Swai
David Kwao-Sarbah
Francis Doherty-Bigara
Graham Falken
James Mabela
Jerry Mofokeng
Johnny Muteba
Joey Mabe
Joseph Gaylard
Kurt Egelhof
Lliane Loots
Mandla Mbothwe
Margie Orford
Mike van Graan
Moagi Modise
Monde Ngonyama
Munyaradzi Chatikobo
Mzwanele Zwai Mjijima
Naren Sewpaul
Pamella Dlungwana
Phillip Speek
Rehad Desai
Suzy Bell
Thando Baliso
Ukhona Mlandu-Letsika
Yvette Hardie

5. Events after the reporting period

The Steering Committee are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Secretary

The company secretary is Valmont Layne.

Business address

4th Floor, Harrington House
37 Barack Street
Cape Town
8001

Arterial Network South Africa

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Statement of Financial Position as at 31 December 2013

Figures in Rand	Notes	2013
Assets		
Current Assets		
Trade and other receivables	2	22 160
Cash and cash equivalents	3	(1)
		22 159
Total Assets		22 159
Equity and Liabilities		
Equity		
Retained surplus		18 050
Liabilities		
Current Liabilities		
Trade and other payables	4	4 109
Total Equity and Liabilities		22 159

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Statement of Income and Retained Earnings

Figures in Rand	Notes	2013
Revenue	5	351 028
Operating expenses		(332 978)
Operating surplus		18 050
Surplus for the year		18 050
Retained surplus at the end of the year		18 050

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Annual Financial Statements for the year ended 31 December 2013

Statement of Cash Flows

Figures in Rand	Notes	2013
Cash flows from operating activities		
Cash used in operations	6	(1)
Total cash movement for the year		(1)
Total cash at end of the year	3	(1)

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Annual Financial Statements for the year ended 31 December 2013

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. 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.

1.1 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

1.2 Revenue

Funding income is earned based on the underlying agreements with significant funders as well as additional donations received from external parties.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates.

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Notes to the Annual Financial Statements

Figures in Rand

2013

2. Trade and other receivables

Trade receivables	22 160
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	(1)
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4. Trade and other payables

Trade payables	5 663
Amounts received in advance	(1 554)
	4 109

5. Revenue

Funding received - Arterial Network	202 012
Funding received - British Council	22 160
Funding received - Pro Helvetia	107 114
Sundry income	19 742
	351 028

6. Cash used in operations

Surplus before taxation	18 050
Changes in working capital:	
Trade and other receivables	(22 160)
Trade and other payables	4 109
	(1)

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Detailed Income Statement

Figures in Rand	Notes	2013
Revenue		
Funding received - Arterial Network		202 012
Funding received - British Council		22 160
Funding received - Pro Helvetia		107 114
Sundry income		19 742
	5	351 028
Expenses (Refer to page 15)		(332 978)
Surplus for the year		18 050

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Detailed Income Statement

Figures in Rand	Notes	2013
Operating expenses		
Accounting fees		(3 768)
Bank charges		(4 423)
Conference attendance		(1 037)
Consulting fees		(2 500)
Employee costs		(202 012)
EU Cultural Trade Dialogue Project		(4 086)
General expenses		(425)
Southern African Cultural Policy Advocacy		(99 578)
Steering Committee Meetings		(7 536)
Travel - local		(120)
Website expenses		(7 493)
		(332 978)

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Supplementary Information

1. Operating expense per Funder

	Arterial Network	British Council	Pro Helvetia	Sundry income	Total
Accounting Fees	-	-	-	3 768	3 768
Bank charges	-	-	-	4 423	4 423
Conference fees	-	-	-	1 037	1 037
Consulting fees	-	-	-	2 500	2 500
EU Cultural Trade Dialogue Project	-	4 086	-	-	4 086
Employee costs	202 012	-	-	-	202 012
General expenses	-	-	-	425	425
South African Cultural Policy Advocacy	-	-	99 578	-	99 578
Steering Committee Meetings	-	-	7 536	-	7 536
Travel - local	-	-	-	120	120
Website expenses	-	-	-	7 493	7 493
	202 012	4 086	107 114	19 766	332 978
