iKasi Creative NPC

Registration number: 2018/ 429703/ 08

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

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Level of Assurance

These financial statements have not been audited or independently reviewed.

Approval of annual financial statements

The annual financial statements which appear on pages 3 to 9 have been approved and authorised for issue by the Directors and are signed by:

	02 NOVEMBER 2021
Ms E Berning	**Date**
	02 NOVEMBER 2021
Ms L Inglis	**Date**
	02 NOVEMBER 2021
Ms NZ Sosibo	**Date**

fullcircle
chartered accountants

Full Circle Financial Management (Pty) Ltd **Reg No.** 2012/167826/07
Directors: Lindsay Oets, Willem Oets CA(SA) **Practice No. 08194752**

Compilation report

To the members of iKasie Creative NPC:

We have compiled the accompanying financial statements of iKasi Creative NPC based on information you have provided. These financial statements comprise the statement of financial position of iKasi Creative NPC as at 30 June2021, the statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with accounting policies applicable to the entity. We have complied with relevant ethical requirements, including principles of integrity.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements.

Willem Oets CA (SA)

02 December 2021

21 Dreyersdal Road, Bergvliet, Cape Town, 7945 | tel: 021 713 4265 fax: 086 267 9011 | www.fullcirclefinancial.co.za

The Directors have pleasure in submitting the Directors' report together with the annual financial statements for the year ended 30 June 2021.

General Review

The objectives of the organisation are to be a premium content provider across media platforms, to train and develop aspiring filmmakers in peri-urban and rural communities, to promote and protect cultural heritage and indegenous language and to explore and build new distribution avenues to reach and grow rural audience for local content.

The financial performance and position of the company are fully disclosed in the financial statements and do not, in the opinion of the Board members, require further comment.

No matter which is material to the financial affairs of the company, for the year under review, has occurred between 30 June 2021 and the date of approval of the financial statements.

Statements of responsibility

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with accounting standards applicabe to the organisation.

The Directors are also responsible for the organisation's system of internal financial controls. This is designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Directors to indicate that any material breakdown, in the functioning of these controls, procedures and systems, has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Directors have every reason to believe that the organisation has adequate resources in place to continue in operation for the foreseeable future.

Financial results

The financial results for the year under review shows funds received of R860 207 (2020: R1 491 065) and a net deficit of R309 766 (2020: surplus R194 851).

Directors

The Directors of the organisation during the year under review were:

Ms E Berning
Ms L Inglis
Ms NZ Sosibo

Registered Address

1661 Ntaka Street
Thembalethu
Thembalethu Zone 3
6529

Accounting Officer

Willem Oets CA (SA) was appointed as the accounting officer.

Nature of business and Principal activities

An accredited MICT SETA training provider in the film, television and mediaindustry

Public benefit organisation number	930064297
Tax reference number	9809058176

iKasi Media (Non-profit Organisation (129-920 NPO)

Statement of comprehensive income for the year ended 30 June 2021

	Notes	2021 R	2020 R
Revenue		860 207	1 491 065
Other income		2 180	244
Project costs		(430 567)	(693 471)
Operating costs		(741 586)	(602 986)
Finance Costs		-	(1)
Deficit for the period		**(309 766)**	**194 851**
Accumulated surplus (deficit) at start of year		40 625	(154 226)
Accumulated loss at end of year		**(269 141)**	**40 625**

iKasi Media (Non-profit Organisation (129-920 NPO)

Statement of financial position at 30 June 2021

	Notes	2021 R	2020 R
ASSETS			
Current Assets		**68 616**	**238 270**
Cash and cash equivalents	3	68 616	202 508
Trade and other receivables	2	-	35 762
Total assets		**68 616**	**238 270**
EQUITY AND LIABILITIES			
Equity		**(269 141)**	**40 625**
Accumulated surplus (deficit)		(269 141)	40 625
Current liabilities		**337 757**	**197 645**
Trade and other payables	4	4 873	2 820
Loans from directors	5	332 884	194 825
Total equity and liabilities		**68 616**	**238 270**

iKasi Media (Non-profit Organisation (129-920 NPO)

Statement of cashflows for the year ended 30 June 2021

	Notes	2021 R	2020 R
Cash flows from operating activities		(269 771)	150 564
Finance costs		-	1
Interest received		(2 180)	(244)
Net cash inflow from operating activities		**(271 951)**	**150 321**
Cash flows from investing activities			
Net cash outflow from investing activities		**-**	**-**
Cash flows from financing activities			
Increase/ (decrease) in loans payable		138 059	36 005
Net cash outflow from financing activities		**138 059**	**36 005**
Decrease in cash and cash equivalents		(133 892)	186 326
Cash and cash equivalents at beginning of the year		202 508	16 183
Cash and cash equivalents at end of the year	4	**68 616**	**202 508**

1.00 Accounting policies

1.01 Basis of preparation

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.02 Revenue

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the organisation's activities.

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:

Grants are recognised in accordance with the provisions of the underlying agreements, and where more appropriate, in the year in which the expenditure in respect of which the grant was received, was incurred.

Donations are recognised as income when received.

1.03 Income Tax

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.

1.04 Financial instruments

Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Loans to (from) board members and employees

Loans to (from) shareholders, directors, managers an employees are recognised initially at fair value plus direct transactions costs.

The initial fair value of such loans is the cash consideration given or received. However, when there is evidence that the fair value is different to the cash consideration given or received, the initial fair value is determined using a valuation technique and by applying terms and conditions on similar or market-related loans. Any difference between the initial fair value of the loan and the cash consideration given or received is recorded in the income statement immediately.

Loans receivable that bear no interest and for which there are no determinable terms of repayment are included in non-current assets on the assumption that repayment will only occur after 12 months from the balance sheet date. Any adjustment arising from applying the effective interest rate method over a 12 month period is ignored if it is immaterial and the loan is then recorded at cost.

1.06 Comparative figures

Where necessary, comparative figures have been adjusted to conform with any changes in presentation in the current year.

		2021 R	2020 R
2	**Trade and other receivables**		
	Staff loans	-	550
	TERS grants receivable	-	35 212
		-	**35 762**

3 Notes to the Cash flow statement

3.1 Reconciliation of net profit before taxation to cash flows from operations

	2021 R	2020 R
Net deficit before taxation	(309 766)	194 852
Adjustments for :		
Finance costs	-	(1)
Interest received	2 180	244
Operating deficit before working capital changes	(307 586)	195 095
Working capital changes		
(Increase)/ decrease in accounts payable	2 053	(8 769)
Increase/ (decrease) in accounts receivable	35 762	(35 762)
Cash generated from operations	**(269 771)**	**150 564**

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances. Cash and cash equivalents comprise the following balance sheet amounts:

	2021 R	2020 R
Bank balances	**68 616**	**202 508**

4 Trade and other payables

	2021 R	2020 R
Accrued expenses	**-**	1
Emplyee costs	**-**	2 156
Employee taxes	**4 873**	663
	4 873	**2 820**

5 Loans from directors

	2021 R	2020 R
E Berning	117 815	37 896
L Inglis	215 069	156 929
	332 884	**194 825**

Loans payable bear no interest, is unsecured and is payable on demand.

6 Related parties

Members of key management	Ms E Berning Ms L Inglis Ms NZ Sosibo
Other related parties	Berning and Inglis (Pty) Ltd

Related party balances

Loans owing to related parties

	2021 R	2020 R
Ms E Berning	117 815	37 896
Ms L Inglis	215 069	156 929

iKasi Media (Non-profit Organisation (129-920 NPO)

Detailed statement of comprehensive income for the year ended 30 June 2021

	2021 R	2020 R
Revenue	**860 207**	**1 491 065**
Grants received	860 207	1 438 470
Other revenue	-	52 595
Other income		
Interest received	2 180	244
Expenses	**(1 172 153)**	**(1 296 457)**
Accounting fees	(16 088)	(18 533)
Advertising and marketing	(20 529)	(42 405)
Bank charges	(7 922)	(6 725)
Computer expenses	(31 469)	(3 333)
Consulting fees	(48 100)	-
Donations	-	(1 200)
Emplyee costs	(499 740)	(436 748)
Entertainmnet	(3 570)	-
Fundraising and related fees	-	(31 500)
General expenses	(13 281)	(1 300)
Insurance	(6 675)	-
Learner costs and stipends	(56 733)	(461 275)
Legal expenses	(1 813)	(1 865)
Postage and courier	(2 788)	(3 333)
Printing and stationery	(20 465)	(12 639)
Project fees	(373 834)	(232 196)
Small assets (<R7000)	(13 500)	(8 797)
Telephone and internet	(20 697)	(8 200)
Training	(10 440)	(3 249)
Travel and transportation	(24 509)	(23 159)
Operating surplus (deficit)	**(309 766)**	**194 852**
Finance costs	-	(1)
Surplus (deficit) for the year	**(309 766)**	**194 851**