

FRE aS: os d/â\200\224~oÂ° |
| IG Aiken & Peat

FUBA ACADEMY
(Association incorporated under section 21)

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 1990

RPG Aiken g Peat

FUBA ACADEMY

(Association incorporated under section 21)

(Reg. No. 80/10315/08)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1990

_ CONTENTS

Independent auditors report

Directors report

Balance sheet

Income statement

Cash flow statement

Notes to the financial statements

Other financial information not covered by the audit opinion -

Detailed income statements

DIRECTORS' APPROVAL

The financial statements set out on pages 3 to 11 were approved by the board of directors on 16 May 1991 and are signed on its behalf by -

DIRECTORS.

KPMG Aiken & Peat

Chartered Accountants (SA)

Office address: Postal address: Telephone (011) 332-7111
19th Floor PO Box 7400 Telefax (011) 331-9517
Carlton Centre _ Johannesburg Telex 4-86671 SA
Commissioner Street 2000 South Africa

Johannesburg

2001 South Africa

REPORT OF THE INDEPENDENT AUDITORS

To the members of Fuba Academy

We have audited the annual financial statements set out on pages 3 to 10. These financial statements are the responsibility of the Academy's directors. Our responsibility is to report on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements. The audit included an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence that supports the amounts included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall financial statement presentation. We consider that our auditing procedures were appropriate to enable us to express our opinion presented below.

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

Except for the effects of any adjustments which may have been necessary had it been possible to extend our examination of cash collections from donations, in our opinion these financial statements fairly present the financial position of the Academy at 31 December 1990, and the results of its operations and cash flow information for the year then ended in conformity with generally accepted accounting practice and in the manner required by the Companies Act.

A company register as required by the Companies Act has not been maintained.

KP ME hh. eae

AUDITORS

16 May 1991

ae

JOHANNESBURG: RGH Smith SG Morris LH Verster SD Baird T Bashal! B G Bauer BH Berry P J Brink

R WR Buchholz R G Carreira G J Carroll H A Coetzee M G Cook R G Cooper D W M Cox D L de Beer P L Dickson

TAP du Plessis C Esslemont MG Evans LP Fourie RMFraser TWGrieve E Hoffman JA Holtzhause n

THHoole TT Jager JWKing CRie Roux TJLlouw KRLydall MDMacinnnes AJ MacKenzie G| Maile BR Mallinson MW McCuliough S McGregor PNMCGurk WAMcKenzie MCMunsie BEL Nisbet

R WN Rankine P J Smith C R D Stephen D D Thompson | A R Thomson J H Trotiope J C van Dy k D van Heerden

R van Wyk J M Vice K B Wade J B Walker W D Winckier

Also at: BENON! BLOEMFONTEIN CAPE TOWN DUNDEE DURBAN EASTLONDON EMPANGENI

KLERKSDORP LADYBRAND MTUBATUBA NEWCASTLE PIETERMARITZBURG PORT ELIZABETH
Member firm of POTGIETERSRUS PRETORIA SECUNDA VANDERBIJLPARK WELKOM BOPHUTHATSWANA BOTS
WANA

Klynveld Peat Marwick Goerdeler CISKE! LESOTHO NAMIBIA SWAZILAND and TRANSKE!

keg Aiken & Peat

FUBA ACADEMY

DIRECTORS REPORT

INTRODUCTION

The year under review has been fairly good to the school notwithstanding the chronic financial hardships. Not only did the school unearth new and exciting talent but it also gained in stature. It is now officially a school,

ADMINISTRATION

For the first time, the staff were exposed to seminars dealing with the

administrative functions of schools. More staff members are due to attend seminars early in the new year.

ACTIVITIES

Music

Year-end external music results were among the best in many years. A 67% pass-rate was achieved.

The Fuba Choir stirred many hearts. It visited a number of places including a successful appearance at the Grahamstown Arts Festival.

For the first time a Best Performer's Award was made to a student. It went to Moses Molelekwa, a piano student from Tembisa. He received R1 000 cash donated by National Beverages plus an impressive floating trophy, the Mrs. Winnie Kunene Memorial Trophy donated by Mr. Z. Kunene.

Fine-Arts

In the course of the year, a number of students won awards in national competitions. In April, Simon Kabasia's collage won one of the prizes at stake worth R1 000. The competition was run by Swan Publishers. Then in November, Keith Sondiyazi won R1 000 in a competition organised by

Staffrider.

Highlight of the department was the Student Annual Exhibition opened by the Dutch Ambassador to South Africa.

Drama

'Cards up', a collective effort by students directed by James Mthoba proved very popular throughout the year. It was performed at a number of venues including the launch of the Sowetan's Nation Building campaign at Midrand. It was taken to The Grahamstown Arts Festival and financed to the tune of

R3 400 by Mbongeni Ngema. . Kis

kee Aiken g Peat

FUBA ACADEMY

DIRECTORS REPORT
(continued)

Matric project

Regrettably this project has not produced good results consistently. We are having to overcome problems related to the terrible educational system meant for blacks where the arts have not formed part of the child's education at an early stage of development.

But the experiment has shown the public that there are alternatives in education.

Research project

One of the many things planned for the new year is research into African Music. An agreement with sponsors has been signed.

The results should be of benefit to all teachers of music in the country
| particularly those who are keen to incorporate aspects of African music into their programmes.

FUNDS AND FUNDRAISING

| Fuba is among many institutions which never have enough funds for what has to be done. We wish to thank the many donors who have contributed to us over the years.

We hope to increase the collection of fees from students during the coming year. Success with the new system will have profound results on our future work. For one thing it will increase our chances of success in reducing our absolute dependance on donations. We look forward to a time, possibly in three to five years when at least 50% of running costs will be financed by students fees. Approximately 15% comes from students at present.

Audited results indicate running costs to be approximately R600 000 per annum. The administration has still a lot of work to do if we are to meet our targets.

Selling some of our work to the public would improve our public image which in turn will make our appeals for funds more successful.

At the time of writing this report funds have been pledged by certain German and Swedish sources in the amount of R150 000. These funds will assist Fuba _ to meet its short term obligations and running costs.

' Future plans

Aside from the music research, the school intends to make inroads into the entertainment field. Incredible talent has been unearthed and this has to _ be displayed before the public in a more aggressive fashion than has been the case to date. We want to receive more and more sponsorship as opposed to donations. As a performance centre it should not be a farfetched _ thought. We might be limited by the unrest situation in the townships.
able
Ae

Reg: Aiken g Peat

FUBA ACADEMY

DIRECTORS REPORT
(continued)

CONCLUSION

The directors wish to thank all our donors, the auditors KPMG Aiken & Peat, all members of the Board of Governors and all Fuba Staff members for making the academy a successful venture in the arts.

The success of the Fuba project rests on the collective participation of all the parties involved with the organisation. We hope each will gain the strength necessary to take the school another step higher in the coming year.

DIRECTORS

Mr. S. Sepamla (Managing)
Dr. N. Motlana
Prof. E. Mphahlele

GOVERNORS PATRONS

i\Mr. T.W. Kambule Dr. N. Motlana
Mr. D. Tantsi : Mrs. M. Slack
â\200\230Mr. M. Maisela Prof. E. Mphahlele
|Mrs. M. Mpakanyane

â\200\230Mr. B. Mfenyane

'Mrs. I. Menell

Mrs. B. Finney

Mrs. J. Sebitlo

Mr. K. Mophosho

|Mr. M. Manin

Mr. Z. Kunene

Mr. A. Maisela

Ee

5 200 224 200 224 ee a

kee Aiken & Peat

FUBA ACADEMY

BALANCE SHEET AT 31 DECEMBER 1990

ACCUMULATED FUNDS

(ACCUMULATED)/ RETAINED INCOME

Represented by -

FIXED ASSETS

Equipment, furniture and instruments

/- cost

| 200 224 accumulated depreciation

| Library books

| = nominal value

CURRENT ASSETS

Cash at bank and on hand

CURRENT LIABILITIES

Creditors

Fees received in advance

Bank overdraft

NET CURRENT LIABILITIES

1990

78 597

(37 843)

40 754

1

45 952

2 151

48 103

(7 348)

40 755

48 103

(7 348)

ml

Kit

1989
R R
13 920
60 009
(30 559)
29 450
i
29 451
12 777
26 188
2 120Å°
28 308
15 531
13 920

KPMG Aiken g Peat

FUBA ACADEMY

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1990

Note 1990 1989

Donations, fees and subscriptions 6 562 064 549 553

NET LOSS FOR THE YEAR 3 21 268 22 379

After crediting -

| Interest 1 574 3 882

and after charging -

_ Accounting fees 6 000 3 500

Audit fees 1 100 =

Depreciation and amounts

written off 7 284 6 001

Directors remuneration

- for managerial services 64 302 53 840

' Interest 747 8 247

Operating lease charges - premises 91 245 82 769

~

(ACCUMULATED LOSS)/ RETAINED INCOME

At beginning of year 13 920 36 299

, At end of year (7 348) 13 920

leat

KPMG. Aiken & Peat

FUBA ACADEMY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1990

Note

Cash applied to operations 4.1

Interest received

Generated by a decrease in working capital 4.2

CASH GENERATED BY/ (APPLIED TO)
OPERATING ACTIVITIES

Interest paid

| CASH AVAILABLE FROM/ (APPLIED TO)
OPERATING ACTIVITIES

CASH UTILISED IN INVESTING ACTIVITIES
Investment to expand operations

| Acquisition of equipment, furniture
and instruments

CASH EFFECTS OF FINANCING ACTIVITIES
Decrease in call accounts

Decrease/(increase) in cash at bank and
increase/(decrease) in bank overdraft

1990

R

(14 811)

1 574

17 644

4 407

(747)

3 660

(18 588)

(14 928)

14 928

14 928

Me

1989

R

(12 013)

3 882

1 288

(6 843)

(8_247)

(15 090)

(2 016)

(17 106)

30 000

(12 894)

17 106

Revie: Aiken s Peat

FUBA ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1990

ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis and incorporate the following principal accounting policies which have been consistently applied -

Fixed assets and depreciation

Equipment, furniture and instruments are depreciated on the straight line method at the rate required to reduce cost to estimated net realisable value over the anticipated life of the asset.

Library books are recorded at a nominal value. Books purchased are written off during the period in which they are acquired.

Donations in kind

Donations in kind are not valued and recorded in the books of account. If disposed of, the cash proceeds are recorded as a donation received.

Registration and course fees

Registration and course fees are recognised as income only when received.

LIMITED BY GUARANTEE

The company is a public company which is limited by guarantee. In the event of its dissolution, the liability of its members is limited to one rand.

TAXATION

The company is exempt from income tax in terms of section 10(1)(f) of the Income Tax Act.

1990 1989

- R R

NOTES TO THE CASH FLOW STATEMENT

Cash applied to operations

Operating loss before interest (22 095) (18 014)

Adjustment for

Depreciation 7 284 6 001

(14 811) (12 013)

Generated by a decrease in working capital

Decrease in debtors -

Increase/(decrease) in creditors 19 764

(Decrease)/increase in fees received in advance (2 120)

17 644

Kiet

RG: Aiken & Peat

FUBA ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 200\224- 31 DECEMBER 1990
(continued)

De RETIREMENT BENEFITS

The academy provides retirement benefits for all permanent employees through a defined benefit pension scheme which is governed by the Pension Funds Act.

The scheme is a money purchase and pacesetter fund. There is no liability and it is not required to be actuarially valued.

Current contributions are charged against income as incurred.

6. COMPARATIVE FIGURES

The turnover figure for 1989 has been restated to conform with the current years operations.
kien

KPMG. Aiken g Peat

FUBA ACADEMY

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1990

INCOME

Course fees
Registration fees
Examination fees
Interest

Rent received
Sundry

EXPENDITURE

Accounting fees
| Advertising

| Art expenses

| Audit fees

| Bank charges

| Consultancy fees

| Depreciation and amounts written off

| Electricity and water

| Entertainment

| Examination fees

| General expenses

| Instrument repairs

| Insurance

, Interest

| Leasing and copier costs
Legal fees

| Library books and records

| Motor vehicle expenses
| Printing and stationery
Registration fees
Rent and rates
Repairs and maintenance
Salaries and wages
Telephone and postages
|, Travelling expenses
Tours

Gallery loss
' OPERATING. LOSS

Donations received

Less awarded for bursaries

NET LOSS FOR THE YEAR

176

50

1990

009

891

574

400

418

N Wr ON Da

Ww

Wh hd

91

426

471

(136

243 292

000

290

819

100

569

350

284

479

640

225

466

424

998

747

641

300

811

940

778

245

532

870

665

599

952

(599 724)

(356 432)

(356 432)

741

577)

= 11 =<

335 164

(21 268)

144

50

1

3

26

10

wm

NNO Ee

>

lo co

rPwWUkF DO DS W& OF fo

827

096

219

882

666

500

448

319

604

001

135

539

092

808

119

852

500

304

017

201

080

769

608

138

004

085

884

471

(116

550

920)

1989

226 690

(595 007)

(368 317)

(8 692)

(377 009)

354 630

(22 379)