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**BUSINESS**  
EST. **AND ARTS** 1997  
**SOUTH AFRICA**

BUSINESS AND ARTS SOUTH AFRICA, ANNUAL REPORT 2016/2017

## BUSINESS AND ARTS SOUTH AFRICA

### NATURE OF BUSINESS

The promotion and development of partnerships between the private sector and the arts.

### BOARD OF DIRECTORS

Andre le Roux (Chairman)  
Mandie van der Spuy  
(Deputy Chairperson)  
Herman Bosman  
Richard Cock  
Michelle Constant  
Mandla Langa  
Hilton Lawler  
Khanyi Mamba  
Giovanni Mariano  
Dorothea Moors  
Carel Nolte  
Matthew van der Want  
Gail Walters

### BUSINESS AND ARTS SOUTH AFRICA

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Fax No: 086 681 8075  
Email: info@basa.co.za

MICHELLE CONSTANT  
Chief Executive Officer

CHARLOTTE GULLE  
Financial Manager

LONWABO MAVUSO  
Head of Programmes and Development

JESSICA DENNISON  
Executive Assistant to the CEO  
and Events Coordinator

MADELEINE LAMBERT  
Research Manager

LAKIN MORGAN-BAATJIES  
Marketing Manager

MANDISA TSHIQI  
Business Services Officer

ONTHATILE DITSHEGO  
Manager: Education Programme

TSHEPO DISEKO  
Programmes and  
Communications Officer

KIM SANSSOUCIE  
Programme Manager –  
Creative Management

ARTHUR NKUNA  
Programme Manager –  
Business Exchange

AVIWE MATANDELA  
Grants and Programmes Assistant

TUMY MOTSOATSOE  
Facilitator

MAMMATLI THAKHULI-NZUZA  
Facilitator

MAUREEN BENYA  
General Assistant

## BANKERS

Standard Bank of South Africa Limited

## AUDITORS

Grant Thornton  
Registered Auditors  
Chartered Accountants SA  
South African member of Grant  
Thornton International  
Company registration number  
1997/001920/08  
VAT No. 4520249105

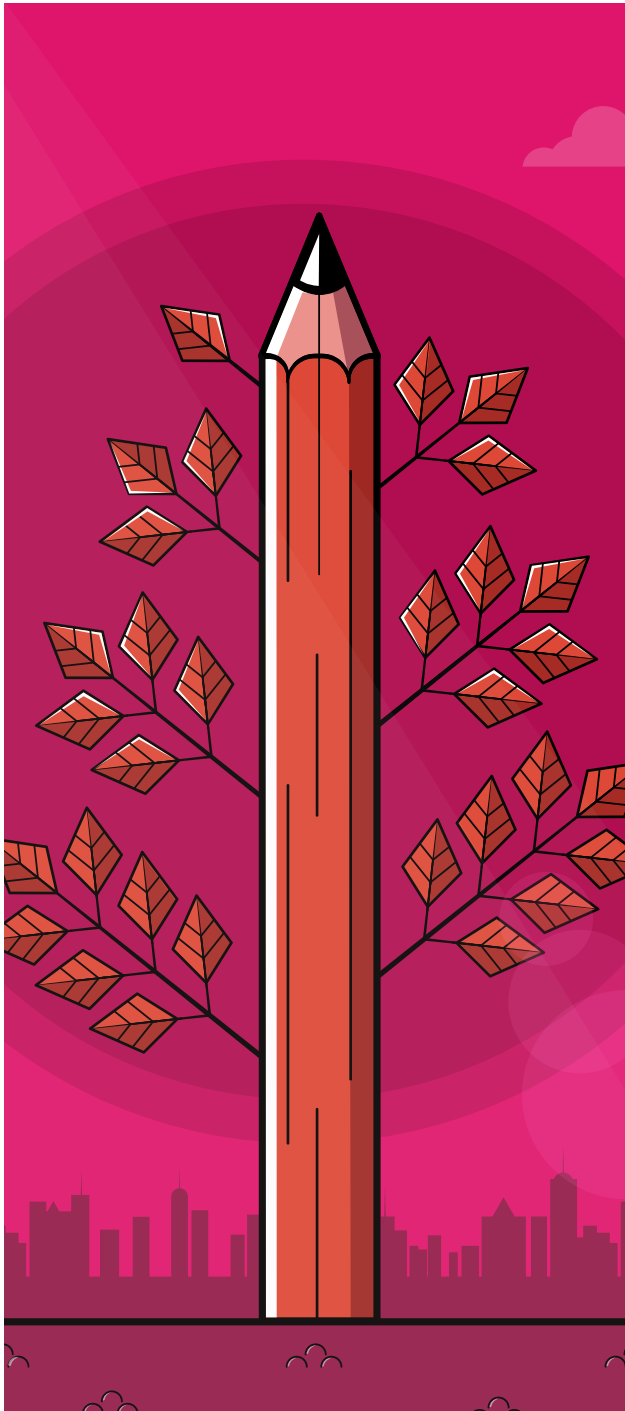


Illustration by Ndumiso Nyoni (Detail)

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*The following supplementary information does not form part of the annual financial statements and is unaudited:*  
*Unaudited Supplementary Schedule*  
- Detailed Income Statement 48

# CHAIRMAN'S STATEMENT

If I were to summarise the Business and Arts South Africa (BASA) future outlook, it would be “cloudy with a chance of meatballs”. Our current economic and political environment clearly gives us the prospect of meatballs on the horizon, rather than steak tartare or champagne and caviar. That being said, the arts are not always about economics or politics – they sometimes thrive in a turbulent environment, using it as compost to fertilise artistic creativity and produce blooming incredible work.

Therefore, although our political and economic outlook seems cloudy, the meatballs being cooked up in the arts kitchen are fantastic, with new compositional talent in classical and jazz music, innovative and challenging theatre, and growth in African music, books, art, dance and film.

We as BASA are proud to be associated with the cultural resurgence in our urban spaces, on online and social media platforms and through technology that has short-circuited not only the way artists produce work, but also the way audiences consume and critique work.

This makes the role of BASA exciting, diverse and challenging, keeping the marriage alive between business and the arts and welcoming the regular “lobola” paid by the state (through the Department of Arts and Culture) to foster the organisation’s growth. In the year under review, the board has seen renewal, increased our strategic partnerships and remained true to our mandate to foster and nurture the arts with our committed members.

Unlike the famous comedian Groucho Marx, who once wrote: “I don’t want to belong to any club that would have me as a member,” I believe the increase in partnerships illustrates that even in trying times, our members see value in BASA. The board and administration are keenly aware that we need to harness this loyalty and increase the value we give our members as we drive the understanding that the arts are good for business.

As we look forward to BASA’s 21st coming-of-age party next year, I am happy to say I was there at the beginning. Having been at the launch of BASA two decades ago, I was present when it raised the prospect of business holding hands with the arts to forge a creative partnership in South Africa’s cultural sector. Twenty years later, this partnership still stands strong.

Looking back, I didn’t know I would be serving an organisation that has had such an amazing impact on the arts in Southern Africa, with an arsenal of projects that corporate South Africa and government can be proud of. As the chairman and an arts activist, I am proud of what BASA has become for the arts and business.



Therefore, we pay tribute to the unstinting efforts of our CEO, Michelle Constant, as we deliver together on the board's strategic vision and carve a way forward through the cloudiness of our immediate future – but one in which we will play a heightened role in nurturing and fostering the arts and building an African identity.

On behalf of the BASA board, I would also like to thank our previous chairman, Kwanele Gumbi, for his support. I would like to give special thanks to Minister Nathi Mthethwa, and previous arts and culture ministers, for their faith and guidance in the work of BASA, as well as the “lean and mean” administration team and the members of BASA for helping us to build an organisation we can feel honoured to serve.

**André le Roux**

Chairman, 22 August 2017



*Illustration by Imile Wepner (Detail)*

# VISION

TO BE THE LEADING  
CONNECTOR CATALYST AND  
RESOURCE THAT SUPPORTS  
A BETTER UNDERSTANDING  
BY BUSINESS OF THE  
ARTS, AND CONTINUES  
TO ADVOCATE AN ARTS  
CULTURE IN OUR SOCIETY.

# MISSION

TO ENSURE THE RELEVANCE  
AND SUSTAINABILITY  
OF THE ARTS IN SOUTH  
AFRICA BY PROVIDING  
EXPERTISE IN DEVELOPING  
PARTNERSHIPS BETWEEN  
BUSINESS AND THE ARTS.

Both the vision and the mission are premised on the belief that the arts and culture have real value for all South Africans – for individuals, for communities and ultimately for the growth of civil society.

Business and Arts South Africa (NPC) was founded in 1997 as a joint initiative of the Department of Arts and Culture and the corporate sector, as part of a strategy to secure greater involvement in the arts and from businesses operating within South Africa.

Business and Arts South Africa (NPC) is accountable to its stakeholders – to government, its corporate members and to the arts sector. Business and Arts South Africa (NPC) is constituted in terms of the new companies act and is registered as a public benefit organisation. Its delisting as a Schedule 3 entity has seen Business and Arts South Africa (NPC) register for VAT.

Mandated to promote and encourage mutually beneficial and sustainable business-arts partnerships, Business and Arts South Africa (NPC) has seen through its commissioned research that business generally funds the arts through marketing, CSI, B-BBEE social economic development, enterprise development and human resources. Increasingly, corporate South Africa is aligning with the arts as a viable cost effective area of sponsorship, a progressive enabler and a valuable proponent of Shared Value.

Business and Arts South Africa (NPC) is committed to identifying opportunities within the arts for its business members, whether from a B-BBEE, HR, Marketing or Corporate Social Investment perspective. Indeed, many arts programmes offer clear engagement across all spheres of corporate activity, something few alternatives can provide. To achieve this, it is essential that Business and Arts South Africa (NPC) sustains engagement with the corporate sector, in particular its own corporate members, and with the arts sector, with specific focus on improving its profile and growing better business skills. Through its diverse projects – the BASA Education Programme, the Supporting Grant Programme, Special Projects, BoardBank, Young Business Professionals, the Biannual ArtsTrack Research, the Business Sponsorship Toolkit, the Arts Sponsorship Toolkit, the Arts in Business Forum, Africa Breakfasts supported

by Standard Bank, the BASA Awards partnered by Hollard & Business Day, and its bespoke consulting service — Business and Arts South Africa (NPC) continues to drive change in corporate sector thinking.

While encouraging the business sector to see arts sponsorship as a strategic business opportunity is fundamental to our philosophy, it is equally important to

engender broader understanding of the role the arts can play within the socio-economic framework. Experience shows that the arts and culture can be, and are, effectively integrated within education, skills development, urban and rural regeneration, job creation, health and tourism. Less immediately tangible, but no less important, is their accepted value in addressing poverty of the mind, fighting social exclusion and thus growing civil society.



*Illustration by Imile Wepner*

# CHIEF EXECUTIVE OFFICER'S REVIEW

It is remarkable to think that BASA has turned 20 – born during the heady days of a newly minted democracy that had just adopted a sparkling new Constitution, held up as a beacon of hope and progressive thinking throughout the world.

Just like our young democracy, BASA has had its ups and downs during those two decades. We have had our growing pains, but we have learnt from them. We have navigated the rocky patches and come out stronger and more resilient on the other side.

We are fortunate to have had the Department of Arts and Culture there from the start, holding our hand as we forged a distinctly South African model to support and reward public-private partnerships that further the national arts.

As we pay tribute to those business and arts partnerships, we also thank the DAC for its ongoing funding, which ensures that BASA is able to be

nonpartisan in serving the interests of both the business and arts sectors, to their mutual benefit.

If we reflect on the year under review, BASA's strategic focus was broadly four-pronged: research, connectivity, growth and celebration.

We have now amassed 20 years worth of valuable industry research, which has enabled us to look at the broader landscape from a clinical, data-driven perspective to formulate a systemic approach to public-private sector partnerships.

This research has, in turn, led to increased connectivity between the sectors and has opened up more opportunities for collaboration.

We also believe our organic growth as an organisation has had a positive impact on the access and agency of the arts sector and the relationship between private enterprise and the arts. We have grown from a small agency with three people to one employing 14 people, with an incredibly diverse portfolio of projects that reaches across South Africa's borders.

This growth has been driven by a robust strategy that has, to a large extent, shielded BASA from the slings and arrows that have beset other nonprofits serving either or both sectors. Because of its unprecedented success, we have had numerous requests to replicate the BASA model elsewhere, particularly on the African continent, and we will help wherever we can to support such processes.

Finally, the best part of our work is celebration as we continue to recognise and reward excellence and innovation in business and arts projects and partnerships.

It's gratifying to report that BASA has remained on a stable financial trajectory, thanks to strong oversight and a sustainability budget that ensures the organisation remains resilient and agile even in the current challenging socio-economic climate.

Thanks to these built-in safeguards, we are extremely proud that we are able to protect the organisation

and the important work that we do. This ensures that BASA not only survives but also thrives in such difficult times for both business and the arts.

Here, I must pay tribute to our former chairman, Kwanele Gumbi, for his hard work in helping to keep this ship docked in calm waters, and to the BASA board for their ongoing support, mentorship and engagement.

Again, I would like to thank the DAC, previous Ministers and our current Minister Nathi Mthethwa for their unwavering support that enables BASA to carry out its vital mandate. Thanks to your buy-in, we have created a muscular cross-sectoral model of engagement and true shared value that is the envy of our peers on the continent.

Finally, and importantly I would like to pay tribute to the BASA team. Their passion and energy is what makes the organisation the success it is.

We are confident that, with the strong foundation we have built across the pillars of South African society, we will have even more to celebrate when BASA's 21st birthday comes around next year.

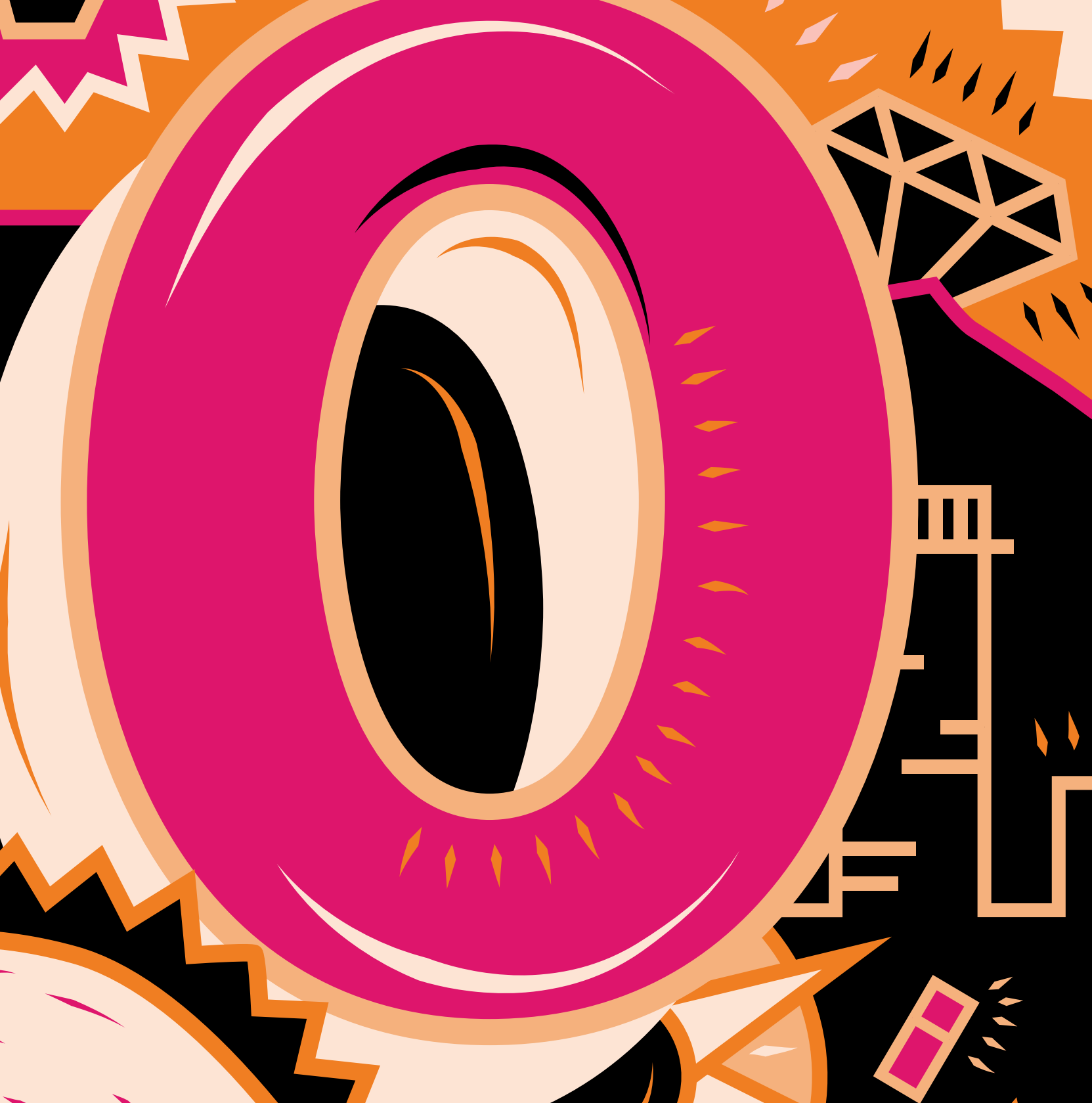
**Michelle Constant**

Chief Executive Officer, 22 August 2017



*Illustration by Karabo Poppy Moletsane (Detail)*





# GOVERNANCE

## FOR THE YEAR ENDED 31 MARCH 2017

All Board and committee members serve on a voluntary basis, and receive no remuneration from Business and Arts South Africa (NPC) for their time and expertise.

Three Board meetings are held annually; and are duly constituted and quorate.

One Annual General meeting is held annually; it is duly constituted and quorate.

Business and Arts South Africa (NPC) records that its auditors, Grant Thornton, conduct five random audits of funded projects annually, to satisfy the Board that

projects are properly conducted and comply with the terms and conditions of the Business and Arts South Africa (NPC) Supporting Grant Programme.

**BOARD:** Andre Le Roux (Chairman), Mandie van der Spuy (Deputy Chairperson), Michelle Constant, Herman Bosman, Richard Cock, Mandla Langa, Hilton Lawler, Khanyi Mamba, Giovanni Mariano, Dorothea Moors, Carel Nolte, Matthew van der Want and Gail Walters.

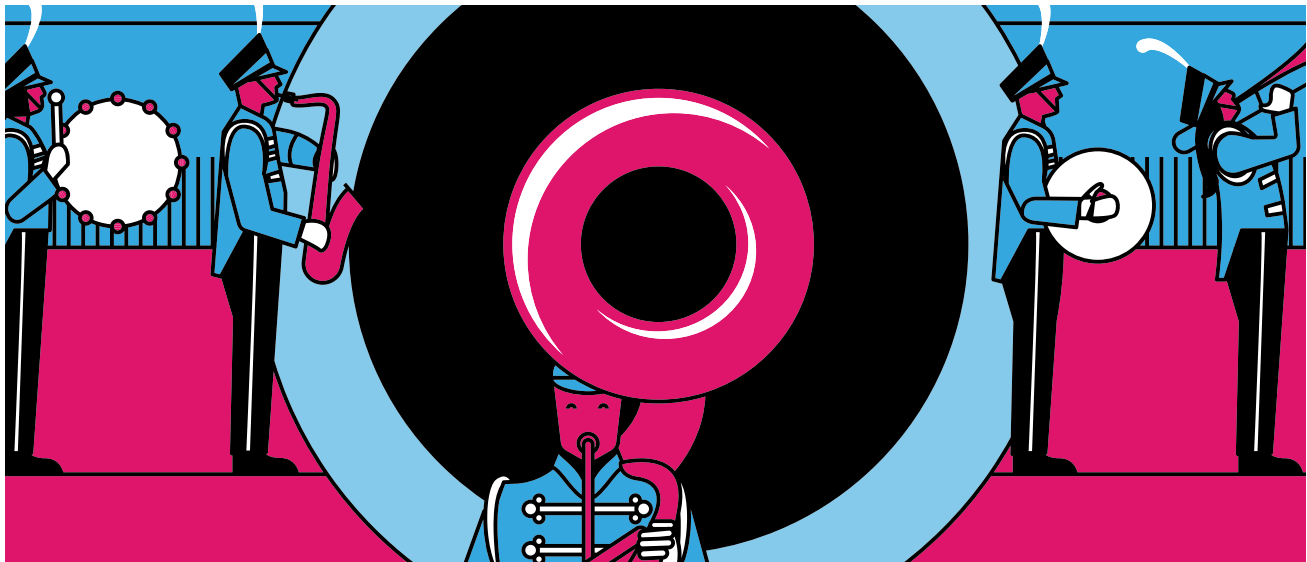
**AUDIT COMMITTEE:** Christine McDonald (Chairperson), Herman Bosman and Lisa Tonini. The Audit Committee meets twice annually to review the six-month interim review and year-end financial statements.

**HUMAN RESOURCES COMMITTEE:** Carel Nolte (Chairman), Matthew van der Want, Mandie van der Spuy and Hilton Lawler.

**NOMINATIONS AND GOVERNANCE COMMITTEE:** Andre le Roux (Chairman), Giovanni Mariano and Gail Walters.

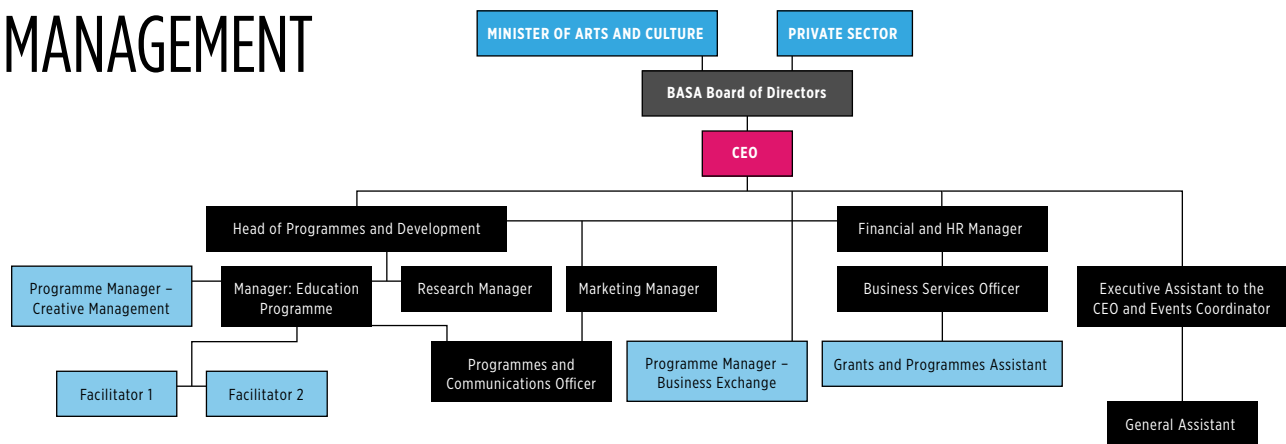
**MARKETING COMMITTEE:** Giovanni Mariano (Chairman), Khanyi Mamba, Hilton Lawler and Carel Nolte.

*Illustration by Ben Gribb (Detail)*





# HUMAN RESOURCE MANAGEMENT



## PERSONNEL COSTS 2016/17

Total operating expenditure	R3 342 569.00
Total personnel expenditure	R2 858 424.00
Skills Development Levy	Exempt.
Pension Fund/retirement annuity	R0
Medical benefits (for full time staff)	R178 403.00
Unemployment insurance fund	R22 205.00
Average personnel cost per employee (9 full time staff at BASA head office)	R317 602.00
<b>Allowances</b>	
There was no overtime, housing or other allowances made.	

## LABOUR RELATIONS

EMPLOYMENT EQUITY
<b>Full Time Staff</b>
2 White females
3 African females
2 Coloured females
2 Black males
<b>Fixed Term Staff</b>
3 African females
1 Coloured female
1 Black male
<b>Independent Contractors</b>
1 White female

## HIV/AIDS PREVENTION & HEALTH PROMOTION

Given the small size of Business and Arts South Africa (NPC), no formal programme has been instituted, separate from the HR policy. A complete HR policy is in place, which includes health and safety.

# STRATEGIC OVERVIEW

## IN RELATION TO KEY OBJECTIVES FOR THE YEAR ENDED 31 MARCH 2017:

Business and Arts South Africa (NPC) is mandated to build and secure partnerships between business and the arts, serving both sectors in ways that will achieve this objective. While Business and Arts South Africa (NPC) must promote its own identity to maintain its profile as an agency for partnership and support, this platform is extensively leveraged on behalf of business and of the arts. The strategies and related activities of Business and Arts South Africa (NPC) are ongoing and, for the most part, are linked with the flexibility to support all stakeholders: business, arts organisations and government.

Business and Arts South Africa (NPC) continues to position itself as a resource for its business members in terms of insights, knowledge and information both locally and through its engagement on the continent.

The strategy over the past year has been focused on consolidating four key areas:

- Research and Arts Based Intelligence
- Connectivity
- Growth
- Celebration

These areas are addressed, to varying degrees, across all three stakeholder areas: Business, the Arts Sector and Government.

## 1. RESEARCH AND ARTS BASED INTELLIGENCE

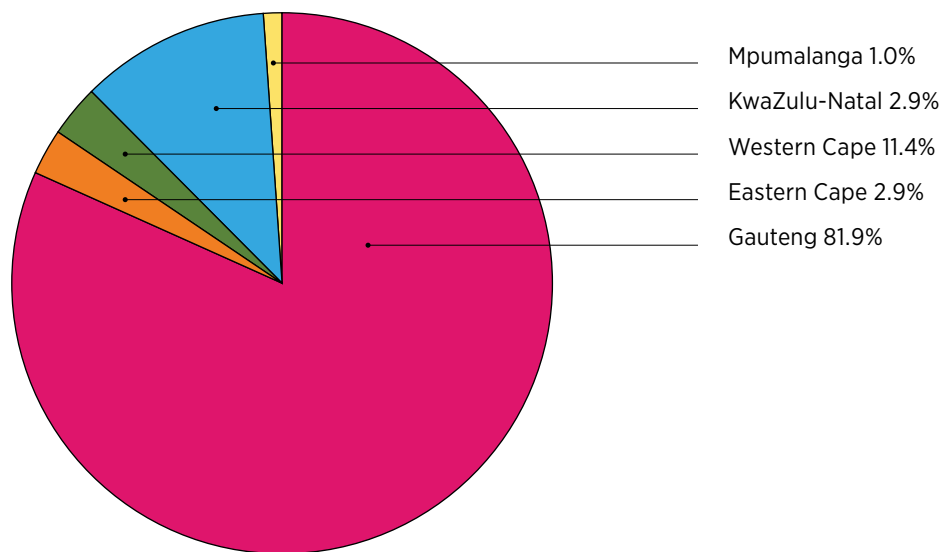
BASA has a raft of research documents that it uses in its consultancy with corporates. Drawn from different initiatives, including BASA's ArtsTrack, BASA Supporting Grants, BASA Awards, and other arts-based initiatives, this research, once consolidated, will provide crucial insights into best practice, shifts and trends and will be used to inform the next generation of arts business partnerships – once again underlining BASA's value to government, business and the arts sector in the new decade. BASA Membership supports corporates through this research.

BASA is currently pulling together 20 Years Research from all programmes, which will be launched at the BASA Research Symposium (February 2018). Partnered by Hollard, the event will be open to BASA Business members and will highlight the learnings in CSI, B-BBEE, marketing and shared value when it comes to partnership with the arts.

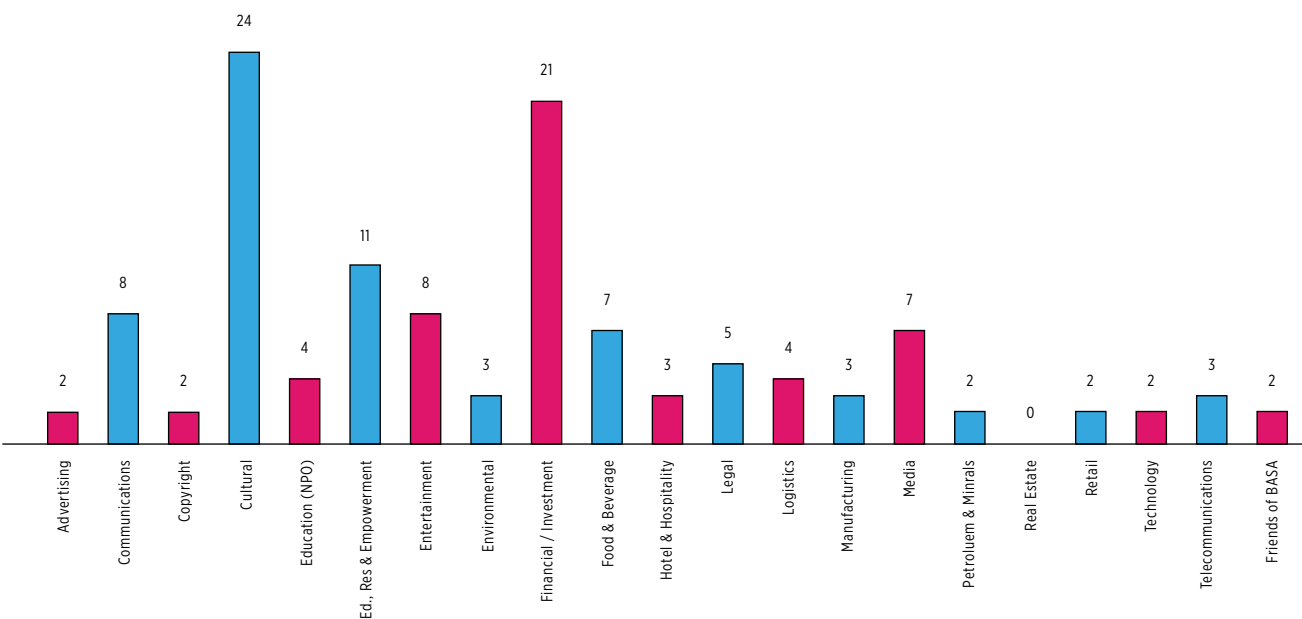
### **BESPOKE SERVICE CONSULTANCY FOR MEMBERS:**

Business and Arts South Africa (NPC) offers a personalised and strategic research to businesses that want to leverage their engagement with the arts. Through the years, Business and Arts South Africa (NPC) has become an important resource, supporting and tracking information about the arts and partnership opportunities, for its diverse members.

# MEMBERSHIP DISTRIBUTION 2016



# MEMBERSHIP SECTORS 2016



## 2. CONNECTIVITY

### **BASA RESEARCH**

BASA uses its research learnings to create opportunities to connect the private sector and the arts sector both in South Africa, but also across borders. This set of programmes focuses on the support of, and for, the public sector, with the understanding that systemic change is required if we are going to see equitable business arts partnerships.

### **BASA CONSULTANCY**

BASA supports its members on a consultancy basis, using its research and broader partnerships to provide businesses with arts based intelligence and arts based initiatives – this to support their strategic goals.

### **BASA SUPPORTING GRANT PROGRAMME**

Funded by an allocation from the Department of Arts and Culture, this programme continues to serve as a mechanism through which business and the arts can engage and achieve mutual benefit. Through these grants, BASA aims to equip the artist/arts organisation with the tools to support an approach to a potential sponsor, and to provide such a sponsor with the wherewithal to leverage the proposed partnership effectively. This is achieved by providing financial support to a project that already has an existing relationship between a business and arts organisation. This has shifted the perception both of business towards the arts but also of the art vis-à-vis its own activities, within a broader context. The grants encompass a wide range of activity attracting corporate sector support, and, where possible, BASA leverages the arts or culture project further through its own media partnerships. Supporting Grants of R1 million leveraged a further R12 million in corporate sector spend.

### **PARTNERED AFRICA**

In line with the Department of Arts and Culture's focus on the African continent and the importance of cultural diplomacy, Business and Arts South Africa, in partnership with Standard Bank, hosted a BASA Africa Business

Breakfast at the Market Theatre in Johannesburg on 19 May 2016, during Africa Month. The conversation explored the growing importance of Creative Change as New Business Paradigm, and the keynote speaker was Nairobi-based George Gachara, a social entrepreneur, cultural activist and managing partner at the HEVA Fund. He was joined by Angie Burton, Standard Bank's Head of Marketing and Communications for the Rest of Africa, and Monica Newton, Deputy Director General of the Department of Arts and Culture South Africa.

BASA works closely with diverse members, supporting them in their cross border goals. Currently we are working with BASA member Standard Bank on an opportunity to work with the Bank in Ghana and with BASA member PPC in Zimbabwe. BASA was also awarded a British Council tender to further its Partnered Africa work in Ethiopia. BASA will be hosting a series of Business Breakfasts along with workshops and the development of a toolkit on private sector investment.

### **DAC BASA BOARD RESEARCH, SUPPORTED BY FIRSTRAND FOUNDATION**

BASA, in partnership with the DAC and supported by the FirstRand Foundation (FRF), is currently working on a programme to strengthen the capacity and processes of the councils of DAC state owned entities. The Cultural Policy and Management Division at the Wits School of Arts, under the leadership of Avril Joffe, was commissioned to do baseline research of all 25 DAC institutions with regards to the challenges and opportunities in their councils. Once the baseline research is complete, a pilot series of capacity building workshops will be rolled out in June 2017. The Institute of Directors of South Africa (IoDSA) will give a workshop on board/ council member duties and liabilities, followed by the Wits Centre for Cultural Policy and Management's workshop which will cover trends, value and the role of arts and culture in society, as well as how the value that culture creates may be understood, measured and evaluated. Based on the research findings and recommendations, as well as feedback from the pilot workshop series, a toolkit will be developed for all DAC entities to use as a basic guide both for induction and regular ongoing practice. The toolkit and pilot workshops could potentially inform further workshops and interventions going forward (outside of the ambit of this project). In addition to this, we are exploring

the possibility of creating a sector wide practice note in alignment with the King IV Report with the IoDSA.

### **IMPLEMENTED REGULAR COMMUNICATION**

With a national database of arts organisations, Business and Arts South Africa (NPC) has implemented regular communication to its cultural database. This information includes national market related stories, reviews and more.

### **PRO BONO ASSISTANCE AND ADVOCACY**

Legal firms Adams and Adams and Probono.org continue to offer pro bono assistance to bona fide arts and culture organisations identified and introduced by Business and Arts South Africa (NPC), across a range of issues, giving the arts sector access to top quality legal expertise.

## **3. GROWTH**

Through skills development, BASA provides agency and access to the arts sector in order to support their engagement with the business sector. This year the aim is to start consolidating the diverse programmes, finding ways to 'join the dots' and ensure systemic change as opposed to individual programmes. In the mix is the Business Exchange Programme (currently under restructure), the Creative Markets Growth Hub, the BASA Education Programme, the BASA Creative Mapping System (awaiting go-ahead from funders), the RMB Ecosystems and Systemic Change Pilot: Keiskamma (currently in early development stage).

Supported by the National Arts Council of South Africa, the BASA Basic Education Programme (targeting arts organisations and individuals nationally wishing to start a for-profit or nonprofit organisation), the BASA Dynamic Education Programme (aimed at registered arts organisations with a basic business model and plan in Gauteng, KwaZulu-Natal, Western Cape and Eastern Cape), and a national research project (informing the relevance and continued development of the BASA Education Programmes) have been completed. BASA's experience in and learnings from these programmes are being fed into new collaborations to continue our work in growing the arts sector by providing and supporting

knowledge transfer, skills development and training. These include the Creating Opportunity for South Africa's Youth (COSY) and DAC Debut programmes:

COSY is coordinated by the British Council, in partnership with Business and Arts South Africa, LifeCo UnLtd South Africa and Livity Africa, and funded by the European Union. It aims to enable young people (particularly young women) in rural and semi-rural areas to be more active agents in achieving sustainable growth in South Africa. This is done by building their capacity to become entrepreneurs and by increasing their employability. The programme works in four provinces and eight communities with a particular focus on creative, digital and social enterprise. The COSY launch was attended by 120 guests on 14 March 2017. A mapping study, preparation, and curriculum development is currently underway, and content delivery will begin early 2018.

The DAC Debut Programme sees BASA partnering with the Department of Arts and Culture and the National Lotteries Council to further support emerging artists throughout South Africa with knowledge and skills development to enable them to shift from amateur to professional. As they launch/implement their first album, film or book, the Debut Programme will also enable participants to pitch for funding to further support their venture. The programme combines DAC Debut Funding with BASA's Education and Mentorship Programmes, as well as opportunities to apply for BASA Supporting Grants (should applicants be eligible). Additionally, BASA is partnering with community arts centres in each province for marketing and logistical support and a local point of contact, and will be training a representative from each arts centre as a co-facilitator in the programme who will also support delegates between workshop visits, and later be able to take on more facilitation within their community after completing this programme. The programme will be launched mid-2017.

The BASA Established Education Programme, supported by RMB, continues to support registered and more established organisations. This carefully constructed programme comprises strategy, marketing and audience development, operations, finance, and governance workshops, and is underpinned by assignments and mentorship. Participants are reporting solid organisational development and, in some cases, increased funding and audiences as a result of the programme.



*Illustration by Imile Wepner (Detail)*

Business and Arts South Africa, in partnership with British Council Connect ZA, has launched a groundbreaking project that aims to significantly impact the development and sustainability of South Africa's creative market. The project began with A Guide to Growing Creative Markets – launched in July 2016, the guide is an animated, interactive e-learning programme that provides tools and insights on how to become a self-sustainable business or organisation within the creative markets. This free open access online platform is specifically focused on training creatives, producers, arts organisations and practitioners interested in building their markets for consumers of creative practice, goods or services. The guide is the initial step in the larger vision towards the Creative Markets Growth Hub (CMGH), Powered by Business and Arts South Africa and British Council Connect ZA. The CMGH is intended to become a focal point for creative market development thinking, research and online training within Africa. An in-depth research phase was rolled out in 2016 in South Africa, Malawi, Zambia, and Zimbabwe to fully understand the challenges the creative services are facing in maintaining and developing their markets. This involved gaining insights and data using our research framework through focus groups with artists, art organisations, producers and enablers. As part of our knowledge exchange, BASA also hosted Creative Market Growth Workshops as well as BASA Breakfasts for the private sector, government and policy makers around investments in the arts.

Flowing out of BASA's work on the CMGH, we successfully secured a tender with the City of Cape Town to implement a Creative Market Growth Programme for the city's arts sector. The programme is multipronged, comprising workshops, mentorship and the development of a Creative Market Growth toolkit specific to the Cape Town arts sector. The purpose of the workshops is to clearly define and unpack what Creative Market Growth is, explore

practical tools and ideas that individuals and creative and cultural organisations could use in their creative market growth plans and to start a conversation within the Cape Town arts sector around the importance of the 'audience'. The programme also offers an opportunity for an exchange of effective and relevant strategies that various cultural organisations can employ to respond to market preferences, needs, motivations and barriers. The workshop learnings will be supported by the toolkit with local case studies and extended through an implementation period supported by mentorship from the facilitators. The rollout of this programme began in March 2017 and will continue into June 2017.

BASA's Business Exchange Programme is undergoing some exciting shifts, with the BoardBank and Mentorship programmes currently being restructured for improved relevance and impact.

In May 2016, BASA hosted a workshop on "duties and liabilities of board directors" for prospective board members currently participating in the BASA BoardBank programme. Through a mutually beneficial partnership with the Black Management Forum (BMF), BASA Boardbank has placed several BMF members with arts organisations, contributing to the success of the 2016 programme thus far. BoardBank placements made this year to date include: Zachary Isdahl (Global Health Sciences, University of California, San Francisco, South Africa Programme Director) who now serves on the Bag Factory board; Saint-Francis Tohlang (Nestle) on the Dance Forum board; Mpho Moseki (Standard Bank) and Mudau Dzivhu (Empowerlogic) on the board of ROOM; Denisha Jairam (Development Bank of Southern Africa) on the VANSAs board; and Langaletu Maqele (Nedbank Capital Markets Operations) on the board of Lefika Lo Phodiso Art Therapy Centre.

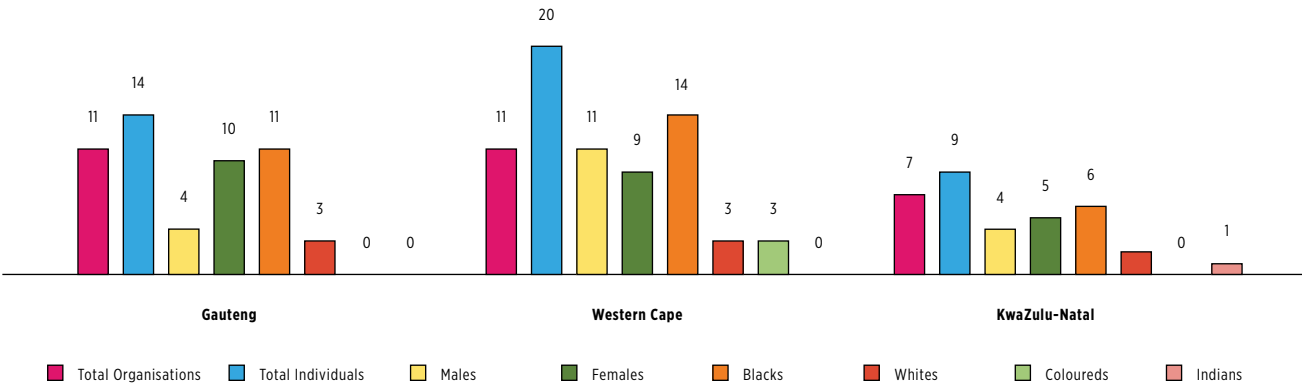


The BASA Young Business Professionals programme focuses on shaping a new generation of business leaders who are keen to take an active role in the arts community/sector, and creates opportunities for them to engage with the arts. On 7 April 2016, the teaser programme kicked off with an introductory event where 33 Young Business Professionals were introduced to the programme's purpose and benefits. They also experienced a walkabout of Carla Busuttill's Choice. Click. Bait exhibition at the Goodman Gallery, as well as a talk regarding art as an investment at Gallery MOMO, where Jonathan Freemantle's Der Heilige Berg II was showing. 8 May 2016 saw BASA engage with 22 Young Professionals at Strauss & Co for an auction house experience and to learn about art investment.

The Young Business Professionals programme has interacted with individuals from a variety of organisations such as ABSA, Ascendis Health, Nedbank, Nestlé, Norton Rose Fulbright, RMB, among others. The latest event, and the official interactive launch of the Young Business Professionals Programme, took place on 11 August 2016 at SOMAartspace. It comprised a masterclass, facilitated by Nqobile Sipamla, exploring arts based initiatives and various practical ways in which they can be applied in the corporate environment. Following the successful 2016 programme, the Young Business Professionals Programme is now being geared more strongly towards businesses and their graduate programmes.

# BASA ESTABLISHED EDUCATION PROGRAMME (RMB FUNDED) PROVINCIAL REACH 2016 - 2017 INTAKE

(Cycle 2 intake - currently in recruitment for Cycle 3. Reporting to be complete end August 2017)



## 4. CELEBRATION

Celebration focuses on all the Marketing, Advocacy and Eventing which BASA is involved in. This includes 20 Years Strategy, Institutional Marketing, BASA Awards, Symposium, Foundry Dinners and Arts Journalism Awards. We also continue to work closely with our media partners – Business Day TV, Kaya fm and SAfm – celebrating the work of BASA members, and their partnerships with the arts.

### MEMBER EVENTS

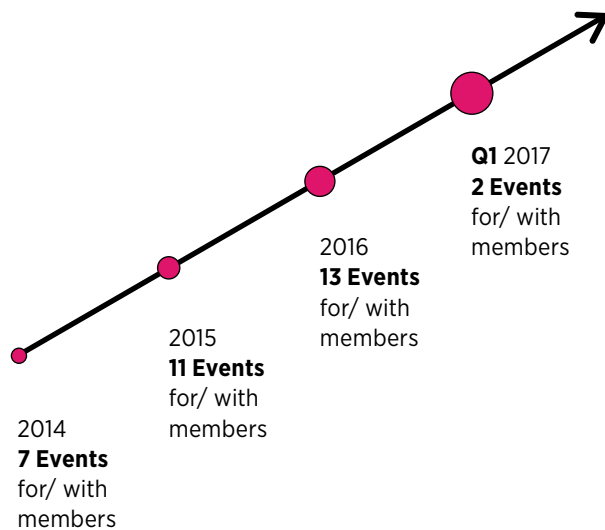
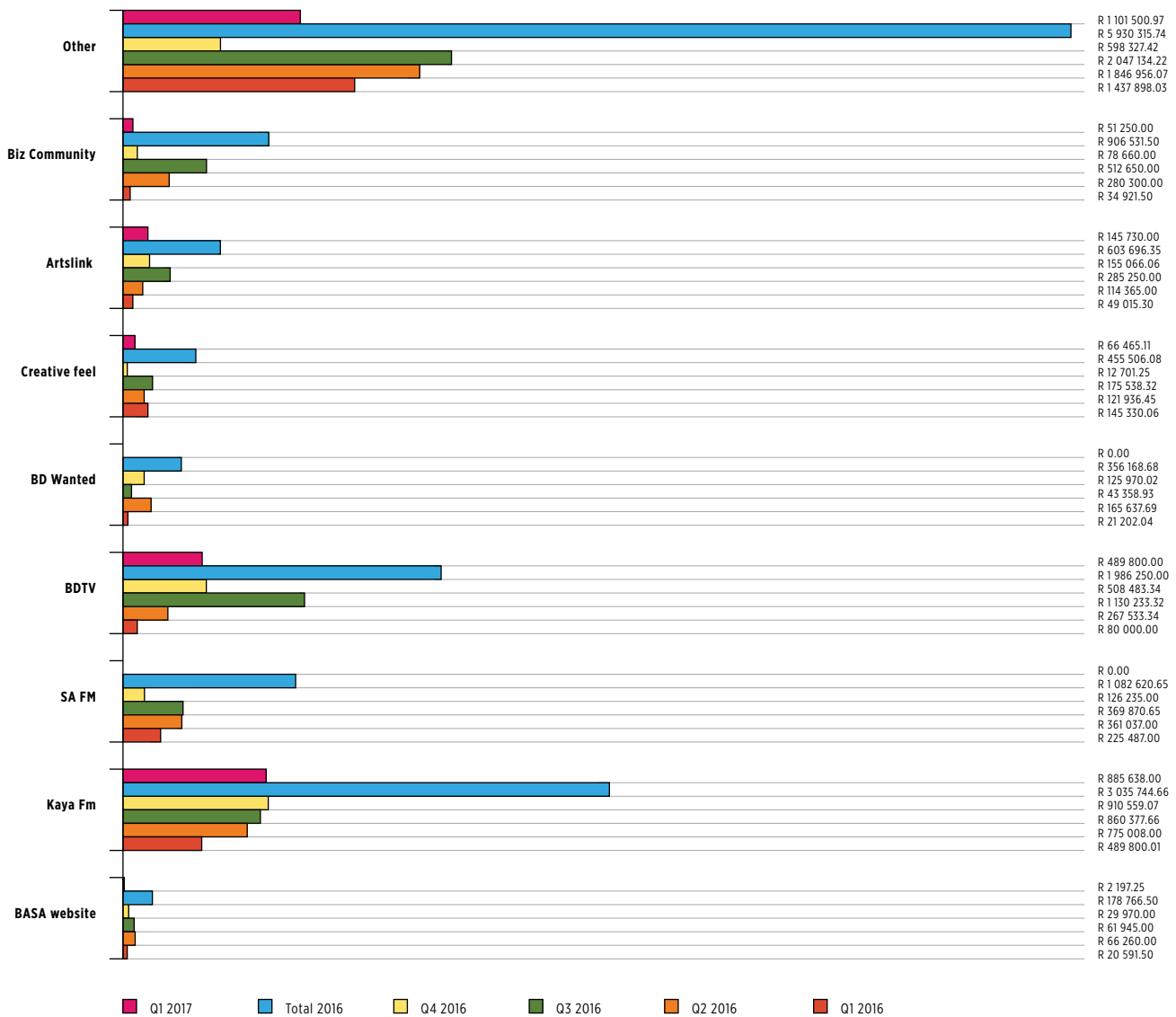


Illustration by Karabo Poppy Moletsane (Detail)



# MEDIA EXPOSURE AVE ROI FOR 2016 & Q1 2017



# THE 19TH ANNUAL BASA AWARDS

The 19th Annual BASA Awards, partnered by Hollard & Business Day, once again shone a spotlight on the imaginative and diverse ways that business partners with arts projects, events and initiatives to bring the arts to the public in different parts of the country.

In continuing commitment to celebrating best practice business and arts partnerships, and recognising innovation, there were some exciting changes to the categories available for entry: replacing the International Sponsorship Award, the Beyond Borders Partnership Award celebrates a global-level partnership that builds brand reputation and audience for both the business and arts organisations across international borders through an event or marketing project showcasing South Africa to Africa and the rest of the world, and/or bringing international arts projects to South Africa; and the Cultural Tourism Award, proudly supported by Nedbank, took the place of the Art and the Environment Award category as a way of recognising business support

of arts and culture projects which contribute towards the sustainability of this increasingly important sector.

Finalists were announced at an event and media launch hosted by Hollard on 18 August 2016 at the Villa Arcadia. A total of 44 finalists were in the running for South Africa's preeminent awards celebrating business and arts partnerships, and they revealed a stunning array of partnerships, with strong contention in all eleven categories that were open for entry in the awards.

Winners of the 19th Annual BASA Awards, partnered by Hollard & Business Day, were announced at an event at Shine Studios on 19 September 2016. This arts-filled event was attended by representatives of the business and arts community, and by the Minister of Arts and Culture, Minister Nathi Mthethwa. The evening's performances and proceedings were propelled by the theme of "creative furnace" and each winner received a unique ceramic fynbos artwork, created by a group of amateur artists under the guidance of artist Belinda Bignaut, that emerged from a project that harnesses the transformative power of art and fire. Winners provided inspiring and compelling insight into the role that the arts play in connecting people and enabling transformation – and the different ways that business can support this.

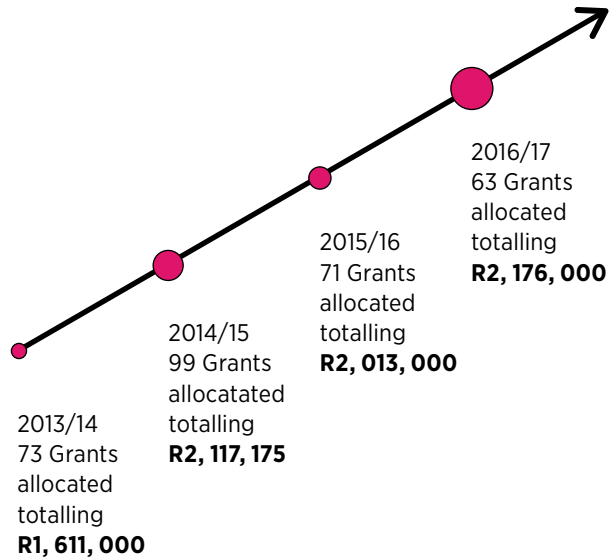


Illustration by Karabo Poppy Moletsane

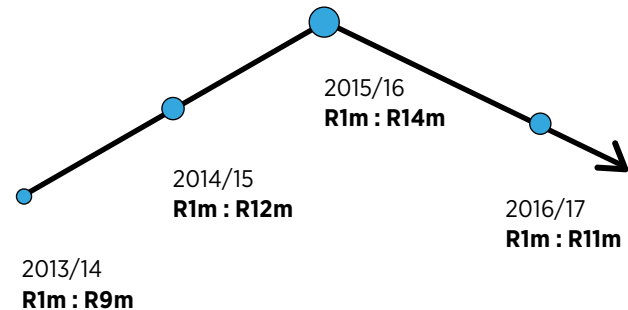
# GRANTS AND REPORT BACK STATUS

FINANCIAL YEAR END 31 MARCH 2017

## SUPPORTING GRANTS ALLOCATED



## RATIO OF SUPPORTING GRANT SPEND TO CORPORATE SPEND LEVERAGED



## 2016/17 GRANTS BY BUSINESS SECTOR %

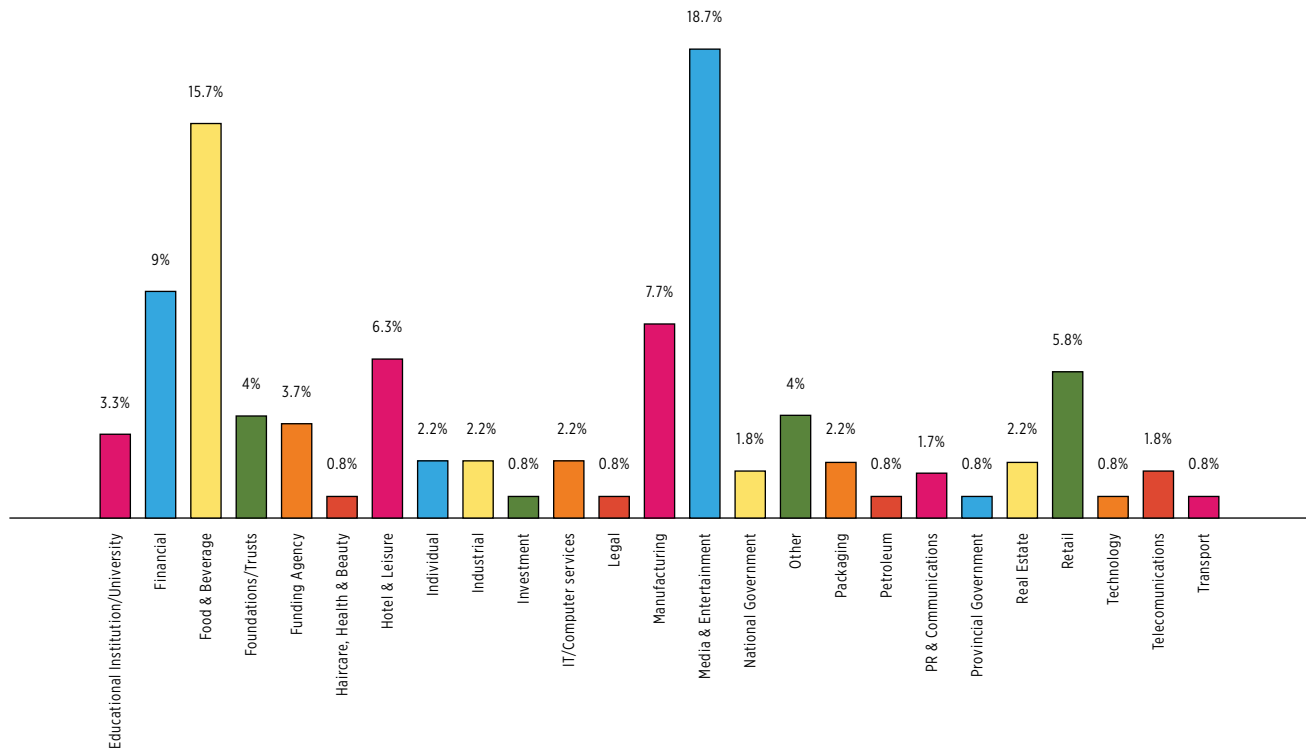
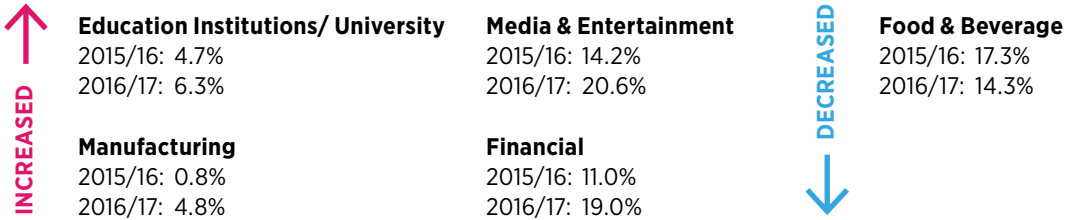
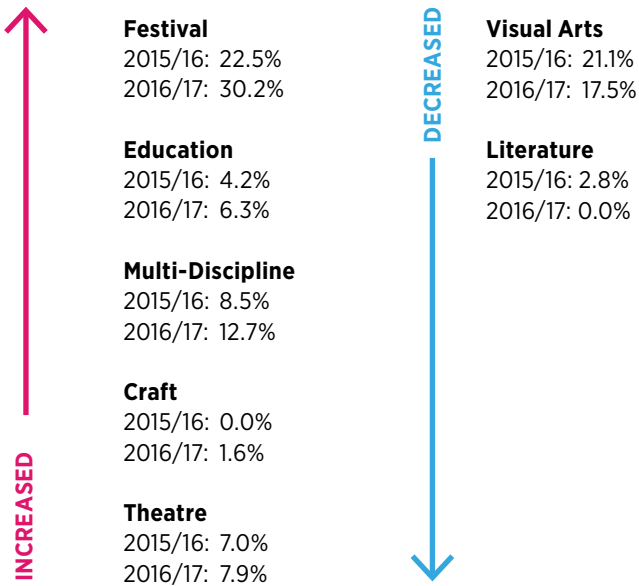


Illustration by Ndumiso Nyoni (Detail)

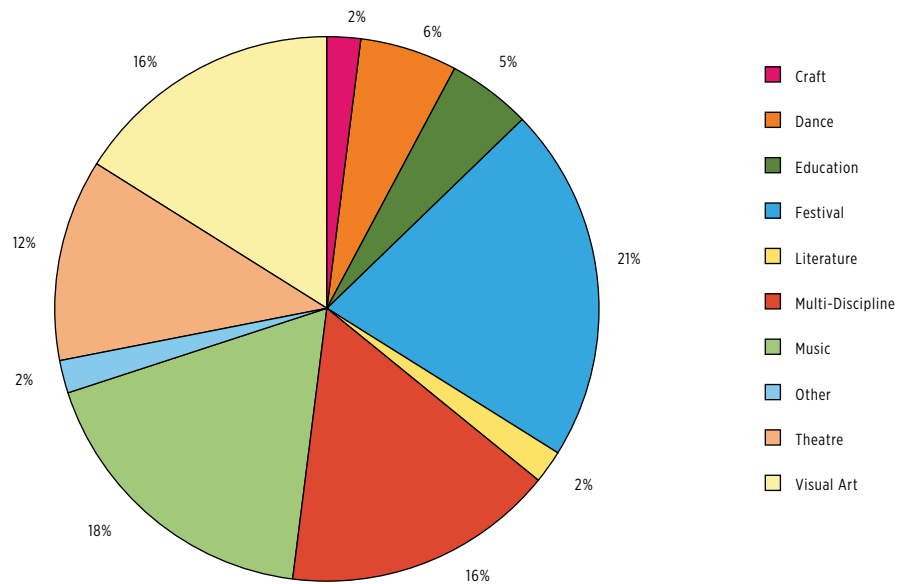
# SUPPORTING GRANT FLUCTUATIONS IN MOST PREVALENT SPONSOR INDUSTRIES



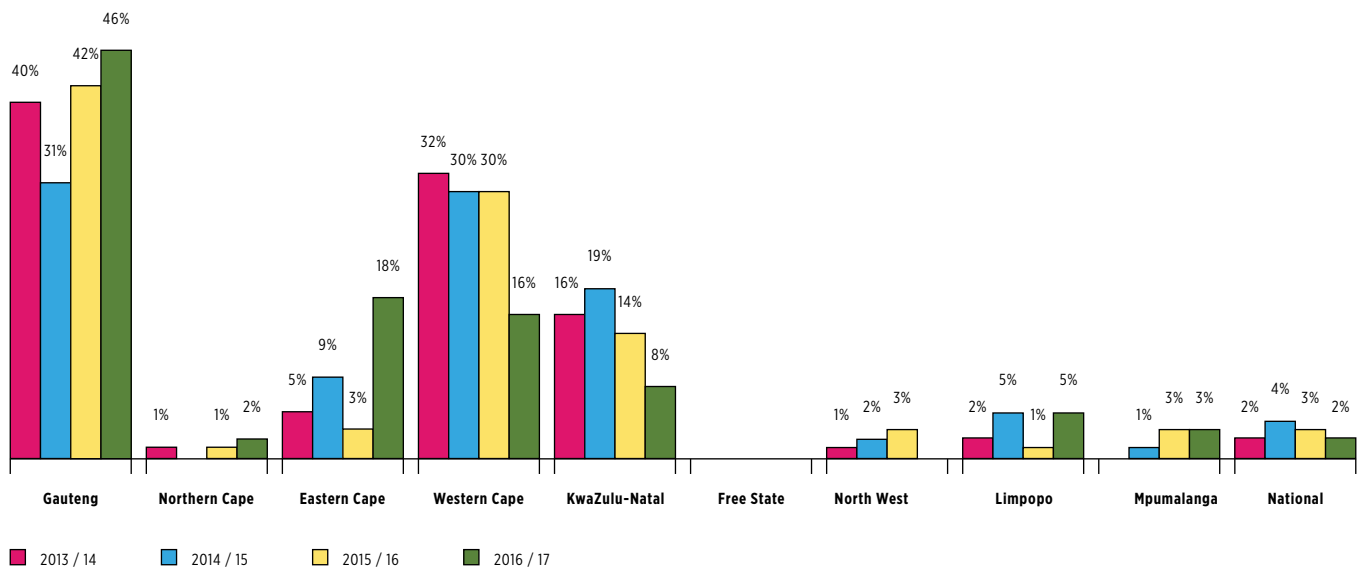
# SUPPORTING GRANT FLUCTUATIONS IN MOST SPONSORED ARTS DISCIPLINE



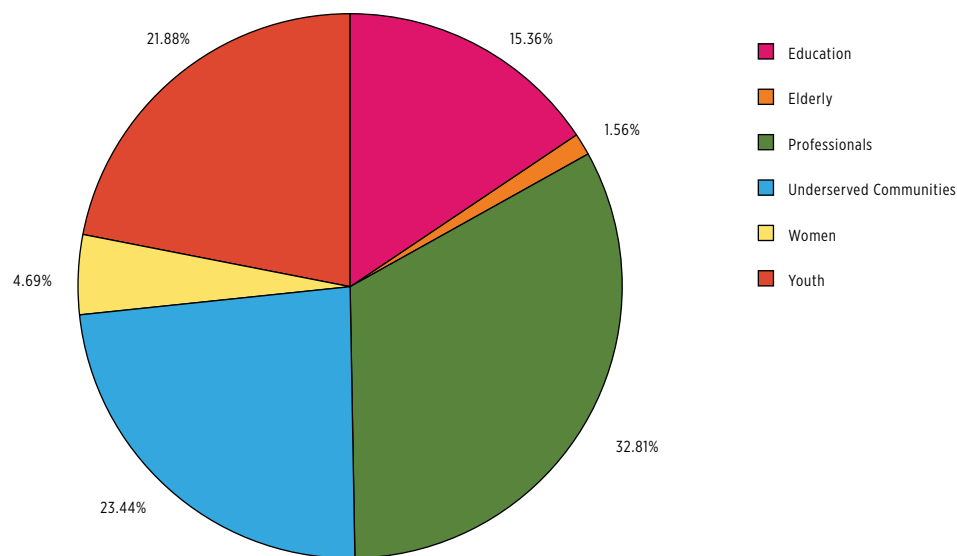
## 2016/17 GRANTS BY ARTS DISCIPLINE %



## GRANTS BY PROVINCE %



2016/17 GRANTS BY STRATEGY %



TOTAL SUPPORTING GRANTS MADE AND TOTAL  
ACCRUED FOR THE YEAR ENDING 31 MARCH 2017 ..... R2 058 500.00





Illustration by Ndumiso Nyoni

# SCHEDULE OF SPECIAL PROJECTS

FOR YEAR END  
2016 – 2017

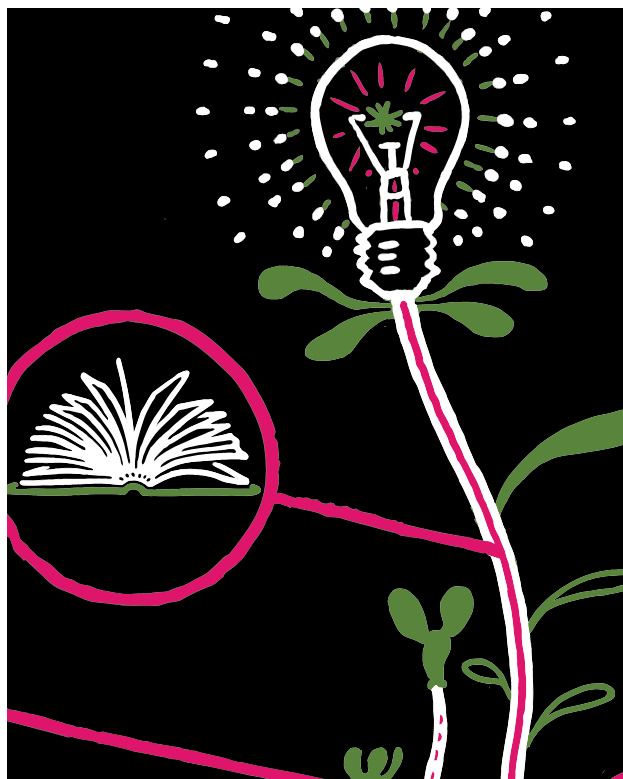


Illustration by Johan de Lange (Detail)

PROJECT	20 Years of BASA
DESCRIPTION	2017 sees BASA celebrate 20 years of arts business partnerships, with an invigorated focus on growth, research, connectivity and celebration that confirms the organisation's standing as a leader on the African continent. Growth is best exemplified by new programmes that provide and support knowledge transfer, skills development and training which include – but are not limited to – the DAC Debut Programme, and the COSY (Creating Opportunity for South Africa's Youth) programme.
PURPOSE	Conceived in 1997 as a partnership between several South African corporates and the DAC, BASA has evolved over the past two decades to include a wide spread of different stakeholders including 124 business members, the creative sector, organisations within the Southern African region, and a growing slate of project-specific partners.
DATE	On-going
AREA	National
AMOUNT	<b>R219 167.54</b>

PROJECT	artstourism.guru
DESCRIPTION	The artstourism.guru is premised on the belief that arts and cultural tourism can create greater job opportunities, self-employment and entrepreneurship in both the cultural and tourism sectors. It also provides an excellent opportunity to promote South African culture both locally and internationally. The pilot phase of artstourism.guru is a new online platform, which has been designed to integrate heritage and cultural experiences with South Africa's well-established natural attractions. The beta phase of artstourism.guru is built around arts festival mapping and links with nearby star-graded accommodation to deliver an immersive experience for culture-hungry travellers. In time, artstourism.guru will include art galleries, museums, architectural landmarks, theatres and many other arts, heritage and entertainment attractions – creating an integrated tourist ecosystem with greater economic potential and benefits.
PURPOSE	To be a one-stop-destination for those wanting to integrate the creative economy of the country into their tourism business or their tourism experience.
DATE	On-going
AREA	National
AMOUNT	<b>R45 905.40</b>

PROJECT	ArtsTrack Research
DESCRIPTION	Business and Arts South Africa launched the BASA ArtsTrack No. 7 Research to its members at Hollard's Villa Arcadia in Johannesburg on 21 June 2016, at the KZNSA Gallery in Durban on 2 August 2016, and at the Alexander Bar, Cafe and Theatre in Cape Town on 15 September 2016. The 2015 report represents the seventh update of the original report, and again creates an opportunity to track consumer engagement and perception of the arts and its sponsors. Undertaken bi-annually by sponsorship research leaders BMi, the wide-ranging research is a unique resource for BASA members and access to it is one of the benefits of membership.
PURPOSE	The Artstrack Research provides a broad overview of the arts and culture and funding terrain.
DATE	1 April 2016 – 31 March 2017
AREA	National
AMOUNT	<b>R367 661.22</b>

PROJECT	BASA "Create" SAFM
DESCRIPTION	A five minute arts and culture feature on prime time News and Current Affairs radio station, SAFM. The slot aired on Mondays, Wednesdays and Fridays, and was also extended to include a lengthier, less issues-driven Saturday slot.
PURPOSE	To mainstream arts and culture activities through a platform that targets a cross-cultural audience with national footprint.
DATE	1 April 2016 – 31 March 2017
AREA	National
AMOUNT	<b>R131 800.00</b>

PROJECT	"Business of the Arts" – Business Day TV
DESCRIPTION	This weekly, five-minute television programme sought to showcase the arts in South Africa and provide business argument for corporate support of the arts. It also highlighted various events and profiled both new and established artists.
PURPOSE	To mainstream art and cultural activities, to encourage business to take-up opportunities within the arts, and to provide a potential value-add for BASA Corporate Members.
DATE	1 April 2016 – 31 March 2017
AREA	National (DSTV)
AMOUNT	<b>R710 909.00</b>

PROJECT	BASA Awards, partnered by Hollard & Business Day
DESCRIPTION	The 19th Annual BASA Awards, partnered by Hollard & Business Day, were held at Shine Studios in Braamfontein against the spectacular backdrop of the city. The evening's performances and proceedings were propelled by the theme of "creative furnace" and each winner received a unique ceramic fynbos artwork that emerged from a project that harnesses the transformative power of art and fire. Under the guidance of artist Belinda Blignaut, the artworks were created by a group of amateur artists: Lucy Africa, Martha Nero, Jason Jack and William Jack. Eleven projects were honoured during the arts-filled event attended by representatives of the business and arts community, and by the Minister of Arts and Culture, Minister Nathi Mthethwa. Winners in the award categories provided inspiring and compelling insight into the role that the arts play in connecting people and enabling transformation – and the different ways that business can support this.
PURPOSE	To highlight effective business-arts partnerships and drive interest from the corporate sector in supporting the arts.
DATE	19 September 2016
AREA	National
AMOUNT	<b>R953 228.56</b>

PROJECT	Kaya FM's "Kaya Bizz"
DESCRIPTION	This BASA feature takes place every Thursday evening at 17:20. The aim of the segment is to not only showcase those Business and Arts engagements undertaken by our corporate members, but to also promote the creative sector in its entirety. Topics explored include case studies of businesses partnering with arts initiatives to fulfil mandates aligned to either their Marketing objectives, as well as Corporate Social Responsibility. It is through this feature that BASA encourages valuable and equitable Business and Arts partnerships.
PURPOSE	To facilitate conversations that encourage business participation in the arts.
DATE	1 September 2016 – 31 August 2017
AREA	<b>Gauteng (95.9 FM &amp; through DSTV)</b>
AMOUNT	<b>R150 000.00</b>

PROJECT	National Arts Festival
DESCRIPTION	<p>BASA supports various National Arts Festival Initiatives:</p> <ol style="list-style-type: none"> <li>1. The Cue Newspaper at the National Arts Festival, a focused, short term newspaper which provides a platform for the training of young arts journalists.</li> <li>2. A partnership between the National Arts Festival (NAF) and Business and Arts South Africa (BASA), the Arts Journalism of the Year Awards recognise excellence in journalism that explores and celebrates the arts and creativity across a number of categories. The Awards invites submissions from media and freelancers across all genres of work that reports and reflects on the arts. Any piece of published or broadcast work that covers the arts sector, either as a news, review, photographic essay or a feature piece, is eligible – even if the work isn't carried in "traditional" arts sections.</li> <li>3. Previous winners of Standard Bank Ovation Awards, which reward Fringe productions for innovation and creative excellence, are invited to participate in the ARENA programme. Presented by Business and Arts South Africa, this award-winners' playground included productions spanning theatre, music, as well as dance and physical theatre.</li> </ol>
PURPOSE	<ol style="list-style-type: none"> <li>1. To create a vehicle for the practical training of arts journalists.</li> <li>2. The Arts Journalism of the Year Awards were designed to highlight media within the South African landscape who are engaging with the arts in critical and ground-breaking new ways.</li> <li>3. Highlighting innovation and creative excellence.</li> </ol>
DATE	30 June - 10 July 2016
AREA	Eastern Cape
AMOUNT	<b>R300 000.00</b>

PROJECT	Other
DESCRIPTION	<p>BASA, in partnership with the DAC and supported by the FirstRand Foundation (FRF), is currently working on a programme to strengthen the capacity and processes of the councils of DAC state owned entities. The Cultural Policy and Management Division at the Wits School of Arts, under the leadership of Avril Joffe, was commissioned to do baseline research of all 25 DAC institutions with regards to the challenges and opportunities in their councils. Once the baseline research is complete, a pilot series of capacity building workshops will be rolled out in June 2017. The Institute of Directors of South Africa (IoDSA) will give a workshop on board/council member duties and liabilities, followed by the Wits Centre for Cultural Policy and Management's workshop on which will cover trends, value and the role of arts and culture in society, as well as the value that culture creates may be understood, measured and evaluated.</p>
PURPOSE	<p>Based on the research findings and recommendations, as well as feedback from the pilot workshop series, a toolkit will be developed for all DAC entities to use as a basic guide both for induction and regular ongoing practice. The toolkit and pilot workshops could potentially inform further workshops and interventions going forward (outside of the ambit of this project). In addition to this, we are exploring the possibility of creating a sector wide practice note in alignment with the King IV Report with the IoDSA.</p>
DATE	On-going
AREA	National
AMOUNT	<b>R150 184.27</b>

**TOTAL SPECIAL PROJECTS MADE FOR THE YEAR  
ENDING 31 MARCH 2017 ..... R2 075 627.43**



*Illustration by Johan de Lange (Detail)*

# ANNUAL FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BUSINESS AND ARTS SOUTH AFRICA

We have audited the financial statements Business and Arts South Africa set out on pages 36 to 46, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Business and Arts South Africa as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities

under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on page 48. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal

control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies

used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



#### **GRANT THORNTON**

Johannesburg Partnership  
Registered Auditors

#### **G C SMITH**

Partner  
Registered Auditor  
Chartered Accountant (SA)

29 June 2017

@Grant Thornton  
Wanderers Office Park, 52 Corlett Drive, Illovo, 2196

# DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities And the Companies Act, 71 of 2008 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of

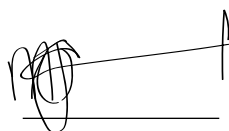
risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 directors have reviewed the company's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 32 to 33.

The annual financial statements set out on pages 36 to 46, which have been prepared on the going concern basis and the directors' report on page 35, were approved by the board of directors on 7 July 2017 and were signed on their behalf by:



MJ Constant

Johannesburg

7 July 2017



AS Le Roux



# DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Business and Arts South Africa. NPC for the year ended 31 March 2017.

## 1. NATURE OF BUSINESS

The company is engaged in the promoting and development of partnerships between the private sector and the arts and operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

## 2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

## 3. DIRECTORS

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

DIRECTORS	OFFICE
MJ Constant	
HL Bosman	
RAC Cock	
M Langa	
H Lawler	
AS Le Roux .....	Chairman
K Mamba	
GV Mariano	
D Moors	
CA Nolte	
MM van der Spuy .....	Deputy Chair
MW van der Want	

PG Walters  
K Gumbi ..... Resigned 6 February 2017

AS Le Roux and MM van der Spuy were appointed as Chairman and Deputy Chair on 24 February 2017.

## 4. EVENTS AFTER THE REPORTING PERIOD

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

## 5. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

## 6. AUDITORS

Grant Thornton Johannesburg Partnership continued in office as auditors in accordance with section 90 of the Companies Act of South Africa.

## 7. SECRETARY

The company had no secretary during the year.

## 8. NON-CURRENT ASSETS

Refer to note 2 for additions to non-current assets of the company during the year.

## 9. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is Michelle Constant.

# STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

FIGURES IN RAND	NOTES	2017	2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and equipment	2	396 695	51 617
<b>Current Assets</b>			
Trade and other receivables	3	417 076	201 766
Cash and cash equivalents	4	10 647 462	8 972 695
		11 064 538	9 174 461
<b>TOTAL ASSETS</b>		<b>11 461 233</b>	<b>9 226 078</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated surplus		4 229 775	4 602 128
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	1 744 156	2 203 132
Income received in advance	6	438 072	339 661
Internship and Mentoring Fund	7	290 745	343 395
Education Programme funds	8	511 972	855 537
DAC Debut Programme	9	2 968 000	-
First Rand Foundation - Research	10	501 288	685 000
Educational Funds - NLDTF	11	622 353	42 353
BASA - Mozambique	12	154 872	154 872
		7 231 458	4 623 950
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11 461 233</b>	<b>9 226 078</b>

# STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN RAND	NOTES	2017	2016
Revenue	13	4 025 146	4 136 092
Other income	14	1 268 433	1 126 871
Operating expenses		(6 200 993)	(5 367 559)
<b>Operating deficit</b>	<b>15</b>	<b>(907 414)</b>	<b>(104 596)</b>
Investment revenue	16	535 657	507 239
Finance costs	17	(596)	(1 099)
<b>(Deficit) surplus for the year</b>		<b>(372 353)</b>	<b>401 544</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE (DEFICIT) SURPLUS FOR THE YEAR</b>		<b>(372 353)</b>	<b>401 544</b>



Illustration by Ndumiso Nyoni

# STATEMENT OF CHANGES IN EQUITY

FIGURES IN RAND	ACCUMULATED SURPLUS	TOTAL EQUITY
<b>BALANCE AT 1 APRIL 2015</b>	<b>4 200 584</b>	<b>4 200 584</b>
Surplus for the year	401 544	401 544
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>401 544</b>	<b>401 544</b>
<b>BALANCE AT 1 APRIL 2016</b>	<b>4 602 128</b>	<b>4 602 128</b>
Deficit for the year	(372 353)	(372 353)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(372 353)</b>	<b>(372 353)</b>
<b>BALANCE AT 31 MARCH 2017</b>	<b>4 229 775</b>	<b>4 229 775</b>

# STATEMENT OF CASH FLOWS

FIGURES IN RAND	NOTES	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) generated from operations	19	(1 396 671)	395 105
Interest income		535 657	507 239
Finance costs		(596)	(1 099)
<b>Net cash (used in) generated from operating activities</b>		<b>(861 610)</b>	<b>901 245</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment	2	(431 696)	(13 023)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Movement in research funds - BASA Africa: Mozambique		-	(254 866)
Movement in research funds - NLDTF		580 000	(77 023)
Movement in Internship and Mentoring Fund		(52 650)	(49 146)
Movement in First Rand Foundation Research		(183 712)	685 000
Movement in DAC Debut Programme		2 968 000	-
Movement in Education Programme		(343 565)	(360 425)
<b>Net cash from financing activities</b>		<b>2 968 073</b>	<b>(56 460)</b>
Total cash movement for the year		1 674 767	831 762
Cash at the beginning of the year		8 972 695	<b>8 140 933</b>
<b>TOTAL CASH AT END OF THE YEAR</b>	<b>4</b>	<b>10 647 462</b>	<b>8 972 695</b>



Illustration by Johan de Lange

# 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, and the Companies Act 71 of 2008. 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.

These accounting policies are consistent with the previous period.

### 1.1 Plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment as follows:

Item	Depreciation method	Average useful life
Leasehold improvements	Straight line	3 years
Computer equipment	Straight line	3 years
Furniture and fittings	Straight line	5 years
Office equipment	Straight line	5 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

### 1.2 Membership fees

Membership fees consist of fees paid for annual corporate membership of the company and are recorded in revenue during the relevant year to which fees apply.

Fees apply for one year from the date on which the money for the membership is received.

### 1.3 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

### 1.4 Interest revenue

Interest is recognised on a time proportion basis that takes into account the effective yield of the asset.

### 1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### 1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated

and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

### 1.8 Borrowing costs

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 2. PLANT AND EQUIPMENT

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Artworks	5 458	-	5 458	5 458	-	5 458
Computer equipment	385 988	(171 263)	214 725	213 482	(201 028)	12 454
Furniture and fittings	310 221	(258 354)	51 867	329 842	(316 785)	13 057
Leasehold improvements	138 068	(32 104)	105 964	-	-	-
Office equipment	92 816	(74 135)	18 681	127 910	(107 262)	20 648
<b>TOTAL</b>	<b>932 551</b>	<b>(535 856)</b>	<b>396 695</b>	<b>676 692</b>	<b>(625 075)</b>	<b>51 617</b>

### Reconciliation of plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Leasehold improvements	-	138 068	(32 104)	105 964
Furniture and fixtures	13 057	53 310	(14 500)	51 867
Office equipment	20 648	2 648	(4 615)	18 681
Computer equipment	12 454	237 670	(35 399)	214 725
Artworks	5 458	-	-	5 458
<b>TOTAL</b>	<b>51 617</b>	<b>431 696</b>	<b>(86 618)</b>	<b>396 695</b>

### Reconciliation of plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	54 766	-	(41 709)	13 057
Office equipment	25 810	-	(5 162)	20 648
Computer equipment	7 719	13 023	(8 288)	12 454
Artworks	5 458	-	-	5 458
<b>TOTAL</b>	<b>93 753</b>	<b>13 023</b>	<b>(55 159)</b>	<b>51 617</b>

### 3. TRADE AND OTHER RECEIVABLES

CASH AND CASH EQUIVALENTS CONSIST OF	2017	2016
Accounts receivable	315 807	29 526
Prepayments	-	13 251
Rent deposits	60 000	42 830
VAT	41 269	116 159
<b>TOTAL</b>	<b>417 076</b>	<b>201 766</b>

### 4. CASH AND CASH EQUIVALENTS

Bank balances	6 597 630	5 472 695
Short-term deposits	4 049 832	3 500 000
<b>TOTAL</b>	<b>10 647 462</b>	<b>8 972 695</b>

In a sustainability initiative, the Board has decided to invest R 4 049 832 (2016: R 3 500 000) million in an investment account with Standard Bank Limited.

### 5. TRADE AND OTHER PAYABLES

Accruals	1 380	111 849
Accrued audit fees	145 000	118 000
Accrued leave pay	97 721	90 580
Other payables	209 352	-
Supporting grants approved but not yet paid out	465 950	662 000
Trade payables	824 753	1 220 703
<b>TOTAL</b>	<b>1 744 156</b>	<b>2 203 132</b>

### 6. INCOME RECEIVED IN ADVANCE

Membership fees	438 072	339 661
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Membership fees received in advance during the reporting period which relates to future periods.

### 7. INTERNSHIP AND MENTORING FUND

Opening balance	343 395	392 541
Total receipts	120 000	120 000
Total allocations	(172 650)	(169 146)
<b>TOTAL</b>	<b>290 745</b>	<b>343 395</b>

Funding of the projects in the current and prior year was provided by RMB - a division of FirstRand Bank Limited.



## 8. EDUCATION PROGRAMME

CASH AND CASH EQUIVALENTS CONSIST OF	2017	2016
Arts and Culture Trust	-	(22 509)
British Council grant	(126 598)	(244 424)
Delegates fee	-	(10 122)
National Arts Council grant	-	(325 748)
Other	(28 226)	10 340
RMB grant	(315 482)	(263 074)
City of Cape Town	(41 666)	-
<b>TOTAL</b>	<b>(511 972)</b>	<b>(855 537)</b>
Opening balance	-	-
Total receipts	3 270 243	2 552 223
Total allocations	(2 758 271)	(1 696 686)
<b>TOTAL</b>	<b>511 972</b>	<b>855 537</b>

The National Arts Council awarded a grant to Business and Arts South Africa for the furtherance of the Business and Arts South Africa Education Programme, which is now completed.

The British Council awarded a grant to Business and Arts South Africa to the value of R 342 340 for the purpose of the Audience Development Programme which was commenced on the 28th of March 2014. The Audience Development Programme will, in partnership with Business and Arts South Africa, interrogate new methods of audience development in the South African Arts industry through the Business and Arts South Africa Education Programme.

An additional contribution of R 250 000 was granted from Rand Merchant Bank.

City of Cape Town awarded a grant to BASA for an audience development programme.

## 9. DAC DEBUT PROGRAMME

Opening balance	-	-
Total receipts	3 000 000	-
Total allocations	(32 000)	-
<b>CLOSING BALANCE</b>	<b>2 968 000</b>	<b>-</b>

## 10. FIRST RAND FOUNDATION - RESEARCH

Opening balance	685 000	-
Total receipts	-	685 000
Total allocations	(183 712)	-
<b>CLOSING BALANCE</b>	<b>501 288</b>	<b>685 000</b>

## 11. EDUCATIONAL FUNDS - NLDTF

CASH AND CASH EQUIVALENTS CONSIST OF	2017	2016
Opening balance	42 353	119 376
Total allocations	-	(77 023)
Total receipts	580 000	-
<b>CLOSING BALANCE</b>	<b>622 353</b>	<b>42 353</b>

## 12. BASA AFRICA - MOZAMBIQUE

Opening balance	154 872	409 738
Total allocations	-	(254 866)
<b>CLOSING BALANCE</b>	<b>154 872</b>	<b>154 872</b>

## 13. REVENUE

Grant received - Department of Arts and Culture	8 053 000	7 648 000
Other grants received	106 273	153 500
Special projects	(2 075 627)	(1 618 408)
Supporting grants made	(2 058 500)	(2 047 000)
<b>TOTAL</b>	<b>4 025 146</b>	<b>4 136 092</b>

Revenue from membership fees, for BASA awards and other revenue is disclosed on the face of the Statement of Comprehensive Income.

## 14. OTHER INCOME

BASA Awards Income	602 632	585 868
Membership fees	648 362	530 653
Sundry income	15 860	-
Ticket sales	1 579	10 350
<b>TOTAL</b>	<b>1 268 433</b>	<b>1 126 871</b>

## 15. OPERATING DEFICIT

Premises		
• BASA Awards Income	445 525	355 133
Depreciation on plant and equipment	86 618	55 159
Employee costs	2 858 424	2 475 751

## 16. INVESTMENT REVENUE

Interest revenue bank	535 657	507 239
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## 17. FINANCE COSTS

Interest paid	596	1 099
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## 18. AUDITOR'S REMUNERATION

CASH AND CASH EQUIVALENTS CONSIST OF	2017	2016
Audit fee - current year	143 600	124 200
Tax and secretarial services	12 250	3 365
Dipstick audits	14 946	11 750
<b>TOTAL</b>	<b>170 796</b>	<b>139 315</b>

## 19. CASH (USED IN) GENERATED FROM OPERATIONS

(Surplus) deficit before taxation	(372 353)	401 544
<b>Adjustments for</b>		
Depreciation	86 618	55 159
Interest received	(535 657)	(507 239)
Finance costs	596	1 099
<b>Changes in working capital</b>		
Trade and other receivables	(215 310)	116 963
Trade and other payables	(458 976)	312 494
Income received in advance	98 411	15 085
<b>TOTAL</b>	<b>(1 396 671)</b>	<b>395 105</b>

## 20. COMMITMENTS

### Operating leases – as lessee (expense)

<b>MINIMUM LEASE PAYMENTS DUE</b>		
• within one year	428 926	298 301
• in second to fifth year inclusive	586 904	75 815
<b>TOTAL</b>	<b>1 015 830</b>	<b>374 116</b>

The lease terms have been renegotiated subsequent to year end. The agreement makes provision for rental escalation of 7% per annum. The lease was signed on 1 July 2016 and expires at the end of June 2019.



Illustration by Ben Gribb (Detail)

## 21. RELATED PARTIES

### Relationships

Directors Refer to directors' report

Other **SAFM**

SAFM/BASA Create slot - Michelle Constant (CEO and Director) voices this slot on SAFM at no cost to BASA or SAFM. BASA Create Slot on SAFM is one of the Special Media Projects that BASA supports.

**Richard Cock Music Enterprise (RCME)** invoiced BASA for services rendered at a BASA event.

Related party balances and transactions with entities with control, joint control or significant influence over the company

### RELATED PARTY TRANSACTIONS

CASH AND CASH EQUIVALENTS CONSIST OF	2017	2016
<b>FUNDING GIVEN TO RELATED PARTIES</b>		
Richard Cock Music Enterprise	67 096	8 340
Johannesburg Festival Orchestra	-	20 000
	<b>67 096</b>	<b>28 340</b>
<b>COMPENSATION TO DIRECTORS AND OTHER KEY MANAGEMENT</b>		
Chief Executive Officer's remuneration for managerial services	1 200 730	1 154 292

## 22. DIRECTORS' REMUNERATION

No emoluments were paid to the non-executive directors during the year.

## 23. GOVERNMENT GRANTS

An amount of R 8 053 000 (2016: R 7 648 000) was granted to the company by The Department of Arts and Culture. This grant covers the financial year to 31 March 2017.

The company is obliged to use the funds by way of grants and for the purpose set out in its Memorandum of Association. Grants are received in instalments and are recognised in the revenue during the relevant financial year.

The Department of Arts and Culture have approved the following annual allocations:

2017/2018 - R 8 456 000

2018/2019 - R 8 946 000

2019/2020 - R 9 447 000

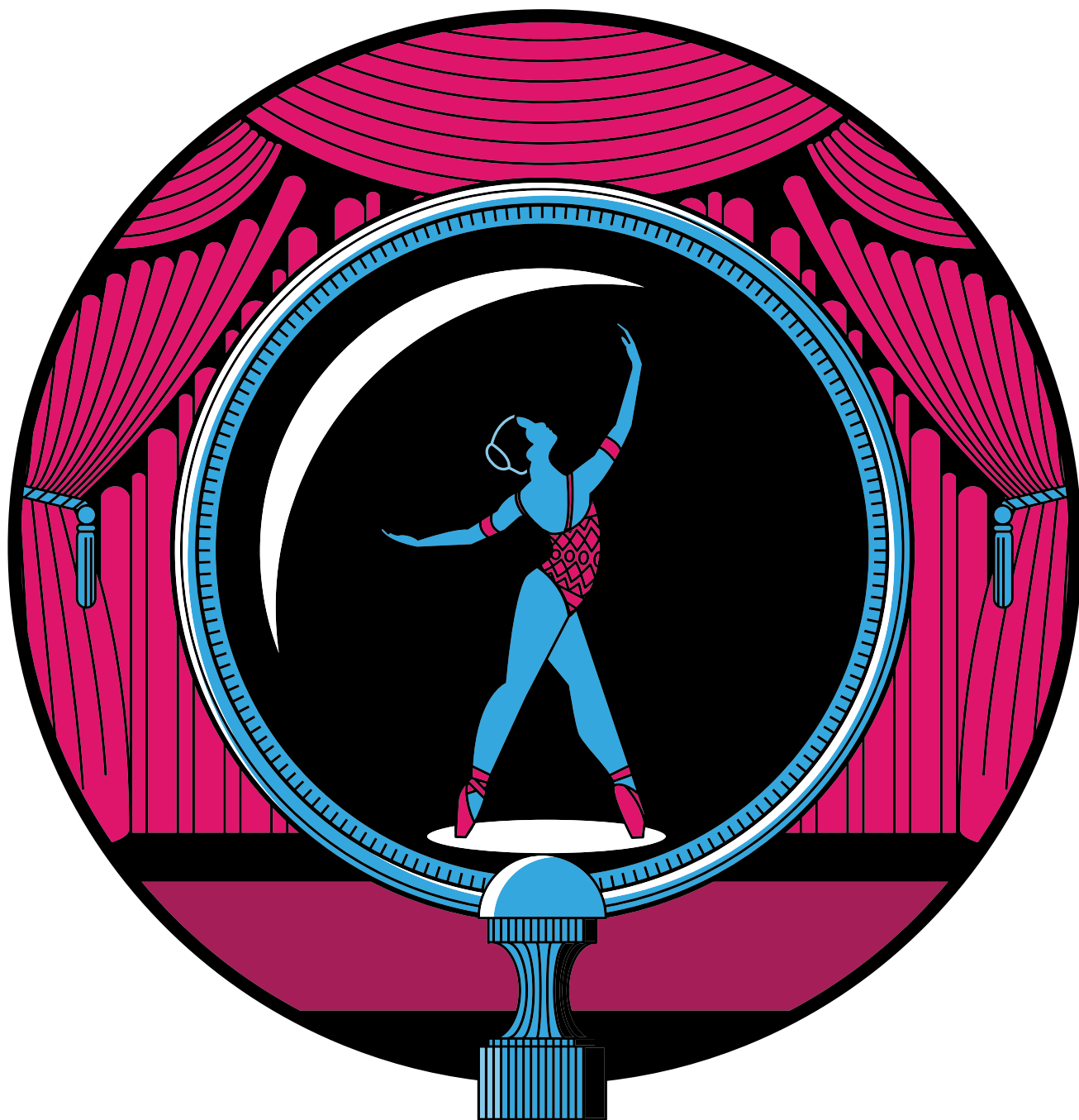


Illustration by Ben Gribb

# UNAUDITED SUPPLEMENTARY SCHEDULE

## - DETAILED INCOME STATEMENT

FIGURES IN RAND	NOTES	2017	2016
<b>REVENUE</b>			
Grant received - Department of Arts and Culture		8 053 000	7 648 000
Other grants received		106 273	153 500
Special projects		(2 075 627)	(1 618 408)
Supporting grants made		(2 058 500)	(2 047 000)
	<b>13</b>	<b>4 025 146</b>	<b>4 136 092</b>
<b>OTHER INCOME</b>			
BASA Awards income		602 632	585 868
Interest revenue	16	535 657	507 239
Membership fees		648 362	530 653
Sundry income		15 860	-
Ticket sales		1 579	10 350
<b>TOTAL INCOME</b>		<b>1 804 090</b>	<b>1 634 110</b>
<b>OPERATING EXPENSES</b>			
Accounting fees		(190 605)	(127 260)
Auditors remuneration	18	(170 796)	(139 315)
Award ceremony expenses		(953 229)	(957 869)
Bank charges		(16 571)	(13 758)
Computer expenses		(198 337)	(123 385)
Consulting and professional fees		(115 578)	-
Depreciation		(86 618)	(55 159)
Employee costs		(2 858 424)	(2 475 751)
Entertainment and refreshments		(33 473)	(18 247)
General expenses		(75 465)	(21 732)
Insurance		(26 612)	(14 437)
Lease rentals on operating leases (rent and utilities)		(445 525)	(355 133)
Legal expenses		-	(4 975)
Marketing		(158 642)	(331 799)
Member events		(279 799)	(216 575)
Postage and courier		(30 108)	(31 189)
Printing and stationery		(166 481)	(118 596)
Publicity		(73 695)	(77 124)
Security		(15 093)	(3 291)
Storage		(25 375)	-
Subscriptions		(5 413)	(5 334)
Telephone and fax		(72 171)	(82 618)
Training		(13 000)	(27 043)
Travel - local		(121 289)	(166 969)
Travel - overseas		(68 694)	-
		<b>(6 200 993)</b>	<b>(5 367 559)</b>
<b>OPERATING (DEFICIT) SURPLUS</b>	<b>15</b>	<b>(371 757)</b>	<b>402 643</b>
Finance costs	17	(596)	(1 099)
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>		<b>(372 353)</b>	<b>401 544</b>

# MEMBERS OF BUSINESS AND ARTS SOUTH AFRICA

## Corporate Members:

Anglo Operations (Pty) Ltd  
Artinsure  
Aspire Art Auctions  
ATKV  
Avalon Group  
Bamboo Rock  
Barclays Africa Group Limited  
Bellingan Scott Fine Art  
Restoration & Conservation  
Between 10 and 5 Online Publishing  
BMI Sponsorship (Pty) Ltd  
Brand Genetics  
Breinstorm Brand Architects  
Business Day TV  
BUZ Publicity  
Cape Town Partnership  
Carel Nolte (Pty) Ltd  
Christine Mouton & Associates  
Creative Mzansi  
DALRO (Pty) Ltd  
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Inscape Education Group  
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JT International South Africa (Pty) Ltd  
Julia Meintjes Fine Art  
Kaya FM  
Keith Kirsten Horticulture  
International (Pty) Ltd  
Kizo Art Consultants  
KWV  
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Nando's Chickenland  
Naretlou Chartered Accountants Inc  
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Norton Rose Fulbright  
NUOVO IT Support Services  
Old Mutual  
Pieter Toerien Productions  
PPC Cement  
Prosound  
Purple Group Limited  
Rand Merchant Bank  
Redefine Properties  
REDISA  
SA Taxi Foundation  
Sabvest Limited  
SAFFCA  
SAMRO  
Sanlam Ltd  
Santam Ltd  
Sasol  
Sheer Publishing  
SHIFT  
Sibaya Casino & Entertainment Kingdom

South African Cultural Observatory (SACO)  
South African Post Office  
Spier Holdings  
Standard Bank of South Africa  
Stephan Welz and Co  
Strauss & Co  
Stuttaford Van Lines – Fine Art  
T.Musicman  
Talis Holdings (Pty) Ltd  
TBWA Hunt Lascaris Holdings (Pty) Ltd  
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The Brand Leadership Group  
The Famous Idea  
The Forum Company  
The Fulcrum Group  
The Ichikowitz Family Foundation  
The Orbit  
The Walt Disney Company Africa  
Thursdays Projects  
TIXSA  
Trainiac  
Vodacom South Africa  
Vuyani Dance Company  
Walker Scott Art Advisory

## Arts Members:

Arts & Culture Trust  
Cape Town Opera  
IZIKO South African National Gallery  
Johannesburg Youth Orchestra Company  
Knysna Literary Festival  
Minimax Performing Arts  
MOAD  
Mpumalanga Traditional Art Market  
Richard Cock Music Enterprises CC  
Room 13  
The South African Fine Art Print Fair  
Think Theatre  
UJ Arts & Culture  
WITS School of Arts  
Yellowwoods Art

## Shouldn't your business be a member too?

For further information contact  
BASA on 011 447 2295 or  
e-mail: [mandisa@basa.co.za](mailto:mandisa@basa.co.za)

