



ANNUAL REPORT 2019 – 20

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WHO WE ARE

Our vision

To be the leading source of information and exchange in and for the African music sector.

Our mission

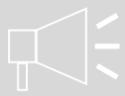
To support the African music sector through promoting knowledge exchange and creating opportunities and capacity for those who operate in the sector.

- We distribute knowledge, opportunities and skills to stakeholders in the African music sector.
- We provide reliable and useful information that promotes the African music sector and its operators.
- We connect and promote exchange between music professionals from or related to Africa and its diaspora.
- We promote and encourage the creation of content by Africans and strive to improve the distribution, accessibility and viability of such content.
- We strive to enhance music education in Africa.
- We conduct advocacy aimed at protecting the interests of musicians through, but not limited to, awareness campaigns and lobbying in the area of intellectual property rights protection.
- We facilitate and promote, through research, development and education, and the use by professionals and audiences of current and future technologies.
- We implement multifaceted projects that address the sector's biggest challenges, including artist mobility, capacity building, performance, promotion and accessibility, among others.
- We strive to enhance music education in Africa.
- We provide free comprehensive information that promotes the African music sector and its operators.

We distribute knowledge, we create opportunities, we promote skills transfer.

The MIAF was established in 2013 and registered in 2014 as a non-profit organisation, registered in terms of the South African Nonprofit Organisations Act, No. 71 of 1997.

Key focus areas

 <p>Music industry research</p>	 <p>Artist education</p>	 <p>Editorial</p>	 <p>Music discovery</p>
 <p>Promotion (music, services and events)</p>	 <p>Online networks</p>	 <p>Educational materials</p>	 <p>Industry analytics and stats</p>
 <p>Music markets (conferences, trade fairs and exhibitions)</p>	 <p>Funding</p>	 <p>Talent discovery</p>	 <p>Capacity building</p>
 <p>Advocacy and lobbying</p>	 <p>Instrument building and repair</p>	 <p>Artist exchange</p>	 <p>Skills transfer</p>

Notes on changes

- The MIAF is set to increase funding activities considerably in the 2020-21 fiscus with the launch of two new programmes: Music In Africa Live and the Sound Connects Fund.
- The MIAF is expanding its focus into big-data research with the new Revenue Streams for African Musicians (RSFAM) project.

This report covers the activities of the MIAF for the financial year from 1 July 2019 to 30 June 2020.

Priority projects & reach

Music In Africa portal

Geographical focus: All Africa

- Music industry research
- Artist education
- Editorial
- Promotion (music, services and events)
- Online networks
- Education

Revenue Streams for African Musicians (RSFAM)

Geographical focus: South Africa (pilot phase)

- Research
- Capacity building
- Editorial
- Advocacy

ACCES

Geographical focus: All Africa

- Capacity building
- Networking
- Artist exchange
- Talent discovery
- Performance
- Promotion

Gender@Work

Geographical focus: All Africa

- Capacity building
- Online networks
- Education
- Advocacy



Music In Africa Live

Geographical focus: All Africa

- Funding
- Capacity building
- Promotion
- Performance
- Talent discovery

Instrument Building and Repair programme

Geographical focus: South Africa

- Capacity building
- Talent discovery
- Performance
- Promotion

Sound Connects Fund

Geographical focus: Southern Africa (SADC countries)

- Funding
- Capacity building
- Promotion
- Performance
- Talent discovery

ORGANISATIONAL STRUCTURE

Board



Mr. Serge Maboma
(Cameroon)
Deputy Chairperson



Ms. Maimouna Dembélé (Senegal)
Chairperson



Mr. Rob Hooijer
(South Africa)
Interim Treasurer



Mr. Yusuf Mahmoud
(Tanzania)
Board member



Ms. Ghita Khaldi
(Morocco)
Board member



Mr. Adé Bantu
(Nigeria)
Board member



Mr. Jens Cording
(Germany)
Board member



Dr. Nadine Siegert
(South Africa)
Board member



Dr. Joel Baloyi
(South Africa)
Board member

Advisory committees

Risk Management Committee

Mr. Rob Hooijer
Ms. Belisa Rodrigues
Mr. Andre le Roux

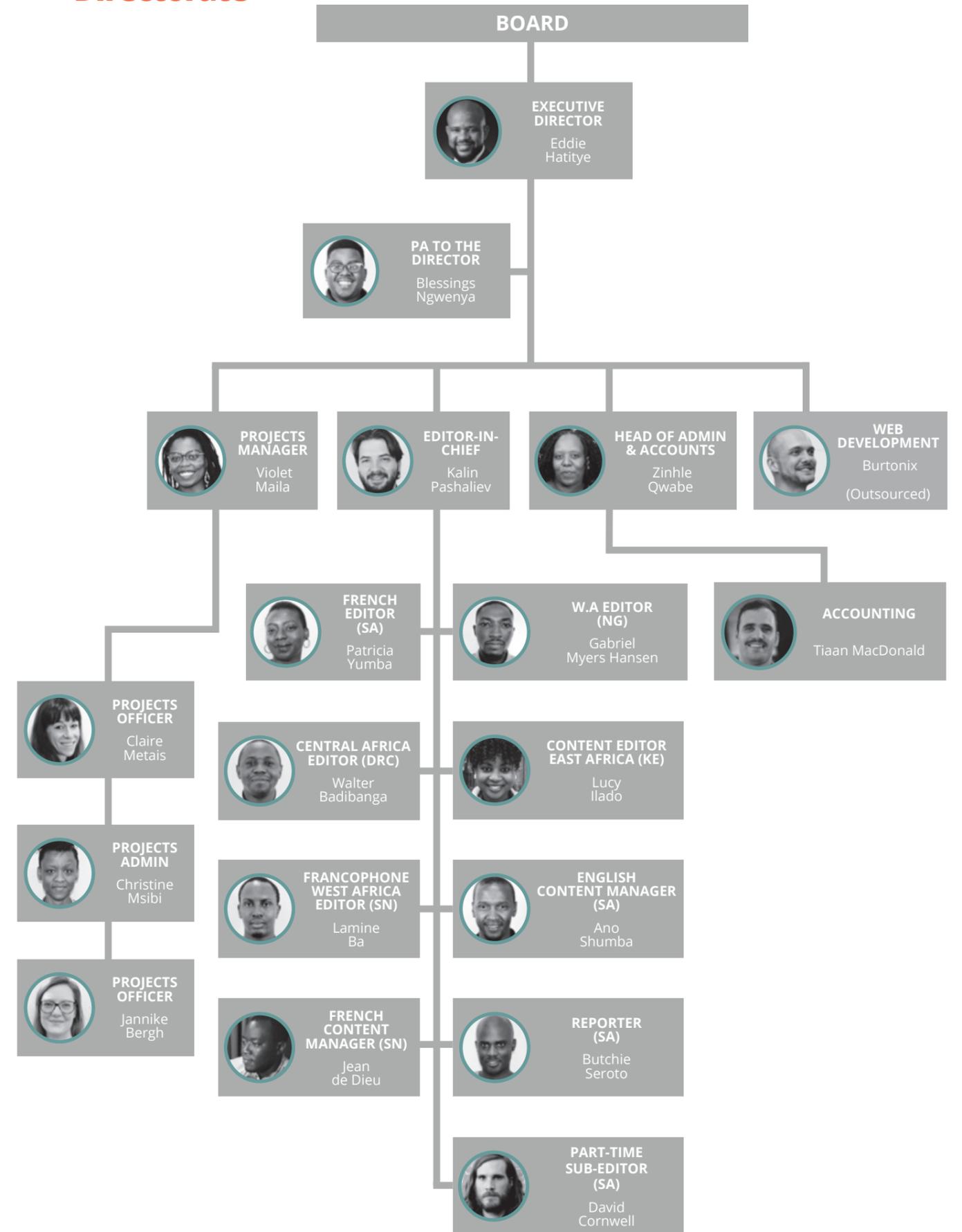
Membership Committee

Mr. Babylas Ndiaye
Mr. Faisal Kiwewa

Human Resources Committee

Dr. Nadine Siegert
Mr. Jens Cording

Directorate



CHAIRPERSON'S STATEMENT

The year under review has been an extremely challenging one mainly because of the COVID-19 pandemic declared in March 2020. Many businesses have closed down and music practitioners continue to face all kinds of restrictions across the continent. The impact of this on the ordinary musician in Africa cannot be underestimated.

We have always known that we are operating in a rapidly changing environment, but no one could have imagined the consequences of COVID-19. Our industry is faced with many uncertainties. This places a responsibility on civil society, the MIAF included, to be agile and innovative in order to counter the scourge of the pandemic. I am happy to report that the MIAF has had a good year, despite the many unexpected challenges.

While we have had to postpone our flagship trade event, ACCES 2020, we have been able to develop two new programmes that address our beneficiaries' new realities. These programmes are Music In Africa Live, a continent-wide funding programme, and the Revenue Streams for African Musicians (RSFAM) project – a ground-breaking initiative that will see the MIAF expanding its focus into big-data research, industry analytics, revenue model training and advocacy.

Fundraising is a crucial activity for the MIAF, as prescribed by our hybrid business plan. The MIAF continues to maintain a high success rate in this area, especially in the year under review. But, more importantly, fundraising is a complementary function. The MIAF places key emphasis on developing programmes that are realistic, pragmatic and efficient in addressing sectorial challenges. We have set high-quality standards across every facet of the organisation, and I am proud to see the massive dedication to this ethos across the MIAF. In the year under review, the Directorate designed a new programme, the Sound Connects Fund, in collaboration with Goethe-Institut. This is a historic fund to the value of €3.8m, set to begin in January 2021.

Appreciation

It is with a great sense of appreciation that I acknowledge and thank my



colleagues on the Board and advisory committees for their wise counsel. On behalf of my colleagues on the Board, I would like to thank our Director Mr. Eddie Hatitye for his strategic leadership and our staff for their outstanding care and hard work. These efforts have not gone unnoticed. I want to acknowledge our partners Siemens Stiftung and Goethe-Institut, whose continued support has taken us this far.

Once again, I am honoured to have been entrusted with the duties and responsibilities of being the chairperson of the MIAF for the past two years. I thank you all for being part of this beautiful journey, and I remain confident that the MIAF will continue to grow with the interests of all its members at heart.

Ms. Maimouna Dembélé
Chairperson

DIRECTOR'S STATEMENT

I am pleased to submit my report for the 2019-20 fiscus. No doubt, this is our toughest year yet. However, I am proud to note the incredible responses that we have developed to meet the repercussions of the COVID-19 crisis.

Before the crisis, we did extremely well in implementing our normal activities in the first half of the financial year. ACCES 2019 and the Gender@Work programme were both successfully implemented in November 2019. Over the past four years ACCES has been a key priority of ours, as a viable vehicle for music industry development, professionalisation, talent discovery, collaboration, and revenue generation for the Foundation. We have invested much energy into this initiative, and I am impressed with the progress.

We continued to make great strides with our research work, championed by our passionate regional editorial teams and committed freelance writers. In fact, research and content development was one key area of continuous growth throughout the year, as we heightened our efforts to provide more useful information to musicians during COVID-19.

In the next three years we will experience significant growth in terms of revenue

generation and our investment to fund music-related initiatives. During this period, the MIAF will steer its focus towards providing more financial support to industry organisations and professionals – an absolute necessity in the context of COVID-19.

In the year under review, we spent considerable time developing new programmes that address the changing realities of our sector. One initiative that stands out in terms of scope is the newly developed Music In Africa Sound Connects fund. The fund is a multifaceted three-year initiative aimed at developing the creative sector in southern Africa. Unlike most of our existing programmes, the fund will focus on the broad creative sector, including but not limited to, performing arts, gaming, animation, film, photography and videography.

In the coming years, the Foundation will continue to face a number of challenges, mostly related to an anticipated reduction in arts funding as many grant makers revise their strategies due to



COVID-19 and other financial pressures. I am confident, however, that the MIAF will navigate its way through these uncertain times and come out even stronger. Our systems of operation have been completely augmented to enable us to work virtually throughout the pandemic. We will continue to make improvements with a view to fully deliver on our objectives.

Appreciation

I want to thank our staff, especially for their outstanding commitment to our work during these trying times. I want to thank our Board members for their prudent counsel, and the advisory committees for their invaluable contributions to our work. I would also like to thank our founding partners Siemens Stiftung and Goethe-Institut for their continued support.

Mr. Eddie Hatitye
Executive Director

2019-20 HIGHLIGHTS

Direct impact of COVID-19

- ✓ ACCES 2020 cancelled.
- ✓ Planned North Africa office launch delayed.
- ✓ Gender@Work programme for 2020 cancelled.
- ✓ Website traffic growth affected.
- ✓ Research work generally slowed.
- ✓ Launch of new projects slightly delayed.

Our responses to COVID-19

- ✓ Our first action was to release a report on the financial impact of COVID-19. This shaped our responses to the pandemic.
- ✓ We introduced the Music In Africa Live (MIAL) project to support artists financially during COVID-19.
- ✓ We designed a new model for digital delivery of offline projects.
- ✓ The 2020 Instrument Building and Repair (IBR) project was implemented despite the challenges.
- ✓ Our work with the portal continued, seeing a 21% growth in published content.
- ✓ We designed a new programme – the Sound Connects Fund, set for launch in the 2020-21 financial year.
- ✓ We launched the Revenue Streams for African Musicians (RSFAM) project.
- ✓ We intensified fundraising activities.
- ✓ We launched mini websites for all our existing projects to facilitate the easy discovery of opportunities.
- ✓ We developed a content strategy to share more opportunities with industry stakeholders during the pandemic.
- ✓ The MIAF's work environment is fully optimised for remote work. This has enabled us to continue working optimally during the pandemic.

Other highlights

Addressing gender imbalance in the industry

- ✓ The Music In Africa Gender@Work project was completed successfully in Accra, Ghana, from 24 to 30 November 2019.

ACCES 2019 – a huge success in Accra, Ghana

ACCES is arguably the most elaborate pan-African event for music industry players to exchange ideas, discover new talent and create business linkages.

- ✓ 2 176 attendees
- ✓ 76 individual artists
- ✓ 70 speakers
- ✓ 50 countries

Growth of the Music In Africa portal

- ✓ 23.69% increase in number of profiles created to 29 548
- ✓ 21.94% increase in monthly users to 398 137
- ✓ 30% increase in newsletter subscriptions to 52 000

Funding for new projects

- ✓ We secured funding for new projects (the Music In Africa Sound Connects fund, IBR, RSFAM and MIAL).

THE FINANCIAL
IMPACT OF COVID-19
ON THE AFRICAN
MUSIC SECTOR

A LOOK AT THE FIRST TWO MONTHS

VISIT WEBSITE



Dobet Gnahoré (Côte d'Ivoire) at MTN Bushfire 2019 © Bram Lammers

THE MUSIC IN AFRICA PORTAL

The Music In Africa portal has seen incredible growth over the past six years. We have grown this important ecosystem to provide opportunities and reliable information to the African music sector on the continent and beyond, especially in the face of a global health crisis.



When COVID-19 was declared a global pandemic on 11 March 2020, we knew that the way the music industry functioned would change drastically. Many in the sector would lose their jobs while others would find it increasingly challenging to earn a living from traditional music business models.

With the help of our dedicated editorial teams in South Africa, Ghana, Senegal, DRC and Kenya, we ramped up our efforts to support African music professionals more than ever before. We carefully strategised our reporting and content offering in anticipation of the unknown changes the industry was about to experience, and we used all the tools at our disposal to try to alleviate the effects of the crisis as best we could.

To this end, we introduced a dedicated page with updates on the opportunities artists and organisations could

take advantage of during the lockdown, including funding, grants, training, expert talks, digital showcases and residencies. We also provided music practitioners with devoted editorial support to create professional digital profiles and electronic press kits (EPKs), which are key requirements for promotional activities in the music industry.

During the year under review, the platform amassed about 30 000 music-professional profiles in total, an increase of 24% from the previous year, with 208 300 songs synched to these profiles and promoted to about 400 000 people every month.

The Music In Africa portal in a nutshell

The portal comprises distinct sections that cumulatively paint an all-inclusive picture of African music and provide users with innovative tools to navigate the industry effectively. Our Magazine

section includes updates on the latest developments in Africa and the rest of the world – and has been instrumental in allowing our readership to keep abreast of the rapid transition from physical to digital promotion and performance.

We have published in our Knowledge section hundreds of research articles to date, covering 47 countries on the continent. In addition, the Artist and Industry directory has allowed artists, producers, managers, record labels, publishers, digital distributors, event organisers and educators to connect with each other and share updates via private messaging and the portal's easy-to-navigate Newsfeed. Lastly, our Music page is now a leading discovery hub for the latest releases from the continent and diaspora.

Content growth

In the year under review, our editorial teams across Africa published 2 400 articles, a significant increase of 21% on the 1 987 articles published in the 2018-19 period. This increase is partly due to the pressing need to share opportunities with music professionals while also focusing on the music industry's response to the global pandemic.

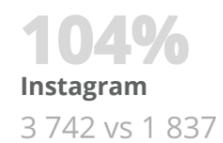
Our content is designed according to 12 central categories that work in unison to provide a balanced representation of the African music industry while supporting the players within it. These categories include articles that share opportunities, successes, opinions, business developments and valuable knowledge about the ins and outs of the industry.

The below figures represent the number of articles published as well as the changes (increases or decreases), in comparison to the previous year:

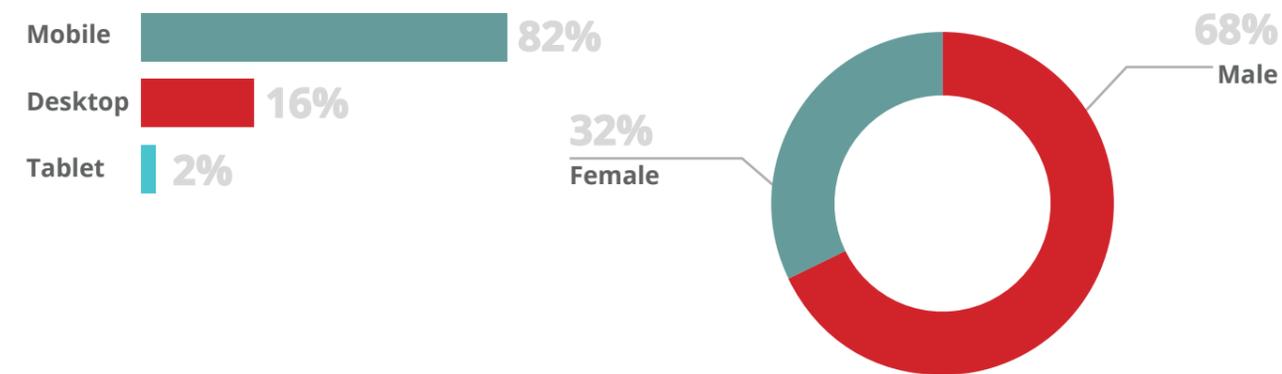
<p>64% Opportunity articles (757)</p> <p>↑</p>	<p>115% Business/tech articles (336)</p> <p>↑</p>	<p>3% Articles supporting music-related events (282)</p> <p>↑</p>	<p>345% Multimedia articles featuring video and/or audio (98)</p> <p>↑</p>
<p>16% Articles publicising new musical works (247)</p> <p>↑</p>	<p>47% Obituaries (28)</p> <p>↑</p>	<p>11% Articles reporting on the successes of African music pros (371)</p> <p>↓</p>	<p>23% Music industry lobbying and activism articles (144)</p> <p>↓</p>
<p>54% Articles promoting pan-African collaborations (42)</p> <p>↓</p>	<p>32% Often neglected genres and musical cultures (47)</p> <p>↓</p>	<p>43% Research articles (Overviews) (30)</p> <p>↓</p>	<p>31% Music lessons and education (18)</p> <p>↓</p>

Traffic and reach

Although overall traffic to the portal increased during the period under review, the impact of COVID-19 can be observed in the gradual decrease in engagement and hits on previously popular content and sections. Nevertheless, we saw a healthy increase in new subscriptions, profiles and newsletter sign-ups.



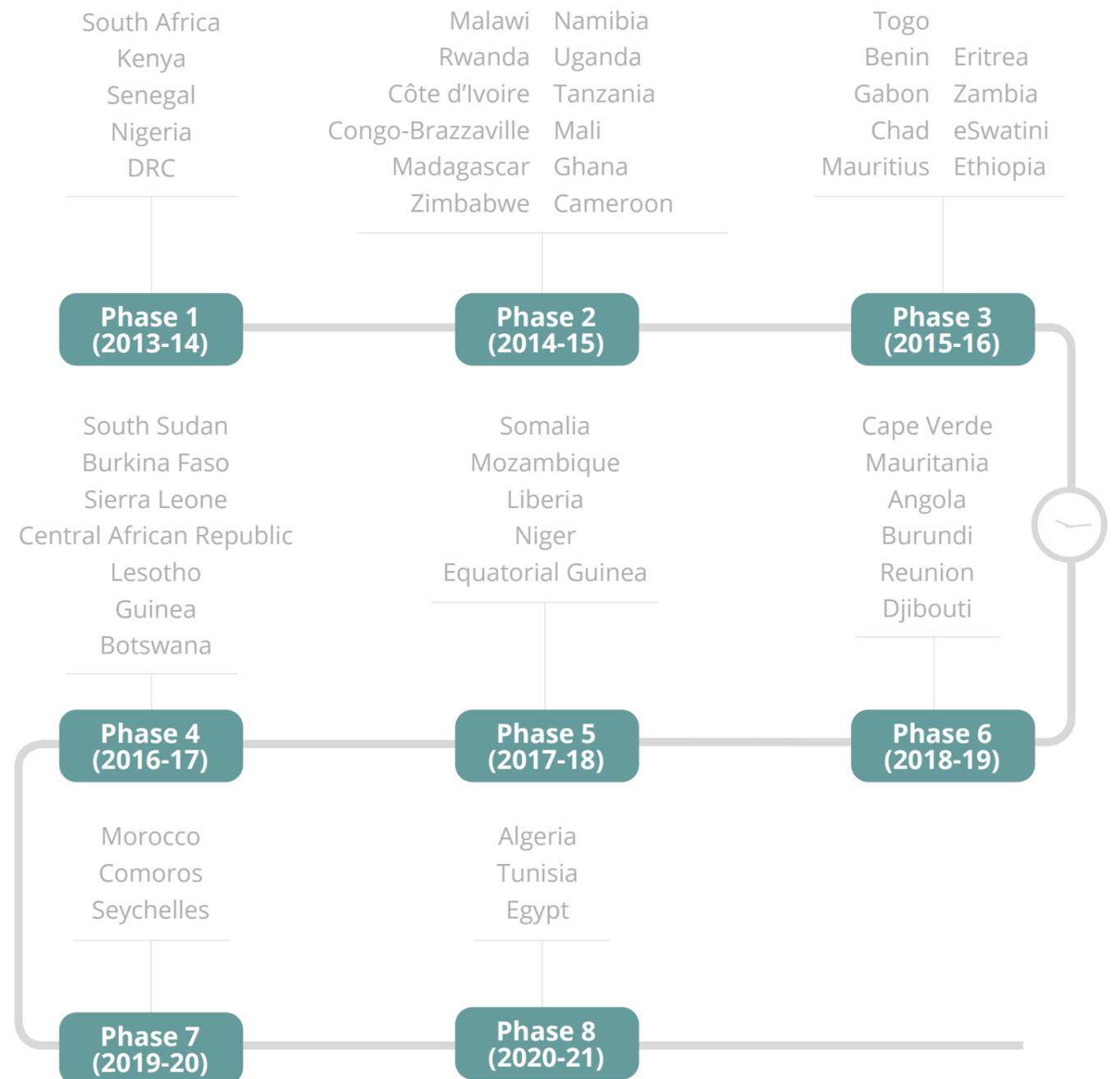
We had a healthy increase in new subscriptions, profiles and newsletter sign-ups.



During the year under review, we began a search for a regional editor who would take charge of our new office in Casablanca, Morocco, which will be our first operation outside sub-Saharan Africa.

African coverage

Our content coverage of the African continent now boasts 47 countries after the partial completion of Phase 7 in the year under review (Morocco, the Comoros and the Seychelles). As we enter Phase 8 of our coverage – which will see the commissioning of research texts about the music industries in Algeria, Tunisia and Egypt – we will revisit the countries from previous phases that were not covered fully due to accessibility challenges. The Foundation’s aim is to reach the entire continent by 2022.



SECTOR SUPPORT

Despite pressures from the COVID-19 pandemic, 2019-20 was a strong year for projects as we continued to build on the success of previous years, while designing new ideas and successfully fundraising for them.

As a result, we have added three key projects that address some of the most pressing needs of our industry. The Revenue Streams for African Musicians (RSFAM) project will go a long way in supporting practitioners on the continent as they seek to maximise their revenues. Additionally, the Music In Africa Live (MIAL) project provides financial support to practitioners to produce high-quality content, while the Sound Connects Fund will expand our funding into the broader performance arts space over the next three years.



Yaa Yaa (Ghana) at ACCES 2019 © Music In Africa

INTRODUCING MUSIC IN AFRICA LIVE

The main goal of Music In Africa Live is to enable musicians to earn income from digital live performances at a time when many of them have lost their usual income due to the pandemic. The other focus area of the project is to develop critical skills among professionals to enable them to navigate the difficult times.

Thousands of African musicians have been affected by the COVID-19 pandemic, which has introduced unprecedented lockdowns and restrictions across the continent. African musicians and professionals traditionally make a living from live performances, and now they find themselves in extreme difficulty. While social media platforms offer alternative avenues for operators to broadcast their works seamlessly, many musicians are failing to make ends meet. Additionally, most musicians do not have the adequate skills, equipment and resources required to stage successful digital performances, and, in general, to navigate the many challenges occasioned by COVID-19. The pandemic requires the sector to devise strong support mechanisms that can ignite a digital live music ecosystem that is able to offer competitive, high-quality products and ensure that African musicians are able to earn.

The project has three main actions, which are to:

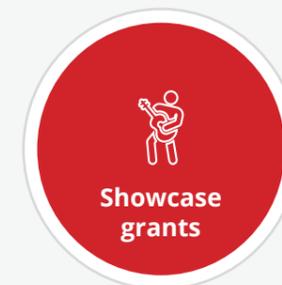
- ✓ Financially support practitioners to stage high-quality live productions on the condition that funds from the project are used to offer musicians paid gigs to showcase and market their work to a wider audience.
- ✓ Market and promote developed content, especially among critical and influential audiences around the world.
- ✓ Financially support organisations to deliver (via digital means) viable capacity-building initiatives that develop relevant critical skills among music professionals.

Two types of grants



Capacity building grants

Capacity-building grants support digital initiatives and develop relevant critical skills for music professionals to navigate new challenges and the transformations of the industry, especially those introduced by the pandemic.



Showcase grants

Showcase grants support the production of high-quality digital live concerts with African musicians, with an emphasis on professional productions that offer real exposure, potential export opportunities and more opportunities for participants.

The Music In Africa Live project is supported by the German Federal Foreign Office, Siemens Stiftung and Goethe-Institut.



live

Grants for showcase and capacity-building initiatives

VISIT WEBSITE

REVENUE STREAMS FOR AFRICAN MUSICIANS

The Revenue Streams For African Musicians (RSFAM) project is a multifaceted initiative with an objective to help African music professionals earn more income from their works. The project will collect and analyse big data on the earning trends of music professionals with a view to reduce the findings into definitive revenue models that work for musicians in different locations, and provide training, educational content and digital tools related to the identified models while advocating for the development of relevant legislation to support the music industry. The pilot phase of the project is underway in South Africa.

The broader objectives of the project are:

- ✓ To help musicians and stakeholders generate more income and make better revenue decisions by providing them with reliable data, statistical information, analysis, practical tools and educational content.
- ✓ To identify the key distinctive revenue streams in which musicians generate revenue.
- ✓ To conduct informed advocacy aimed at shaping policies and regulatory frameworks that meet the challenges of the African music industry in a changing digital age.
- ✓ To promote the development and professionalisation of the music industry in Africa.

Big data research	We are developing an innovative web platform that acts as the central resource for disseminating comprehensive data about revenue streams available to African musicians. Our research comprises multifaceted methodologies, including field research, online surveys, ingestion of existing data, and industry consultations.
Practical tools	We will reduce and distribute our findings in compact sectorial reports. We are developing functionalities to help musicians learn about the revenue models faster and more efficiently.
Capacity building	We will provide specific training on the identified revenue streams. This will be supported by online content and tutorials.
Advocacy	RSFAM will establish an independent committee to carry out a study on the policies and legal frameworks concerning the music industry with a view to identify areas of improvement, formulate recommendations and engage policymakers.

The RSFAM project is supported by UNESCO's International Fund for Cultural Diversity in the framework of the UNESCO 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the Siemens Cents4Sense programme, Goethe-Institut, and the National Arts Council (SA).

ACCES

In the year under review, we took our annual flagship event ACCES to West Africa (Accra, Ghana), as a fully-fledged pan-African trade event offering a much improved programme. ACCES 2019 attracted 2 176 music professionals and fans from over 50 countries, 60 journalists and 76 individual performers. The conference was hosted at three venues over three days.

The year also saw the implementation of a reciprocal partnership with Reeperbahn Festival International, Germany's largest music platform based in Hamburg, to facilitate sustainable business engagement and exchange between European and African music professionals.

Overview of key improvements at ACCES

- ✓ We have added the ACCES studio facility, which allows artists from different countries to collaborate.
- ✓ We have broadened the ACCES programme to incorporate performances from African artists based in the diaspora.
- ✓ We have introduced new exhibition formats that give companies maximum exposure while providing value for delegates.
- ✓ More networking activities for delegates.
- ✓ The ACCES jury ensures that ACCES showcases promote the best new African talent.
- ✓ Introduced livestreaming of activities.
- ✓ Conference topics and panel sessions are continuously streamlined.
- ✓ ACCES continues to draw contributions from some of the biggest names in the industry.
- ✓ Training workshops at ACCES provide much-needed support to emerging talent.
- ✓ Presentations of study scholarships at ACCES.
- ✓ Refined business model (see ACCES' financial performance and growth on page 30).



Santrufi (Ghana) at ACCES 2019 © Music In Africa

Programme overview

- ✓ **Dynamic content:** ACCES 2019 brought together top speakers from across the African continent, Europe and the US, covering topics pertinent to the industry. A partnership with Voice of America (VOA) also presented an opportunity for ACCES to be broadcast to a much larger audience, while adding a new dynamic with an on-site broadcast station.
- ✓ **Networking:** The ACCES networking programme is designed to accelerate exchange between delegates, who use the opportunity to explore synergies and build new partnerships. Delegates take turns to meet a dynamic group of networkers, including conference speakers and various other music industry players. Everyone is welcome to participate. In 2019, ACCES facilitated more than 20 hours of networking for delegates.
- ✓ **Showcases:** ACCES showcases offer the ideal platform to discover amazing talent from across the continent, with an emphasis on emerging musicians. In 2019, Reeperbahn Festival International added bands from the diaspora to the ACCES showcase programme.
- ✓ **Exhibitions:** ACCES exhibitions provide the perfect platform for industry service providers to present their services to a wider audience.
- ✓ **Workshops:** Training workshops complement the ACCES programme by targeting emerging artists with customised content delivered by skilled thought leaders. In 2019, the workshops covered topics such as Music Production Essentials and Composing for Film.
- ✓ **Awards:** The Music In Africa Honorary Award recognises the outstanding contributions of notable musicians to their home country's industry and that of Africa as a whole.
- ✓ **Collaboration:** ACCES 2019 introduced the on-site ACCES studio facility, which enables artists from different countries to collaborate. Eight songs were recorded at ACCES 2019.

Legendary musician Ebo Taylor and singer Bibie Brew were presented the 2019 Music In Africa Honorary Award at ACCES 2019.

Feedback from ACCES 2019



Roberto Hacaturyan

Ethnomusicologist, musician consultant – Artlink (Switzerland)

“ACCES is where borders and limits are expanded – it is where creative heads exchange in order to find solutions for music to evolve and overcome the boundaries set by economy, law and history.”



Jonathan Jules

Director, International Marketing for Africa – BMG (Germany)

“We met great people during ACCES, got really good insights and believe we definitely made the right decision joining the delegation to Accra.”



Mark Levine

Musician, arranger, producer, professor (US)

“ACCES succeeds in the almost impossible task of creating a real sense of pan-African musical solidarity and progress.”



Diana Hopeson

Founder & CEO – GHMusic Publishing & Management (Ghana)

“The dedication, hard work and commitment of the entire team paid off! In the Ghanaian dialect, I will say ayekoo, meaning ‘well done’. I do look forward to being a part of the next ACCES.”



Wendy Verwey Bekker

Regional manager Africa – Ditto Music (South Africa)

“ACCES is shaping up to be the most globally accessible pan-African music industry conference. I highly recommend attending it to gain insight into the opportunities and dynamic music that various African artists have to offer the world.”



Béatrice Manigat

Band manager – Arka’n (Togo)

“ACCES 2019 has been a wonderful experience for the band. From the very first email we received to now, the ACCES organisers have demonstrated great professionalism and valuable communication skills that are paramount to any event.”



Cina Soul (Ghana) at ACCES 2019 © Music In Africa

ACCES 2021

The fourth edition of ACCES will take place in Dar es Salaam, Tanzania, on 25, 26 and 27 November 2021, at the National Museum & House of Culture. In the context of the COVID-19 pandemic, we believe that the next edition of ACCES will be of major significance to the sector, and we hope to bring together as many players as possible.

[VISIT WEBSITE](#)

ACCES is the only pan-African trade event that moves to a different African city every year. After Dakar (2017), Nairobi (2018) and Accra (2019), ACCES has stamped its authority as Africa’s leading music trade event.

MUSIC IN AFRICA GENDER@WORK

Music In Africa Gender@Work is a three-year training programme aimed at upskilling and increasing the participation of female professionals in the African music sector. Launched in April 2019, the programme is connected to the ACCES music conference. This connection enables the programme to reach new participants in a different African country every year. The first training took place in Accra, Ghana, in November 2019 and focused on stage management over a seven-day period.

The broader objectives of the programme are to:

- ✓ Provide industry training for women on critical music industry skills, focusing on:
 - Stage management.
 - Electronic music production and recording.
 - Music business management.
 - Technical knowledge.
- ✓ Provide an opportunity for both professional and aspiring women to benefit from the MIAF network.
- ✓ Provide a solution-based platform in the form of a round table at ACCES with a view to identify challenges, discuss opportunities and lobby for the interests of female practitioners.
- ✓ Offer participants the opportunity to benefit from programmes offered by the MIAF's partners.
- ✓ Increase access to educational materials.
- ✓ Integrate participants in the broader ACCES programme to maximise experience and exposure to the industry.
- ✓ Communicate women-based themes that support the initiatives and messages of the programme

2019 activities



The Music In Africa Gender@Work programme is made possible with the support of the Prince Claus Fund, Siemens Stiftung and Goethe-Institut.



Gender@Work trainees at ACCES 2019 © Music In Africa



Vuyokazi Magodla
Trainee 2019 (South Africa)

"The training programme was an amazing learning experience. I went into the programme thinking it was just going to be a stage management training course and I got so much more. I now have a better understanding of production management as a whole."

[VISIT WEBSITE](#)

GOVERNANCE

The MIAF continuously places emphasis on best governance practices, as a prerequisite for success, transparency, growth and integrity. Our commitment to best-practice governance drives us to constantly improve the way we work. We are governed by a Management Board comprising prominent cultural professionals from different countries. In the year under review, a key focus of the outgoing Board was on identifying new talent for the next Board. Ten members have been shortlisted for elections at the 8th AGM (26 November 2020).

Policy changes

There were no significant policy changes.

Changes on the Board

On 27 February, the Board co-opted Mr Rob Hooijer to serve as Interim Treasurer following the stepping down of Dr. Joel Baloyi as Treasurer.

Meetings

Board member	Attendance		
	27 June 2019	27 Feb 2020	30 June 2020
Mr. Yusuf Mahmoud	✓	✓	✓
Ms. Maimouna Dembélé	✓	✓	✓
Ms. Ghita Kaldi	✓	✓	✓
Mr. Jens Cording	✓	✓	✓
Dr. Nadine Siegert	✓	✓	✓
Mr. Serge Maboma	✓	✓	✓
Mr. Ade Bantu	✓	✓	✓
Dr. Joel Baloyi	✓	-	-
Mr. Rob Hooijer			✓

Board policies

As best practice, the Board devised a Governance Policy Manual (2013), which defines the roles of Board members while putting in place a set of rules and best-practice governance processes that all Board members are required to adhere to. More importantly, Board members are informed of their fiduciary duty to act in the best interests of the Foundation at all times. All Board members declare any interests that might conflict with their positions on the Board.

Board terms

Elected members serve for a period of two (2) years and step down as members at the AGM taking place in the second year of their membership, but are eligible for re-election provided that no member of the Board shall serve for longer than six (6) years.

Advisory committees

The Board delegates some of its roles to three advisory committees: the Human Resources Committee, the Membership Committee and the Risk Management Committee.

– Human Resources Committee

The Human Resources Committee has an oversight responsibility to monitor and assess the human resource policies of the Foundation, with the view to enable the Foundation to attract, motivate and retain competent executive personnel required to meet its business and strategic objectives.

– Membership Committee

The overall role of the Membership Committee is to oversee the formulation and implementation of membership strategies and policy, while ensuring that membership processes adhere to the regulations stipulated in the Constitution of the Foundation.

– Risk Management Committee

The overall purpose of the Risk Management Committee is to acquire the widest view possible of potential risks to the Foundation and to recommend solutions to identified risks, with a view to ensure that the Foundation's risks are effectively managed.

RISK MANAGEMENT

Our ability to identify, avoid and manage risk efficiently has an impact on our growth and existence. The Board views risk management as a key function that must be executed continuously and in a transparent and inclusive manner. The Risk Management Committee is delegated by the Board to mitigate the Foundation's risks together with the Directorate. In the year under review, the Risk Management Committee supported the Board's strategies around Board membership and recruitment, while also remaining focused on key risk categories of business risks, legal risks and regulatory risks.

Priority risks

The following risk areas are monitored quarterly by the Directorate in consultation with the Risk Management Committee and the Board.

✓ Business risks

- Financial stability and sustainability of the Foundation, which connects to:
 - Independence from funders
 - Revenue streams
 - Entrepreneurial risk
 - Reputational risks
 - Governance risks
- Website security
- Risk related to safety at events and travel

✓ Legal Risks

- Risks connected to content and potential copyright infringements

✓ Regulatory/Legislative Risks

- Legal obligations of the Foundation, which connect to:
 - Legislative reporting to the registration office
 - Tax- and HR-related

KING III compliance review

Chapter 4: Governance of Risk

Item	KING Principles	Current Practice	Comment
4.1	The Board should be responsible for the governance of risk	In practice	The Risk Management Committee is also delegated to focus on risk management
4.2	The Board should determine the levels of risk tolerance	In practice	The Risk Management Committee helps the Board identify and manage risks
4.3	The risk committee or audit committee should assist the Board in carrying out its risk responsibilities	In practice since 2015	
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	In practice	Committee was reappointed in 2019
4.5	The Board should ensure that risk assessments are performed on a continual basis	In practice since 2015	The Risk Management Committee meets quarterly
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	In practice	
4.7	The Board should ensure that management considers and implements appropriate risk responses	Introduced in 2015	The Directorate and Treasurer meet regularly
4.8	The Board should ensure continual risk monitoring by management	In practice	
4.9	The Board should receive assurance regarding the effectiveness of the risk management process	In practice	The committee makes recommendations to the Board
4.10	The Board should ensure that there are processes in place enabling, complete, timely, relevant accurate and accessible risk disclosure to stakeholders	In practice	Included in Annual Report

Chapter 5: Governance of Information Technology (IT)

Item	KING Principles	Current Practice	Comment
5.1	The Board should be responsible for IT governance	In practice	
5.2	IT should be aligned with the performance and sustainability objectives of the company	In practice	
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework	In practice	
5.4	The Board should monitor and evaluate significant IT investments and expenditure	In practice	IT budgets are approved annually by the Board. Expenditure is monitored by Directorate
5.5	IT should form an integral part of the company's risk management	In practice	Risk Management Committee has key focus on IT risks
5.6	The Board should ensure that information assets are managed effectively	Introduced in 2014-15	
5.7	A risk committee and audit committee should assist the Board in carrying out its IT responsibilities	Introduced in 2015	

Changes

The MIAF will adopt the King IV reporting standard from the 2020-21 fiscus.

Unknown risks

The Risk Management Committee is of the view that irrespective of a formal and structured approach to risk identification and management, some risks to the Foundation may be presently unknown. Certain risks may be beyond the control of management and might affect the overall delivery of the Foundation's objectives, whereas other risks, currently regarded as immaterial, may become material. An internal control framework is important to ensure that compliance with internal policies and procedures and external regulatory requirements is achieved. The Foundation's risk evaluation and review will in the future include a review of internal controls, including a review of policies and procedures, and verification of adherence to and the relevance of such policies and procedures. It is believed that audit, risk and quality control functions facilitate in the monitoring of the system of internal control.

DIRECTOR'S REPORT TO THE MEMBERS

We have the pleasure of submitting the audited financial statements for the year ending 30 June 2020.

Grants and donations

The amount raised from grants and donations decreased to €362 584 from €435 140 in the previous year. This change is attributable to two issues: (1) the expected change in funding following the completion of our big-scale project (Music In Africa Connects) which contributed €191 884 in the previous year, and (2) the impact of COVID-19 on fundraising efforts for projects such as ACCES 2020 resulted in reduced funding. We expect grants and donations to grow at least twofold in the next fiscal year as the MIAF takes up new projects, including the Music In Africa Live project, the Revenue Streams For African Musicians project and the Sound Connects Fund.

Members' attention is drawn to a distinction between recurring and non-recurring grants and donations (note 1.5 on page 40). Recurring grants and donations refer to recurrent income from the founding partners, Goethe-Institut and

Siemens Stiftung, while non-recurring donations refer to income from intermittent funders.

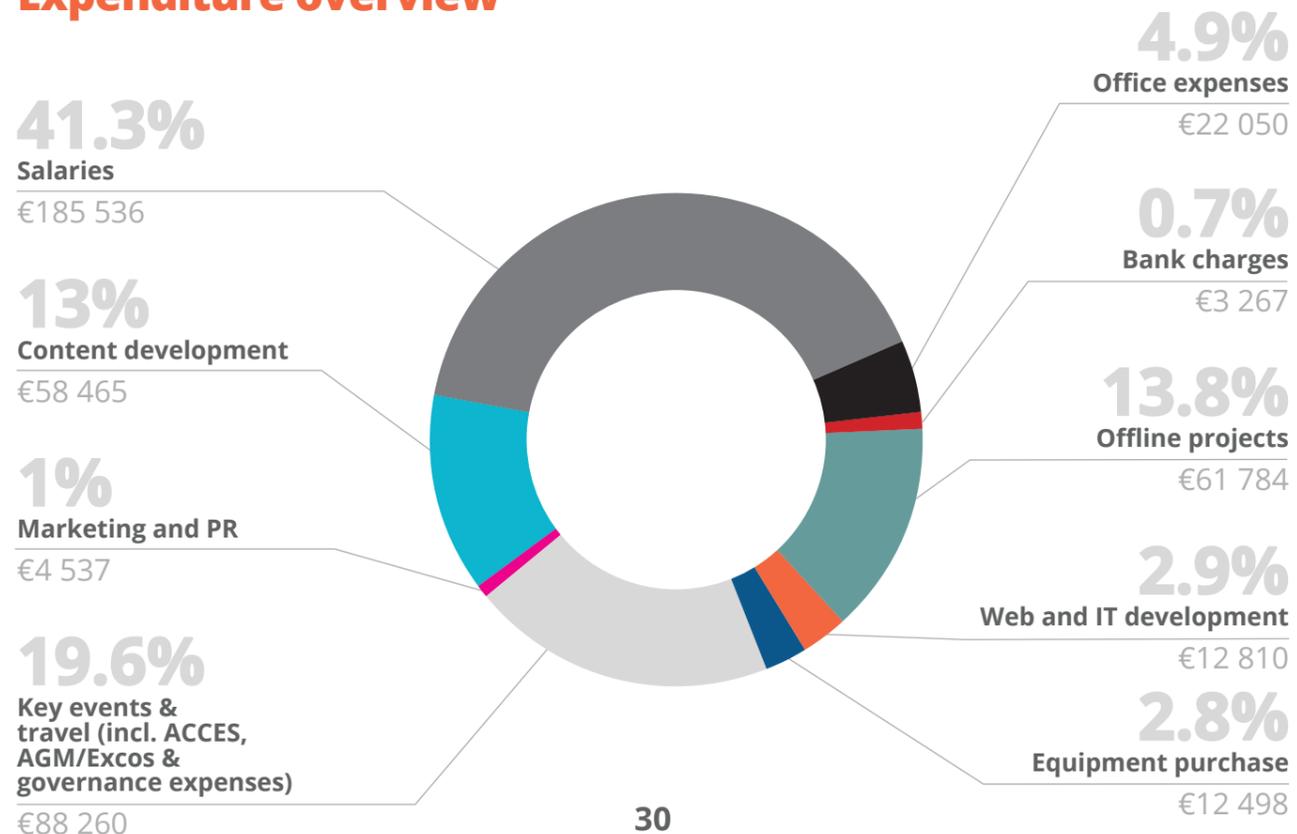
Sustainability

Other income, including ACCES revenue, advertising sales and project management fees, increased to €98 206 from €50 485. ACCES revenue grew considerably from €27 717 in the previous year to €72 421 in the current year. Advertising sales increased slightly to €8 644 from €6 994.

Fixed assets

Total assets decreased to €193 850 from €282 000 in the previous year. This is due to the amortisation of our intangible assets. A breakdown of the amortisation is provided on pages 41 to 42.

Expenditure overview



Key events & travel

Our direct spend on key events and travel, including ACCES and the AGM, increased significantly to €88 260 from €38 254 in the previous year. This is due to the growth of ACCES, which generated its own income to offset the increased costs. In the next year, we will have minimal costs in this category due to the cancellation of ACCES 2020.

Intangible contributions

Goethe-Institut

Goethe-Institut consistently contributes to the Foundation with its long-time partnerships, network and appreciation within the cultural

sector on the continent. Goethe-Institut supports the Foundation through its worldwide network, contacts and communication systems. It also provides support for the local running costs of the infrastructure in Johannesburg. Rent, administration, personnel and running costs, including Internet and communication expenses, are estimated at €40 000 for the year under review.

Siemens Stiftung

Siemens Stiftung supports the Foundation through its worldwide network, global communications, marketing activities and by staging events. Intangible contributions for the year under review are estimated at €50 000.



A trainee at the MIAF's 2020 Instrument Building and Repair workshops in Johannesburg © Music In Africa

DIRECTORATE'S RESPONSIBILITIES AND APPROVAL

The Directorate is required by the Constitution, to maintain adequate accounting records and is 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 Foundation 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 Foundation's accounting policies. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the Foundation's accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directorate acknowledge that they are ultimately responsible for the system of internal financial control established by the Foundation and place considerable importance on maintaining a strong control environment. To enable the Directorate to meet these responsibilities, they set 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 Foundation and all employees are required to maintain the highest ethical standards in ensuring the Foundation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Foundation is on identifying, assessing, managing and monitoring all known forms of risk across the Foundation. While operating risk cannot be fully eliminated, the Foundation endeavours to minimise it by ensuring that appropriate infrastructure,

controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Management Board is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Management Board has reviewed the Foundation's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, they are satisfied that the Foundation 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 Foundation's financial statements.

The financial statements have been examined by the Foundation's external auditors and their report is presented on page 33.

The financial statements set out on page 35, which have been prepared on the going concern basis, were approved by the Directorate on 09 October 2020 and were signed on its behalf by:



Mr. Eddie Hatitye
Executive Director



Ms. Maimouna Dembélé
Chairperson

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Music In Africa Foundation (the Foundation) set out on pages 35 to 45, which comprise the statement of financial position as at 30 June 2020, and the statement of 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 the Foundation as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard 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. 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 Foundation 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 12 to the annual financial statements, the Foundation needs on going donor support if it is to continue operations. These financial statements have been prepared on the basis of accounting practices applicable

to a going concern which assumes that the Foundation will generate sufficient funds by way of grants from donors to continue funding its activities in the ensuring year. The Foundation has however started to diversify its income by generating low levels of other income. Accordingly they do not include any adjustments, relating to the recoverability and classification of assets or to the amounts and classification of liabilities that would be necessary if the Foundation were unable to continue as a going concern.

We draw attention to Note 13 in the financial statements, which deals with events after the reporting period and specifically the possible effects of the future implications of COVID-19 on the Foundation's future prospects, performance and cashflows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Other information

The Directorate are responsible for the other information. The other information comprises the information included in the document titled "Music In Africa Foundation financial statements for the year ended 30 June 2020", which includes the Directorate's Report as required by the Constitution and the Statement of Comprehensive Income, which we obtained prior to the date of this report. 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 Directorate are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Constitution, and for such internal control as the Directorate determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directorate are responsible for assessing the Foundation'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 Directorate either intend to liquidate the Foundation 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 ISA 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.

As part of an audit in accordance with International Standards on Auditing, 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directorate.
- Conclude on the appropriateness of the Directorate's 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 Foundation'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 Foundation 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 Directorate 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.



PKF Octagon Inc
Raymond Bloch
Director

Registered Auditor
09 October 2020
Johannesburg
Waverley

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	Group		Rand	
		2020 €	2019 €	2020 R	2019 R
Assets					
Non-current assets					
Property, plant and equipment	2	8 669	12 626	169 028	202 219
Intangible assets	3	145 546	195 500	2 838 143	3 131 328
		154 215	208 126	3 007 171	3 333 547
Current assets					
Trade and other receivables	4	23 723	24 484	462 591	392 144
Cash and cash equivalents	5	45 564	10 293	888 497	164 857
Funding held by Goethe-Institut	6	11 755	23 481	229 231	376 081
		81 042	58 258	1 580 319	933 082
Total assets		235 257	266 384	4 587 490	4 266 629
Equity and liabilities					
Equity					
Equipment fund		154 214	208 125	2 722 268	3 048 077
Accumulated funds		39 636	34 632	1 057 787	840 109
		193 850	242 757	3 780 055	3 888 186
Liabilities					
Current liabilities					
Trade and other payables	7	5 744	10 383	112 009	166 299
Deferred income	8	35 663	13 244	695 426	212 144
		41 407	23 627	807 435	378 443
Total equity and liabilities		235 257	266 384	4 587 490	4 266 629

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Group 2020 €	Rand 2019 €	2020 R	2019 R
Income					
Grants and donations	9	362 584	435 140	7 070 391	6 969 624
Other income					
Project management income		946	14 890	18 452	238 498
Advertising fees		8 644	6 994	168 549	112 026
Membership fees		824	884	13 718	14 155
ACCES revenue		72 421	27 717	1 412 213	443 946
Profit and loss on exchange differences	10	15 371	(202)	299 727	(3 231)
		98 206	50 283	1 912 659	805 394
Expenditure					
Bank charges		3 267	3 796	63 703	60 795
Salaries		185 536	150 641	3 617 956	2 412 828
MIAC project expenses		-	191 884	6 212	3 073 409
Gender@Work programme		13 349	464	260 304	7 423
Content development		5 235	6 042	102 091	96 779
Other projects expenses		28 149	723	548 524	11 577
Office expenses		22 050	23 459	429 973	375 742
Instrument Building and Repair		20 286	(1 524)	395 577	(24 413)
Web and IT development		12 810	10 098	249 791	161 747
Regional editors		53 230	61 688	1 037 985	988 063
Marketing and PR		4 537	1 662	88 481	26 630
Key events & travel (incl AGM/EXCO & governance)		88 260	43 922	1 721 067	703 502
		436 709	492 855	8 521 664	7 894 081
Surplus (deficit) for the year		24 081	(7 432)	461 386	(119 063)
Other comprehensive Income:					
Transfer to equipment fund					
- Equipment purchased		(4 999)	(1 026)	(97 473)	(16 442)
- Intangible (web development)		(7 499)	(18 768)	(146 235)	(300 600)
Total		(12 498)	(19 794)	(243 708)	(317 042)
Total comprehensive income		11 583	(27 226)	217 678	(436 105)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Equipment Fund Tangible Assets	Equipment Fund Intangible Assets	Accumulated Funds	Total Equity
Euro				
Balance at 01 July 2018	18 950	202 329	60 727	282 006
Deficit for the year	-	-	(7 432)	(7 432)
Total comprehensive loss for the year	-	-	(7 432)	(7 432)
Transfer of assets acquired during year to equipment funds	1 026	18 768	(19 794)	-
Foreign exchange movement	32	337	1 131	1 500
Depreciation for the year	(7 383)	(25 934)	-	(33 317)
Total changes	(6 325)	(6 829)	(18 663)	(31 817)
Balance at 01 July 2019	12 625	195 500	34 632	242 757
Surplus for the year	-	-	24 081	24 081
Total comprehensive income for the year	-	-	24 081	24 081
Transfer of assets acquired during year to equipment funds	4 999	7 499	(12 498)	-
Foreign exchange movement	(2 256)	(22 534)	(6 579)	(31 369)
Depreciation for the year	(6 700)	(34 919)	-	(41 619)
Total changes	(3 957)	(49 954)	(19 077)	(72 988)
Balance at 30 June 2020	8 668	145 546	39 636	193 850
Notes				
Balance at 01 July 2018	304 025	3 246 115	974 301	4 524 441
Deficit for the year	-	-	(436 105)	(436 105)
Total comprehensive loss for the year	-	-	(436 105)	(436 105)
Transfer of assets acquired during year to equipment funds	16 442	300 600	(317 042)	-
Depreciation for the year	(118 247)	(415 387)	533 634	-
Total changes	(101 805)	(114 787)	216 592	-
Balance at 01 July 2019	202 219	2 845 858	840 109	3 888 186
Surplus for the year	-	-	461 386	461 386
Total comprehensive income for the year	-	-	461 386	461 386
Transfer of assets acquired during year to equipment funds	97 473	146 235	(243 708)	-
Depreciation for the year	(130 664)	(439 420)	-	(570 084)
Total changes	(33 191)	(293 185)	(243 708)	(570 084)
Balance at 30 June 2020	169 028	2 552 673	1 057 787	3 779 488
Note(s)				

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

Notes	Group		Rand		
	2020 €	2019 €	2020 R	2019 R	
Cash flows from operating activities					
Cash generated from (used in) operations	11	57 992	(16 979)	1 119 658	(272 239)
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(4 999)	(1 026)	(97 473)	(16 442)
Purchase of other intangible assets	3	(7 499)	(18 768)	(146 235)	(300 600)
Net cash from investing activities		(12 498)	(19 794)	(243 708)	(317 042)
Cash flows from financing activities					
Fund held in trust – Goethe-Institut		11 726	506	76 389	8 765
Total cash movement for the year		57 220	(36 267)	952 339	(580 516)
Cash at the beginning of the year		10 293	45 434	164 857	728 930
Effect of exchange rate movement on cash balances		(21 949)	1 126	(228 699)	16 443
Total cash at end of the year	5	45 564	10 293	888 497	164 857

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The 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 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office equipment	Straight line	3 Years
IT equipment	Straight line	5 Years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Depreciation method	Average useful life
Website	Straight line	10 Years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.3 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the 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.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 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.

1.5 Revenue

Grant revenue is recognised to the extent that the Foundation is entitled to the funding for the financial period concerned and has rendered services under an agreement, provided that the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Foundation. Revenue is measured at the fair value of the consideration received or receivable.

A distinction in income is made between recurring and non-recurring grants and donations.

Grants and donations	2020 €	2019 €	2020 R	2019 R
Recurring grants and donations	295 385	314 878	5 813 787	5 004 653
Non-recurring grants and donations	67 199	138 497	1 256 604	2 213 522
	362 584	453 375	7 070 391	7 218 175

Interest is recognised, in profit or loss as and when receivable. Donations, membership and other income is brought to account as and when received.

Foreign exchange

Grant and donations income has been converted at the spot rate on the date of receipt.

Equipment Fund

In order that operating reserves reflect assets available to the operations of the organisation, an equipment fund is maintained to separate out the funding of such assets. The mechanism whereby this fund is maintained at a value equal to the carrying value of such assets in the statement of financial position is that an amount equal to the cost of assets acquired be charged against operation income each year and credited to the fund. Depreciation, and profits and losses on disposal are adjusting annually against the fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Property, plant and equipment

Euro	2020 €			2019 €		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office equipment	10 202	(6 486)	3 716	12 420	(5 398)	7 022
IT equipment	19 806	(14 853)	4 953	18 027	(12 423)	5 604
Total	30 008	(21 339)	8 669	30 447	(17 821)	12 626

Rand	2020 R			2019 R		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office equipment	198 931	(126 484)	72 447	198 931	(86 462)	112 469
IT equipment	386 212	(289 631)	96 581	288 738	(198 988)	89 750
Total	585 143	(416 115)	169 028	487 669	(285 450)	202 219

Reconciliation of property, plant and equipment - Euro - 2020

	Opening balance	Additions	Foreign exchange movements	Depreciation	Closing balance
Office equipment	7 022	-	(1 254)	(2 052)	3 716
IT equipment	5 604	4 999	(1 002)	(4 648)	4 953
	12 626	4 999	(2 256)	(6 700)	8 669

Reconciliation of property, plant and equipment - Euro - 2019

	Opening balance	Additions	Foreign exchange movements	Depreciation	Closing balance
Office equipment	8 747	406	229	(2 360)	7 022
IT equipment	10 202	620	(195)	(5 023)	5 604
	18 949	1 026	34	(7 383)	12 626

Reconciliation of property, plant and equipment - Rand - 2020

	Opening balance	Additions	Depreciation	Closing balance
Office equipment	112 469	-	(40 022)	72 447
IT equipment	89 750	97 473	(90 642)	96 581
	202 219	97 473	(130 664)	169 028

Reconciliation of property, plant and equipment - Rand - 2019

	Opening balance	Additions	Depreciation exchange	Closing balance
Office equipment	140 337	9 932	(37 800)	112 469
IT equipment	163 687	6 510	(80 447)	89 750
	304 024	16 442	(118 247)	202 219

3. Intangible assets

	2020			2019		
	€			€		
Euro	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Website development	228 180	(82 634)	145 546	268 669	(73 169)	195 500

	2020			2019		
	R			R		
Rand	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Website development	4 449 502	(1 611 359)	2 838 143	4 303 267	(1 171 939)	3 131 328

Reconciliation of intangible assets - Euro - 2020

	Opening balance	Additions	Foreign exchange movements	Amortisation	Total
Website development	195 500	7 499	(34 919)	(22 534)	145 546

Reconciliation of intangible assets - Euro - 2020

	Opening balance	Additions	Foreign exchange movements	Amortisation	Total
Website development	202 329	18 768	337	(25 934)	195 500

Reconciliation of intangible assets - Rand - 2020

	Opening balance	Additions	Amortisation	Total
Website development	3 131 328	146 235	(439 420)	2 838 143

Reconciliation of intangible assets - Rand - 2018

	Opening balance	Additions	Amortisation	Total
Website development	3 246 115	300 600	(415 387)	3 131 328

	2020	2019	2020	2019
	€	€	R	R
Website Development - Costs				
Website development - 2013	170 000	170 000	2 043 386	2 043 386
Website development - 2014	25 386	25 386	370 386	370 386
Website development - 2015	17 699	17 699	232 560	232 560
Website development - 2016	21 419	21 419	350 100	350 100
Website development - 2017	50 900	50 900	760 440	760 440
Website development - 2018	15 320	15 320	245 795	245 795
Website development - 2019	18 768	18 768	300 600	300 600
Website development - 2020	7 499	-	146 235	-
Foreign exchange movements	(98 811)	(50 823)	-	-
	228 180	268 669	4 449 502	4 303 267

4. Trade and other receivables

Trade receivables	19 967	19 912	389 355	318 908
Deposits	3 756	4 572	73 236	73 236
	23 723	24 484	462 591	392 144

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	22	989	421	15 836
Bank balance - Standard Bank current account	9 541	8 642	186 052	138 414
Bank balance - Standard Bank CFC account	35 880	573	699 669	9 187
Bank balance - Standard Bank Investment accounts	121	89	2 355	1 420
	45 564	10 293	888 497	164 857

6. Funds Held In trust

Goethe-Institut	11 755	23 481	229 231	376 081
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7. Trade and other payables

Accruals	5 744	10 383	112 009	166 299
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	2020 €	2019 €	2020 R	2019 R
8. Deferred income				
Deferred income	35 663	13 244	695 426	212 144
Deferred Income Detail				
Current liabilities	35 663	13 244	695 426	212 144
Prince Claus	10 161	13 244	198 135	212 144
Pro-Helvetia	34	-	655	-
National Lottery Commission	25 468	-	496 636	-
	35 663	13 244	695 426	212 144
9. Income				
Grants and donations	362 584	435 140	7 070 391	6 969 624
Prince Claus				
Received	28 853	15 500	462 333	243 479
Sustainability/management fee	(1 007)	(1 523)	(16 137)	(24 396)
Deferred to 2020/2021 fiscal year	(12 367)	(13 245)	(198 135)	(212 144)
	15 479	732	248 061	6 939
Siemens Stiftung for MIACnects				
Received	-	122 997	-	1 970 043
Sustainability/management fee	-	(750)	-	(12 011)
	-	122 247	-	1 958 032
Goethe-Institut Funds				
Received	14 551	87 274	337 345	1 441 381
Siemens Stiftung				
Received	236 796	224 887	4 617 698	3 563 271
Received – ACCES	20 799	-	405 581	-
Received – Goethe-Institut	44 038	-	858 744	-
	301 633	224 887	5 882 023	3 563 271
National Lottery Commission				
Received	49 229	-	960 000	-
Deferred to 2020/2021 fiscal year	(25 468)	-	(496 636)	-
	23 761	-	463 364	-
ProHelvetia				
Received	7 192	-	140 252	-
Deferred to 2020/2021 fiscal year	(24)	-	(655)	-
	7 168	-	139 597	-

	2020 €	2019 €	2020 R	2019 R
10. Other income				
Profit and loss on exchange differences	15 371	(202)	299 727	(3 231)
Project management income	946	14 890	18 452	238 498
Advertising fees	8 644	6 994	168 549	112 026
Membership fees	824	884	13 718	14 155
ACCES revenue	72 421	27 717	1 412 213	443 946
	98 206	50 283	1 912 659	805 394
11. Cash generated from (used in) operations				
Surplus (Deficit) before taxation	24 081	(7 432)	461 386	(119 063)
Adjustments for:				
Profit and loss on exchange differences	15 371	1	299 727	-
Changes in working capital:				
Trade and other receivables	760	35 967	(70 447)	577 693
Trade and other payables	(4 639)	1 270	(54 290)	20 081
Deferred income	22 419	(46 785)	483 282	(750 950)
	57 992	(16 979)	1 119 658	(272 239)
12. Going concern				
The existence of the Foundation is dependent on the continued support of its donors, by way of grants and donations. Should the grants and donations be withdrawn it is highly unlikely that the Foundation will be able to continue as a going concern. The Foundation is aware of this risk and has started implementing a revenue generation strategy on its portal.				
13. Events after the reporting period				
Subsequent to year-end, as a result of a local and global coronavirus COVID-19 infectious disease pandemic, a national state of disaster was declared in South Africa on 15 March 2020. As a preventive measure, except for certain essential services, a strictly regulated 5 week nationwide stay-at-home total lockdown was implemented from 26 March to 30 April 2020.				
As part of a gradual and phased recovery of economic activity and an easing of the lockdown restrictions, a 5 coronavirus alert level approach was adopted by the government on 1 May 2020, where level 5 means only essential services can operate and level 1 means that most normal activities can resume. The alert level is determined by the government and is based on its assessment of the infection rate and the capacity of the country's health system.				
The lockdown and the phased recovery of economic activity has had a negative impact on the company's business and cash flow. This impact is, however, not material.				
The Board has assessed the future impact on the Foundation and having taken into account factors such as recoverability of debtors, retention of all donations and grants and ability to reduce fixed costs. Management has indicated that they have looked into implementing cost-saving techniques to reduce monthly costs. The Board has also noted that there is enough funds available in their bank accounts to sustain any short-term loss of income. The Board believes that the entity's ability to continue all operations during the lockdown period proves that there is no material event and therefore no adjusting entry is required.				
Apart from the above, the Board is not aware of any other material event that occurred after the reporting date and up to the date of this report.				



Morena Leraba (Lesotho) at MTN Bushfire 2019 © Jonathon Rees

SUPPLEMENTARY INFORMATION

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Bankers

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Trust fund banker name: Nedbank

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