

**MUIZENBERG IMPROVEMENT DISTRICT NPC**

**REG. NO : 2001/018176/08**

**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2018**

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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements set out on pages 3 to 9 have been approved by the Directors:

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**LOW AND SCHREIBER**  
**CHARTERED ACCOUNTANTS (S A)**

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*William Wallace Low, B.Com*

*Anthony Michael Schreiber, B.Com*

*Barrie William Low, B.Com M.Phil (Tax Law)*

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Muizenberg Improvement District NPC

### **Report on the Financial Statements**

We have audited the Annual Financial Statements of Muizenberg Improvement District NPC, which comprise the balance sheet as at 30 June 2018, and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 3 to 9.

### **Directors' Responsibility for the Financial Statements**

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Company as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with IFRS for SME's and in the manner required by the Companies Act of South Africa.

**LOW AND SCHREIBER**  
REGISTERED AUDITORS, CAPE TOWN  
10 AUGUST 2018

Per : A M Schreiber

# **MUIZENBERG IMPROVEMENT DISTRICT NPC**

## **REPORT OF THE DIRECTORS**

To the Members

### **NATURE OF BUSINESS**

The main objective of the Company is to revitalise designated areas within Muizenberg, providing security, cleaning and various improvement services.

### **FINANCIAL POSITION**

The state of the Company's affairs is adequately reflected in the Annual Financial Statements. No material fact or circumstance has occurred between the accounting date and the date of this Report.

### **CAPITAL STRUCTURE**

The Company is registered as a Not For Profit Company in terms of the Companies Act and has no share capital and no part of its income or assets may be distributed to Members. All reserves are therefore non-distributable.

### **STATEMENT OF RESPONSIBILITY**

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Financial Statements and related information. The Auditors are responsible to report on the fair presentation of the Financial Statements. The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice and in the manner required by the Companies Act.

The Directors are also responsible for the Company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Financial Statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

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

### **DIRECTORS**

M Wagner-Snyders

M Cross

K Hultzer

K Rack

W Turner

J Lotter

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## BALANCE SHEET

At 30 June 2018

	Note	2018 R	2017 R
<b>ASSETS</b>			
NON-CURRENT ASSETS			
		-	-
Fixed Assets	2	-	-
CURRENT ASSETS			
		969,180	701,322
Cash Reserves		969,180	701,322
TOTAL ASSETS			
		<u>969,180</u>	<u>701,322</u>
<b>EQUITY AND LIABILITIES</b>			
CAPITAL AND RESERVES			
		940,368	686,089
Non-Distributable Reserves	3	940,368	686,089
CURRENT LIABILITIES			
		28,812	15,233
Accounts Payable		28,812	15,233
TOTAL EQUITY AND LIABILITIES			
		<u>969,180</u>	<u>701,322</u>

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## INCOME STATEMENT

For the year ended 30 June 2018

	Note	2018 R	2017 R
<b>INCOME</b>		1,994,291	1,761,713
Recovery of Retention Debtors		101,511	116,596
Donations Received		19,906	15,600
Interest Received		18,680	17,098
Other Income		3,450	-
Revenue from Rendering of Services		1,850,744	1,612,419
<b>EXPENDITURE</b>		1,740,012	1,615,044
Accounting Fees		35,065	35,806
Advertising, Marketing and Publications		14,631	22,487
Asset Purchases and Maintenance		1,590	3,055
Audit Fees and Related Services		17,835	15,704
Bank Charges		4,483	6,623
Cleaning and Maintenance		324,024	346,282
Depreciation		-	2,812
Environmental Upgrading		60,000	-
Social Development		198,883	87,469
Insurance		8,248	7,315
Meeting Expenses		10,457	8,490
Miscellaneous		6,601	2,447
Rental		-	16,169
Salaries and Wages		247,906	224,737
Security Services		674,143	723,471
Specific Funding Expenses		-	18,271
Stationery, Postage and Printing		12,339	14,034
Surplus Operational Projects	5	85,105	54,509
Telephone, Computer and Other Expenses		38,702	25,363
<b>NET SURPLUS FOR THE YEAR</b>		254,279	146,669
<b>TRANSFERRED TO NON-DISTRIBUTABLE RESERVE</b>		(254,279)	(149,340)
<b>TRANSFER FROM SPECIFIC FUNDS</b>		-	2,671
		<u>-</u>	<u>-</u>

## MUIZENBERG IMPROVEMENT DISTRICT NPC

### NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

#### 1. BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with the Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities on a basis consistent with prior years.

##### 1.1 Fixed Assets

Computer Equipment is depreciated over 3 years and the Trailer is depreciated over 5 years.

#### 2. FIXED ASSETS

	Cost R	Accum Depr R	2018 Net Book Value R	2017 Net Book Value R
Computer Equipment	74,051	74,051	-	-
Trailer	46,268	42,268	-	-
	<u>120,319</u>	<u>120,319</u>	<u>-</u>	<u>-</u>
	2017 Net Book Value R	Additions/ (Disposals) R	2018 Depr R	2018 Net Book Value R
Computer Equipment	-	-	-	-
Trailer	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## MUIZENBERG IMPROVEMENT DISTRICT NPC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2018

<b>3. NON-DISTRIBUTABLE RESERVE</b>	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
Opening Balance	686,089	536,749
Transferred from Income Statement	254,279	149,340
Closing Balance	<u>940,368</u>	<u>686,089</u>
<b>5. SURPLUS OPERATIONAL PROJECTS</b>	<b>2018</b>	<b>2017</b>
	<b>R</b>	<b>R</b>
Public Safety	28,268	-
Environment Upliftment	15,000	20,946
Marketing	13,466	9,559
Social Development	19,291	24,004
Research Collaboration	9,080	-
	<u>85,105</u>	<u>54,509</u>
<b>6. TAXATION</b>		

No provision has been made for taxation as the Company is a Public Benefit Organisation and is exempt from taxation.

## MUIZENBERG IMPROVEMENT DISTRICT NPC

### CASH FLOW STATEMENT

For the year ended 30 June 2018

	Note	2018 R	2017 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated by Operations	1	249,178	103,935
Interest Received		18,680	17,098
Net Cash flow from Operating Activities		<u>267,858</u>	<u>121,033</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets		-	-
Net Cash outflow from Investing Activities		<u>-</u>	<u>-</u>
<b>NET CASH FLOW</b>		267,858	121,033
<b>CASH AND CASH EQUIVALENTS</b> at beginning of the year		701,322	580,289
<b>CASH AND CASH EQUIVALENTS</b> at end of the year		<u><u>969,180</u></u>	<u><u>701,322</u></u>



## MUIZENBERG IMPROVEMENT DISTRICT NPC

### NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2018

	2018 R	2017 R
<b>1. CASH GENERATED BY OPERATIONS</b>		
Net Profit before Taxation	254,279	146,669
Adjustment for:		
Interest Received	(18,680)	(17,098)
Depreciation	-	2,812
Operating Profit before Working Capital Changes	<u>235,599</u>	<u>132,383</u>
Working Capital Changes	13,579	(28,448)
Change in Accounts Payable	<u>13,579</u>	<u>(28,448)</u>
Cash Generated by Operations	<u><u>249,178</u></u>	<u><u>103,935</u></u>