

**MUIZENBERG IMPROVEMENT DISTRICT NPC**

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

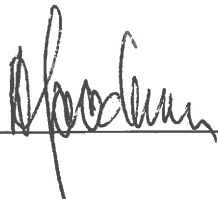

**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2017**

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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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*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 2017, 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 2017, 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*

**LOW AND SCHREIBER**  
REGISTERED AUDITORS, CAPE TOWN  
30 JULY 2017

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

S Frankal (resigned November 2016)

P Wright (resigned November 2016)

M Wagner-Snyders

G Hill (resigned November 2016)

L Schroeder (resigned November 2016)

H Coetzee (resigned November 2016)

K Sinclair (resigned November 2016)

M Cross (appointed November 2016)

T Megaw (appointed November 2016 and resigned January 2017)

K Hultzer (appointed November 2016)

K Rack (appointed November 2016)

H Harding-Goodman (appointed November 2016)

**MUIZENBERG IMPROVEMENT DISTRICT NPC**

**BALANCE SHEET**

At 30 June 2017

	Note	2017 R	2016 R
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	2	-	2,812
<b>CURRENT ASSETS</b>			
Cash Reserves		701,322	580,289
<b>TOTAL ASSETS</b>		<u>701,322</u>	<u>583,101</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Non-Distributable Reserves	3	686,089	536,749
Specific Funds	4	-	2,671
<b>CURRENT LIABILITIES</b>			
Accounts Payable		15,233	43,681
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>701,322</u>	<u>583,101</u>

**MUIZENBERG IMPROVEMENT DISTRICT NPC**

**INCOME STATEMENT**

For the year ended 30 June 2017

	Note	2017 R	2016 R
<b>INCOME</b>		1,761,713	1,599,461
Bad Debts Reserve Refunded		116,596	66,099
Donations for Specific Funding	4	15,600	32,850
Interest Received		17,098	14,031
Levies Received		1,612,419	1,486,481
<b>EXPENDITURE</b>		1,615,044	1,634,164
Accounting Fees		35,806	35,945
Advertising, Marketing and Publications		22,487	15,258
Asset Purchases and Maintenance		3,055	16,684
Audit Fees and Related Services		15,704	13,750
Bank Charges		6,623	7,589
Cleaning and Maintenance		346,282	324,041
Depreciation		2,812	9,252
Social Development		87,469	9,997
Insurance		7,315	9,466
Law Enforcement Expenses		-	-
Meeting Expenses		8,490	9,794
Miscellaneous		2,447	6,411
Rental		16,169	24,000
Salaries and Wages		224,737	190,244
Security Services		723,471	735,886
Specific Funding Expenses	4	18,271	32,224
Stationery, Postage and Printing		14,034	8,965
Surplus Operational Projects	5	54,509	139,765
Telephone and Computer Expenses		25,363	44,893
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		146,669	(34,703)
<b>TRANSFERRED (TO) / FROM NON-DISTRIBUTABLE RESERVE</b>		(149,340)	35,329
<b>TRANSFER FROM / (TO) SPECIFIC FUNDS</b>		2,671	(626)
		-	-

## MUIZENBERG IMPROVEMENT DISTRICT NPC

### NOTES TO THE FINANCIAL STATEMENTS

30 June 2017

#### 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	2017 Net Book Value R	2016 Net Book Value R
Computer Equipment	74,051	74,051	-	-
Trailer	46,268	42,268	-	2,812
	<u>120,319</u>	<u>120,319</u>	<u>-</u>	<u>2,812</u>
	2016 Net Book Value R	Additions/ (Disposals) R	Depr R	2017 Net Book Value R
Computer Equipment	-	-	-	-
Trailer	2,812	-	(2,812)	-
	<u>2,812</u>	<u>-</u>	<u>(2,812)</u>	<u>-</u>

During the period certain CCTV equipment, which was no longer required by the entity, was donated to the Muizenberg Community Safety Initiative.

The original cost of the equipment was R46,384 and as the equipment had been purchased several years before, all the equipment was fully depreciated in the books of Muizenberg Improvement District at the date of the donation.

The donated equipment had no, or negligible, commercial value and no specific rand amount was therefore attributed to it.

**MUIZENBERG IMPROVEMENT DISTRICT NPC**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

30 June 2017

<b>3. NON-DISTRIBUTABLE RESERVE</b>	2017	2016
	R	R
Opening Balance	536,749	572,078
Transferred from / (to) Income Statement	149,340	(35,329)
Closing Balance	<u>686,089</u>	<u>536,749</u>

<b>4. SPECIFIC FUNDS</b>	Opening Balance	Received	Spent	Closing Balance
	R	R	R	R
Social Development	1,700	15,600	(17,300)	-
Surfers' Circle	971	-	(971)	-
	<u>2,671</u>	<u>15,600</u>	<u>(18,271)</u>	<u>-</u>

<b>5. SURPLUS OPERATIONAL PROJECTS</b>	2017	2016
	R	R
Beachfront	-	25,000
Environment Upliftment	20,946	29,999
Marketing	9,559	19,997
Social Development	24,004	35,000
Research Collaboration	-	29,769
	<u>54,509</u>	<u>139,765</u>

**6. TAXATION**

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 2017

	Note	2017 R	2016 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated by Operations	1	103,935	(31,571)
Interest Received		17,098	14,031
Net Cash flow from Operating Activities		<u>121,033</u>	<u>(17,540)</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>		121,033	(17,540)
<b>CASH AND CASH EQUIVALENTS</b> at beginning of the year		580,289	597,829
<b>CASH AND CASH EQUIVALENTS</b> at end of the year		<u>701,322</u>	<u>580,289</u>



**MUIZENBERG IMPROVEMENT DISTRICT NPC**

**NOTES TO THE CASH FLOW STATEMENT**

For the year ended 30 June 2017

	2017	2016
	R	R
<b>1. CASH GENERATED BY OPERATIONS</b>		
Net Profit / (Loss) before Taxation	146,669	(34,703)
Adjustment for:		
Interest Received	(17,098)	(14,031)
Depreciation	2,812	9,252
Operating Profit before Working Capital Changes	<u>132,383</u>	<u>(39,482)</u>
Working Capital Changes	(28,448)	7,911
Decrease in Accounts Payable	<u>(28,448)</u>	<u>7,911</u>
Cash Generated by Operations	<u><u>103,935</u></u>	<u><u>(31,571)</u></u>