

MUIZENBERG IMPROVEMENT DISTRICT NPC

REG. NO : 2001/018176/08


ANNUAL FINANCIAL STATEMENTS

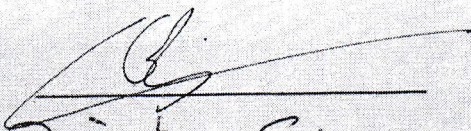
30 JUNE 2021

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages 4 to 10 have been approved by the Directors, and are signed on their behalf by :


11/08/2021
Chair.
P. J. CORBETT


Director Finance.
C. GOODWIN.

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INDEPENDENT AUDITORS' REPORT

To the Members of Muizenberg Improvement District NPC

Opinion

We have audited the annual financial statements of the company set out on pages 4 to 10, which comprise the statement of financial position as at 30 June 2021, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the 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 Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Statements for the year ended 30 June 2021, which includes the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the owners determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual 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 annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



LOW AND SCHREIBER
REGISTERED AUDITORS, CAPE TOWN

Per: A M SCHREIBER

11 AUGUST 2021
CAPE TOWN

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 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

P Corbett (Chairperson)

T Megaw

M Bendix

J Hichens

D Simpson

C Goodwin (appointed 2/12/2020)

C Timlin (appointed 2/12/2020)

M Romyn (appointed 2/12/2020)

C Dowling (appointed 1/1/2021)

MUIZENBERG IMPROVEMENT DISTRICT NPC

BALANCE SHEET

At 30 June 2021

	Note	2021 R	2020 R
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	2	712,556	282,307
CURRENT ASSETS			
Cash Reserves		1,749,989	1,822,951
TOTAL ASSETS		<u>2,462,545</u>	<u>2,105,258</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Non-Distributable Reserves	3	2,430,088	2,079,694
CURRENT LIABILITIES			
Accounts Payable		32,457	25,564
TOTAL EQUITY AND LIABILITIES		<u>2,462,545</u>	<u>2,105,258</u>

MUIZENBERG IMPROVEMENT DISTRICT NPC

INCOME STATEMENT

For the year ended 30 June 2021

	Note	2021 R	2020 R
INCOME		2,394,442	2,340,782
Revenue - Retention Refund		-	67,550
Donations Received		-	10,250
Interest Received		47,042	80,482
Revenue from Rendering of Services		2,347,400	2,182,500
EXPENDITURE		2,044,048	1,567,218
Accounting Fees		39,996	37,560
Administration and Management Fees		50,250	49,800
Advertising, Marketing and Publications		16,160	12,641
Asset Purchases and Maintenance		4,007	157
Audit Fees		11,500	10,000
Bank Charges		5,815	5,097
CCTV Monitoring		344,299	-
Cleansing Services		20,710	39,337
Depreciation		90,930	-
Environmental Upgrading		32,746	759
Social Upliftment		90,177	-
Insurance		10,118	10,791
Meeting Expenses		1,250	1,400
Miscellaneous		-	1,000
Salaries and Wages		436,932	550,568
Public Safety		821,430	789,716
Stationery, Postage and Printing		6,349	3,916
Surplus Operational Projects	5	21,828	15,520
Telephone, Computer and Other Expenses		39,551	38,956
NET SURPLUS FOR THE YEAR		350,394	773,564
TRANSFERRED TO NON-DISTRIBUTABLE RESERVE		(350,394)	(773,564)
		-	-

MUIZENBERG IMPROVEMENT DISTRICT NPC

NOTES TO THE FINANCIAL STATEMENTS

30 June 2021

1. BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with IFRS 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. Camera Equipment is depreciated over 5 years. Camera Infrastructure is depreciated over 15 years. Assets are only depreciated once brought into use.

2. FIXED ASSETS

	Cost R	Accum Depr R	2021 Net Book Value R	2020 Net Book Value R
Camera Equipment	291,429	49,436	241,993	224,515
Camera Infrastructure	443,046	19,691	423,355	-
Computer Equipment	189,447	142,239	47,208	57,792
Trailer	46,268	46,268	-	-
	<u>970,190</u>	<u>257,634</u>	<u>712,556</u>	<u>282,307</u>
	2020 Net Book Value R	Additions/ (Disposals) R	Depr R	2021 Net Book Value R
Camera Equipment	224,515	66,914	49,436	241,993
Camera Infrastructure	-	443,046	19,691	423,355
Computer Equipment	57,792	11,219	21,803	47,208
Trailer	-	-	-	-
	<u>282,307</u>	<u>521,179</u>	<u>90,930</u>	<u>712,556</u>

MUIZENBERG IMPROVEMENT DISTRICT NPC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2021

3. NON-DISTRIBUTABLE RESERVE	2021	2020
	R	R
Opening Balance	2,079,694	1,306,130
Transferred from Income Statement	350,394	773,564
Closing Balance	<u>2,430,088</u>	<u>2,079,694</u>

5. SURPLUS OPERATIONAL PROJECTS	2021	2020
	R	R
Covid 19 Expenses	578	13,520
Festive Season Cleaning	21,250	-
Camera Operating Expenses	-	2,000
	<u>21,828</u>	<u>15,520</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 2021

	Note	2021 R	2020 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by Operations	1	401,175	674,303
Interest Received		47,042	80,482
Net Cash flow from Operating Activities		<u>448,217</u>	<u>754,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Fixed Assets		(521,179)	(282,307)
Net Cash outflow from Investing Activities		<u>(521,179)</u>	<u>(282,307)</u>
NET CASH FLOW		(72,962)	472,478
CASH AND CASH EQUIVALENTS at beginning of the year		1,822,951	1,350,473
CASH AND CASH EQUIVALENTS at end of the year		<u>1,749,989</u>	<u>1,822,951</u>

MUIZENBERG IMPROVEMENT DISTRICT NPC

NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2021

	2021	2020
	R	R
1. CASH GENERATED BY OPERATIONS		
Net Surplus before Taxation	350,394	773,564
Adjustment for:		
Interest Received	(47,042)	(80,482)
Depreciation	90,930	-
Operating Profit before Working Capital Changes	<u>394,282</u>	<u>693,082</u>
Working Capital Changes	6,893	(18,779)
Change in Accounts Payable	<u>6,893</u>	<u>(18,779)</u>
Cash Generated by Operations	<u><u>401,175</u></u>	<u><u>674,303</u></u>