

MUIZENBERG IMPROVEMENT DISTRICT NPC

REG. NO : 2001/018176/08

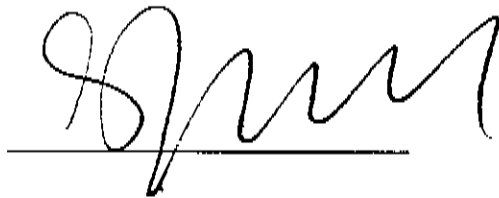
ANNUAL FINANCIAL STATEMENTS

30 JUNE 2016

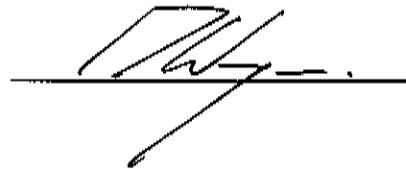
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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

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



A handwritten signature in black ink, consisting of a large initial 'M' followed by several loops, positioned above a horizontal line.



A handwritten signature in black ink, appearing as a stylized 'M' followed by a few strokes, positioned above a horizontal line.

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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 2016, 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

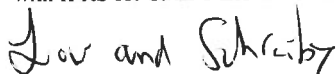
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 2016, 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
20 JULY 2016

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

P Wright

M Wagner

G Hill

L Schroeder

H Coetzee (appointed November 2015)

A Gowne (resigned November 2015)

K Sinclair (appointed November 2015)

T Smith (resigned July 2015)

MUIZENBERG IMPROVEMENT DISTRICT NPC

BALANCE SHEET

At 30 June 2016

	Note	2016 R	2015 R
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	2	2,812	12,064
CURRENT ASSETS			
Cash Reserves		580,289	597,829
TOTAL ASSETS		<u>583,101</u>	<u>609,893</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Non-Distributable Reserves	3	536,749	572,078
Specific Funds	4	2,671	2,045
CURRENT LIABILITIES			
Accounts Payable		43,681	35,770
TOTAL EQUITY AND LIABILITIES		<u>583,101</u>	<u>609,893</u>

MUIZENBERG IMPROVEMENT DISTRICT NPC

INCOME STATEMENT

For the year ended 30 June 2016

	Note	2016 R	2015 R
INCOME		1,599,461	1,719,478
Bad Debts Reserve Refunded		66,099	141,318
Donations for Specific Funding	4	32,850	14,345
Interest Received		14,031	11,903
Law Enforcement Income		-	258,137
Levies Received		1,486,481	1,293,775
EXPENDITURE		1,634,164	1,814,435
Accounting Fees		35,945	33,311
Advertising, Marketing and Publications		15,258	29,038
Asset Purchases and Maintenance		16,684	29,031
Audit Fees and Related Services		13,750	11,822
Bank Charges		7,589	7,409
Cleaning and Maintenance		324,041	297,068
Depreciation		9,252	9,252
Improvement Projects		9,997	13,450
Insurance		9,466	8,413
Law Enforcement Expenses		-	258,137
Meeting Expenses		9,794	10,634
Miscellaneous		6,411	10,431
Rental		24,000	19,200
Salaries and Wages		190,244	157,469
Security Services		735,886	565,512
Specific Funding Expenses	4	32,224	117,985
Stationery, Postage and Printing		8,965	9,459
Surplus Operational Projects	5	139,765	208,235
Telephone and Computer Expenses		44,893	18,579
NET DEFICIT FOR THE YEAR		(34,703)	(94,957)
TRANSFERRED FROM / (TO) NON-DISTRIBUTABLE RESERVE		35,329	(8,683)
TRANSFER (TO) / FROM SPECIFIC FUNDS		(626)	103,640
		-	-

MUIZENBERG IMPROVEMENT DISTRICT NPC

NOTES TO THE FINANCIAL STATEMENTS

30 June 2016

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	2016 Net Book Value R	2015 Net Book Value R
Computer Equipment	120,435	120,435	-	-
Trailer	46,268	43,456	2,812	12,064
	<u>166,703</u>	<u>163,891</u>	<u>2,812</u>	<u>12,064</u>
	2015 Net Book Value R	Additions/ (Disposals) R	2016 Depr R	2016 Net Book Value R
Computer Equipment	-	-	-	-
Trailer	12,064	-	(9,252)	2,812
	<u>12,064</u>	<u>-</u>	<u>(9,252)</u>	<u>2,812</u>

3. NON-DISTRIBUTABLE RESERVE

	2016 R	2015 R
Opening Balance	572,078	563,395
Transferred (to) / from Income Statement	(35,329)	8,683
Closing Balance	<u>536,749</u>	<u>572,078</u>

MUIZENBERG IMPROVEMENT DISTRICT NPC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2016

4. SPECIFIC FUNDS	Opening Balance R	Received R	Spent R	Closing Balance R
Social Development	50	12,850	(11,200)	1,700
Surfers' Circle	1,995	20,000	(21,024)	971
	<u>2,045</u>	<u>32,850</u>	<u>(32,224)</u>	<u>2,671</u>
5. SURPLUS OPERATIONAL PROJECTS			2016 R	2015 R
Beachfront			25,000	-
CCTV Maintenance			-	44,907
Environment Upliftment			29,999	105,164
Marketing			19,997	13,898
Social Development			35,000	44,266
Research Collaboration			29,769	-
			<u>139,765</u>	<u>208,235</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 2016

	Note	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in Operations	1	(31,571)	(95,499)
Interest Received		14,031	11,903
Net Cash outflow from Operating Activities		<u>(17,540)</u>	<u>(83,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Fixed Assets		-	-
Net Cash outflow from Investing Activities		<u>-</u>	<u>-</u>
NET CASH FLOW		(17,540)	(83,596)
CASH AND CASH EQUIVALENTS at beginning of the year		597,829	681,425
CASH AND CASH EQUIVALENTS at end of the year		<u>580,289</u>	<u>597,829</u>

MUIZENBERG IMPROVEMENT DISTRICT NPC

NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2016

	2016	2015
	R	R
1. CASH UTILISED IN OPERATIONS		
Net Loss before Taxation	(34,703)	(94,957)
Adjustment for:		
Interest Received	(14,031)	(11,903)
Depreciation	9,252	9,252
Operating Profit before Working Capital Changes	<u>(39,482)</u>	<u>(97,608)</u>
Working Capital Changes	7,911	2,109
Increase in Accounts Payable	7,911	2,109
Cash utilised in Operations	<u><u>(31,571)</u></u>	<u><u>(95,499)</u></u>