

# MUIZENBERG IMPROVEMENT DISTRICT NPC

REG. NO : 2001/018176/08

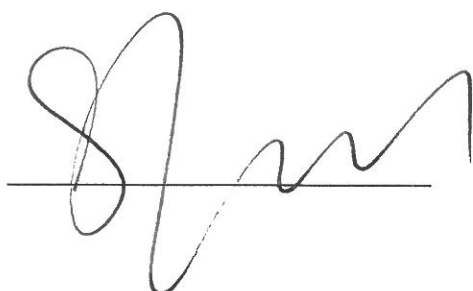
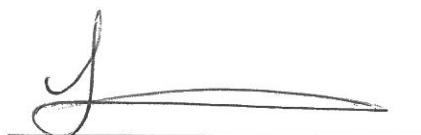
## ANNUAL FINANCIAL STATEMENTS

30 JUNE 2015

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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 loop followed by several smaller loops and a long horizontal stroke at the end, positioned above a horizontal line.A handwritten signature in black ink, consisting of a large loop followed by a long horizontal stroke, positioned above a horizontal line.

**LOW AND SCHREIBER**  
**CHARTERED ACCOUNTANTS (SA)**

Telephone: (021) 685-4047  
Telefax: (021) 685-4272  
E-mail: info@lowandschreiber.co.za  
VAT Reg No: 4440162735

1 Klein Rustenburg  
8 Main Road  
Rondebosch  
Cape Town  
7700 Rep of SA

POSTAL ADDRESS:  
P O BOX 187  
RONDEBOSCH  
CAPE TOWN  
7701 REP OF SA

William Wallace Low, B.Com  
Anthony Michael Schreiber, B.Com  
Burrie 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 2015, 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 2015, 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  
19 AUGUST 2015

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

L Smith

M Wagner

G Hill

S Milne (resigned January 2015)

M Romyn (resigned November 2014)

A Gowne (appointed November 2014)

K Hamilton (resigned July 2014)

S Voges (resigned July 2014)

L Schroeder (appointed July 2014)

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## BALANCE SHEET

At 30 June 2015

	Note	2015 R	2014 R
<b>ASSETS</b>			
NON-CURRENT ASSETS		12,064	21,316
Fixed Assets	2	12,064	21,316
CURRENT ASSETS		597,829	681,425
Cash Reserves		597,829	681,425
TOTAL ASSETS		609,893	702,741
<b>EQUITY AND LIABILITIES</b>			
CAPITAL AND RESERVES		574,123	669,079
Non-Distributable Reserves	3	572,078	563,395
Specific Funds	4	2,045	105,684
CURRENT LIABILITIES		35,770	33,662
Accounts Payable		35,770	33,662
TOTAL EQUITY AND LIABILITIES		609,893	702,741

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## INCOME STATEMENT

For the year ended 30 June 2015

	Note	2015 R	2014 R
<b>INCOME</b>		1,719,478	1,822,357
Bad Debts Reserve Refunded		141,318	165,704
Donations for Specific Funding	4	14,345	216,257
Interest Received		11,903	7,850
Law Enforcement Income		258,137	218,461
Levies Received		1,293,775	1,207,450
Sundry Income		-	6,635
<b>EXPENDITURE</b>		1,814,435	1,504,177
Accounting Fees		33,311	25,233
Advertising, Marketing and Publications		29,038	32,319
Asset Purchases and Maintenance		29,031	-
Audit Fees and Related Services		11,822	12,950
Bank Charges		7,409	6,645
Cleaning and Maintenance		297,068	269,780
Depreciation		9,252	31,699
Improvement Projects		13,450	30,520
Insurance		8,413	7,772
Law Enforcement Expenses		258,137	218,461
Meeting Expenses		10,634	6,722
Miscellaneous		10,431	8,659
Rental		19,200	16,775
Salaries and Wages		157,469	142,338
Security Services		565,512	510,707
Specific Funding Expenses	4	117,985	110,572
Stationery, Postage and Printing		9,459	8,709
Surplus Operational Projects	5	208,235	49,764
Telephone and Computer Expenses		18,579	14,552
<b>NET (LOSS)/ PROFIT FOR THE YEAR</b>		(94,957)	318,180
<b>TRANSFERRED TO NON-DISTRIBUTABLE RESERVE</b>		(8,683)	(212,496)
<b>TRANSFER FROM / (TO) SPECIFIC FUNDS</b>		103,640	(105,684)
		-	-

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

### 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	2015 Net Book Value R	2014 Net Book Value R
Computer Equipment	120,435	120,435	-	-
Trailer	46,268	34,204	12,064	21,316
	<u>166,703</u>	<u>154,639</u>	<u>12,064</u>	<u>21,316</u>
	2014 Net Book Value R	Additions/ (Disposals) R	2015 Net Book Value R	2015 Net Book Value R
Computer Equipment	-	-	-	-
Trailer	21,316	-	(9,252)	12,064
	<u>21,316</u>	<u>-</u>	<u>(9,252)</u>	<u>12,064</u>

### 3. NON-DISTRIBUTABLE RESERVE

	2015 R	2014 R
Opening Balance	563,395	350,899
Transferred from Income Statement	8,683	212,496
Closing Balance	<u>572,078</u>	<u>563,395</u>

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

30 June 2015

4. SPECIFIC FUNDS	Opening Balance R	Received R	Spent R	Closing Balance R
Environment Upliftment	15,000	-	(15,000)	-
Social Upliftment	10,246	13,545	(23,741)	50
Surfers' Circle	80,439	800	(79,244)	1,995
	<u>105,685</u>	<u>14,345</u>	<u>(117,985)</u>	<u>2,045</u>
5. SURPLUS OPERATIONAL PROJECTS			2015 R	2014 R
Beachfront			-	9,956
CCTV Maintenance			44,907	-
Community Art			-	9,942
Environment Upliftment			105,164	-
Marketing			13,898	9,997
Social Development			44,266	19,869
			<u>208,235</u>	<u>49,764</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 2015

	Note	2015 R	2014 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (utilised in)/generated by Operations	1	(95,499)	369,616
Interest Received		11,903	7,850
Net Cash (outflow)/inflow from Operating Activities		<u>(83,596)</u>	<u>377,466</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to Fixed Assets		-	(2,455)
Net Cash outflow from Investing Activities		<u>-</u>	<u>(2,455)</u>
<b>NET CASH FLOW</b>		(83,596)	375,011
<b>CASH AND CASH EQUIVALENTS</b> at beginning of the year		681,425	306,414
<b>CASH AND CASH EQUIVALENTS</b> at end of the year		<u>597,829</u>	<u>681,425</u>

# MUIZENBERG IMPROVEMENT DISTRICT NPC

## NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2015

	2015 R	2014 R
<b>1. CASH (UTILISED IN)/GENERATED BY OPERATIONS</b>		
Net (Loss)/Profit before Taxation	(94,957)	318,180
Adjustment for:		
Interest Received	(11,903)	(7,850)
Depreciation	9,252	31,699
Operating Profit before Working Capital Changes	<u>(97,608)</u>	<u>342,029</u>
Working Capital Changes	2,109	27,587
Increase in Accounts Payable	<div style="border: 1px solid black; padding: 2px;">2,109</div>	<div style="border: 1px solid black; padding: 2px;">27,587</div>
Cash (utilised in)/generated by Operations	<u><u>(95,499)</u></u>	<u><u>369,616</u></u>