

Kalk Bay and St James SRA NPC  
(Registration number 2014/187375/08)  
Annual Financial Statements  
for the year ended 30 June 2018  
AMF & Associates  
Chartered Accountants (SA)  
Registered Auditors

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.  
Issued 31 August 2018

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	To enhance and supplement municipal and public services provided in the Special Rating Area of Kalk Bay and St James.
<b>Directors</b>	K A Mc Clarty A D Paige J A Russell A F Stafford E B Stephen A Trimmel G E Durrant P J McGilvray A Jones
<b>Registered office</b>	60 Boyes Drive St James 7945
<b>Business address</b>	Kalk Bay Community Centre Main Road Kalk Bay 7975
<b>Postal address</b>	60 Boyes Drive St James 7945
<b>Auditors</b>	AMF & Associates Chartered Accountants (SA) Registered Auditors

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Index

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

	<b>Page</b>
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Annual Financial Statements	12 - 13

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	14
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### **Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

### **Published**

31 August 2018

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 7 to 14, which have been prepared on the going concern basis, were approved by the board on 31 August 2018 and were signed on its behalf by:

### Approval of annual financial statements

  
A D Paige

  
A F Stafford

  
E B Stephen  
Cape Town

Friday, 31 August 2018

## **Independent Auditor's Report**

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**To the shareholders of Kalk Bay and St James SRA NPC**

### **Opinion**

We have audited the annual financial statements of Kalk Bay and St James SRA NPC set out on pages 7 to 13, which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity 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 Kalk Bay and St James SRA NPC as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### **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 Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. 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, 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.

## Independent Auditor's Report

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### 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 71 of 2008, and for such internal control as the directors 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.

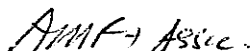
### Auditor's responsibilities for the audit of the Annual Financial Statements

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.



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AMF & Associates  
F J Oeschger  
Partner  
Chartered Accountants (SA)  
Registered Auditors

31 August 2018  
Cape Town

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Kalk Bay and St James SRA NPC for the year ended 30 June 2018.

### 1. Nature of business

Kalk Bay and St James SRA NPC was incorporated in South Africa with interests in the Services industry. The company operates in South Africa.

The core nature of the company's business is the provision of community based private urban management within the public areas of the Special Rating Area of Kalk Bay and St James by enhancing and supplementing municipal and public services provided in the Special Rates Area of Kalk Bay and St James.

There have been no material changes to the nature of the company's business from the prior year.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Directors

The directors in office at the date of this report are as follows:

#### Directors

K A Mc Clarty  
A D Paige  
J A Russell  
A F Stafford  
E B Stephen  
A Trimmel  
G E Durrant  
P J McGilvray  
A Jones

### 4. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

### 5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 6. Auditors

AMF & Associates continued in office as auditors for the company for 2019.

At the AGM, the members will be requested to reappoint AMF & Associates as the independent external auditors of the company and to confirm Mr F J Oeschger as the designated lead audit partner for the 2019 financial year.

### 7. Secretary

The company secretary is E B Stephen.

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	89,324	-
<b>Current Assets</b>			
Accounts receivable	3	-	44
Cash and cash equivalents	4	421,839	509,830
		<b>421,839</b>	<b>509,874</b>
<b>Total Assets</b>		<b>511,163</b>	<b>509,874</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		505,549	499,672
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	5,614	10,202
<b>Total Equity and Liabilities</b>		<b>511,163</b>	<b>509,874</b>



## Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue	7	1,524,206	1,363,654
Core business expenses	8	(1,261,179)	(1,088,134)
<b>Gross income</b>		<b>263,027</b>	<b>275,520</b>
Other income	9	-	27,048
Operating expenses		(282,844)	(256,359)
<b>Operating income</b>		<b>(19,817)</b>	<b>46,209</b>
Investment revenue	10	25,694	26,555
<b>Nett income for the year</b>		<b>5,877</b>	<b>72,764</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>5,877</b>	<b>72,764</b>

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 1 July 2016</b>	<b>426,908</b>	<b>426,908</b>
Profit for the year	72,764	72,764
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>72,764</b>	<b>72,764</b>
<b>Balance at 1 July 2017</b>	<b>499,672</b>	<b>499,672</b>
Profit for the year	5,877	5,877
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>5,877</b>	<b>5,877</b>
<b>Balance at 30 June 2018</b>	<b>505,549</b>	<b>505,549</b>
Note(s)		

## Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

### Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1,524,206	1,363,654
Cash paid to suppliers and employees		(1,548,567)	(1,317,049)
Cash (used in) generated from operations	13	(24,361)	46,605
Interest income		25,694	26,555
<b>Net cash from operating activities</b>		<b>1,333</b>	<b>73,160</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(89,324)	-
<b>Total cash movement for the year</b>		<b>(87,991)</b>	<b>73,160</b>
Cash at the beginning of the year		509,830	436,669
<b>Total cash at end of the year</b>	4	<b>421,839</b>	<b>509,829</b>

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Camera's - CCTV	Straight line	5

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When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.2 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable in respect of a special rating levy receivable from the City of Cape Town net of value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018

2017

### 2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Camera's - CCTV	89,324	-	89,324	-	-	-

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Closing balance
Camera's - CCTV	-	89,324	89,324

### 3. Accounts receivable

Other receivables	-	44
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	9,037	8,961
Bank balances	350,493	239,830
Short-term deposits	62,309	261,039
	<b>421,839</b>	<b>509,830</b>

R247 888 of the short term deposits is required as a reserve to cover two months revenue. This is a requirement of the City of Cape Town (2017-R261 039).

### 5. Share capital

There is no authorised share capital as the company is a Section 21 Company.

### 6. Trade and other payables

VAT	5,614	10,202
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### 7. Revenue

Special Rating Levy	1,443,914	1,341,519
Retention refund	62,292	22,135
Donation recieved-PETCO	18,000	-
	<b>1,524,206</b>	<b>1,363,654</b>

# Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>8. Core business expenses</b>		
Cleaning Services	137,182	116,925
Environmental upgrading	10,476	2,400
Security services	886,618	835,109
Social upliftment	94,864	86,100
	<b>1,129,140</b>	<b>1,040,534</b>
Cleansing Projects	-	-
Environmental Upgrading Project	9,172	-
Marketing & Signage	-	8,840
Petco-Harbour Beach Clean	5,075	-
Security Projects	4,900	-
Social upliftment project	55,222	-
	57,670	38,760
	<b>132,039</b>	<b>47,600</b>
<b>Total</b>	<b>1,261,179</b>	<b>1,088,134</b>
<b>9. Other income</b>		
Other core income	-	27,048
<b>10. Investment revenue</b>		
<b>Interest revenue</b>		
Interest on investments	25,694	26,555
<b>11. Taxation</b>		
No provision has been made for 2018 tax as the company is not liable for income tax as it is a non profit Section 10 Company.		
<b>12. Auditor's remuneration</b>		
Fees	10,800	10,200
<b>13. Cash (used in) generated from operations</b>		
Profit before taxation	5,877	72,764
<b>Adjustments for:</b>		
Interest received	(25,694)	(26,555)
<b>Changes in working capital:</b>		
Accounts receivable	44	242
Trade and other payables	(4,588)	154
	<b>(24,361)</b>	<b>46,605</b>
<b>14. Directors' remuneration</b>		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		

## Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Annual Financial Statements for the year ended 30 June 2018

### Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
<b>Revenue</b>			
Special rating area levies		1,443,914	1,341,519
Retention refund		62,292	22,135
Donation recieved-PETCO		18,000	-
	7	<b>1,524,206</b>	<b>1,363,654</b>
<b>Cost of services</b>			
Core business expenses		(1,261,179)	(1,088,134)
<b>Gross income</b>		<b>263,027</b>	<b>275,520</b>
<b>Other income</b>			
Martin East		-	27,048
Interest received	10	25,694	26,555
		<b>25,694</b>	<b>53,603</b>
<b>Operating expenses</b>			
Accounting fees		13,115	11,625
Advertising		6,772	5,363
Auditors remuneration	12	10,800	10,200
Bank charges		5,104	5,178
Computer expenses		524	498
CIPC compliance fees		1,500	-
Employee costs		190,579	168,140
Workmens Compensation		19,615	-
Insurance		3,338	2,105
Rent		4,800	4,800
Marketing and promotions		1,000	140
Printing and stationery		4,995	5,024
Protective clothing		2,982	-
Seed capital refund		-	658
Security		-	27,048
Sundry expenses		880	-
Telephone		13,200	12,200
Travelling		3,640	3,380
		<b>282,844</b>	<b>256,359</b>
<b>Surplus for the year</b>		<b>5,877</b>	<b>72,764</b>