

Kalk Bay and St James SRA NPC
(Registration number 2014/187375/08)
Financial statements
for the year ended 30 June 2022

Kalk Bay and St James SRA NPC

(Registration number: 2014/187375/08)

Financial Statements for the year ended 30 June 2022

General Information

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

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

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

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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.

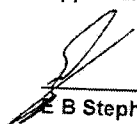
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control 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 2023 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.

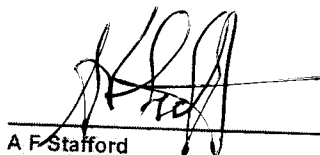
The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 7 - 6.

The financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved by the board on 31 August 2022 and were signed on its behalf by:

Approval of financial statements


E B Stephen

Wednesday, 31 August 2022


A F Stafford

Kalk Bay and St James SRA NPC

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Financial Statements for the year ended 30 June 2022

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Kalk Bay and St James SRA NPC and its associates for the year ended 30 June 2022.

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 Rating 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 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 of South Africa. 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 financial statements.

3. Directors

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

Directors	Changes
E B Stephen	
A F Stafford	
A Trimmel	
A Jones	
A Paige	
K A Mc Clarty	
S Siljeur	
K A Wardle	
P J McGilvray	Resigned Sunday, 31 October 2021
J A Russell	Resigned Sunday, 31 October 2021

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 2022.

7. Secretary

The company secretary is E B Stephen.

Independent Auditor's Report

To the Shareholders of Kalk Bay and St James SRA NPC

Opinion

We have audited the financial statements of Kalk Bay and St James SRA NPC (the company) set out on pages 7 to 13, which comprise the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kalk Bay and St James SRA NPC as at 30 June 2022, 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 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 document titled "Kalk Bay and St James SRA NPC financial statements for the year ended 30 June 2022", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 14. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Independent Auditor's Report

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

AMF & Associates

AMF & Associates
M van Litsenborgh
Partner
Chartered Accountants (SA)
Registered Auditors

31 August 2022
Cape Town

Kalk Bay and St James SRA NPC

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Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	333 154	224 560
Current Assets			
Trade and other receivables	3	2 972	(144)
Cash and cash equivalents	4	885 022	680 690
		887 994	680 546
Total Assets		1 221 148	905 106
Equity and Liabilities			
Equity			
Retained income		1 217 648	887 555
Liabilities			
Current Liabilities			
Trade and other payables	5	3 500	17 551
Total Equity and Liabilities		1 221 148	905 106

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Revenue	6	2 270 530	1 985 427
Cost of sales	7	(1 511 862)	(1 469 456)
Gross surplus		758 668	515 971
Operating expenses		(457 043)	(409 678)
Operating surplus		301 625	106 293
Investment revenue	9	28 468	17 347
Surplus for the year		330 093	123 640
Other comprehensive income		-	-
Total comprehensive income for the year		330 093	123 640

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2020	763 915	763 915
Surplus for the year	123 640	123 640
Other comprehensive income	-	-
Total comprehensive income for the year	123 640	123 640
Balance at 01 July 2021	887 555	887 555
Surplus for the year	330 093	330 093
Other comprehensive income	-	-
Total comprehensive income for the year	330 093	330 093
Balance at 30 June 2022	1 217 648	1 217 648

Note(s)

Kalk Bay and St James SRA NPC

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Financial Statements for the year ended 30 June 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	11	358 906	156 500
Interest income		28 468	17 347
Net cash from operating activities		387 374	173 847
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(183 042)	(138 230)
Total cash movement for the year		204 332	35 617
Cash at the beginning of the year		680 690	645 073
Total cash at end of the year	4	885 022	680 690

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The 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 of South Africa. The 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.

These accounting policies are consistent with the previous period.

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:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Camera's CCTV	Straight line	5 years
IT equipment	Straight line	3 years

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 from the City Of Cape Town in respect of services rendered net of value added tax.

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

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Notes to the Financial Statements

Figures in Rand	2022	2021
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2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	4 550	(1 742)	2 808	4 550	(983)	3 567
Camera's CCTV	485 311	(163 568)	321 743	311 040	(90 047)	220 993
IT equipment	8 772	(169)	8 603	-	-	-
Total	498 633	(165 479)	333 154	315 590	(91 030)	224 560

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	3 567	-	(759)	2 808
Camera's CCTV	220 993	174 270	(73 520)	321 743
IT equipment	-	8 772	(169)	8 603
	224 560	183 042	(74 448)	333 154

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	4 325	-	(758)	3 567
Camera's CCTV	127 669	138 230	(44 906)	220 993
	131 994	138 230	(45 664)	224 560

3. Trade and other receivables

Other receivables	-	(144)
VAT	2 972	-
	2 972	(144)

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	642	7
Bank balances	128 803	429 269
Short-term deposits	755 577	251 414
	885 022	680 690

R434 123,46 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 (2021-R405 666).

5. Trade and other payables

VAT	-	17 551
Accrued expense	3 500	-
	3 500	17 551

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Notes to the Financial Statements

Figures in Rand	2022	2021
6. Revenue		
Additional Rates Received	2 116 517	1 967 427
Additional Rates Retention Received	154 013	-
Donation received-PETCO	-	18 000
	2 270 530	1 985 427
7. Cost of sales		
Core business expenses		
Core Business: Cleansing Services	206 941	179 673
Core Business: Environmental Upgrading	17 962	28 399
Core Business: Public Safety	1 131 483	1 077 184
Core Business: Social Development	102 550	103 710
	1 458 936	1 388 966
Operational Projects		
Operational Projects: Marketing & Signage	-	10 850
Operational Projects: PETCO - Harbour Beach Cleaning	17 900	2 780
Operational Projects: Security Projects	10 326	15 192
Operational Projects: Social Development Projects	-	25 000
Operational Projects: Environmental Upgrading Project	16 450	22 168
Operational Projects: Cleansing Projects	8 250	4 500
	52 926	80 490
	1 511 862	1 469 456
8. Auditor's remuneration		
Fees	11 500	11 500
9. Investment revenue		
Interest revenue		
Interest Received	28 468	17 347
10. Taxation		
Non provision of tax		
No provision has been made for 2022 tax as the company is not liable for income tax as it is a non profit Section 10 Company.		
11. Cash generated from operations		
Profit before taxation	330 093	123 640
Adjustments for:		
Depreciation and amortisation	74 448	45 664
Interest received	(28 468)	(17 347)
Changes in working capital:		
Trade and other receivables	(3 117)	781
Trade and other payables	(14 050)	3 762
	358 906	156 500
12. Directors' and prescribed officer's remuneration		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		

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Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Revenue			
Additional Rates Received		2 116 517	1 967 427
Additional Rates Retention Received		154 013	-
PETCO Donation - Harbour Beach		-	18 000
	6	2 270 530	1 985 427
Cost of sales			
Core Business expenses		(1 511 862)	(1 469 456)
Gross surplus		758 668	515 971
Operating expenses			
Accounting fees		23 535	20 252
Advertising		6 598	7 452
Auditors remuneration	8	11 500	11 500
Bank charges		6 160	6 906
COIDA		4 447	14 636
Casual staff		-	2 301
Computer expenses		8 713	618
Depreciation, amortisation and impairments		74 448	45 664
Employee costs		268 043	246 560
Insurance		4 290	4 035
Printing and stationery		3 801	3 015
Protective clothing		-	4 314
Rent		9 600	7 800
Repairs and maintenance		11 127	15 463
Sundry Expenses		7 581	3 266
Telephone and fax		17 200	15 898
		457 043	409 678
Operating surplus		301 625	106 293
Investment income	9	28 468	17 347
Surplus for the year		330 093	123 640