

LLANDUDNO SPECIAL RATING AREA NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

REGISTRATION NUMBER	2014/179104/08
DIRECTORS	M Bond-Smith (Chairperson) J Davis W Endersby A Pearce
NATURE OF BUSINESS	Providing Services to the Special Rating Area of Llandudno
REGISTERED ADDRESS	11 Apostle Road Llandudno 7806
EMAIL	sra@llandudno.org.za
WEBSITE	www.llandudno.org.za

CONTENTS	<u>Page</u>
Report of the Independent Auditors	2
Directors Responsibilities and Approval	3
Report of the Directors	4
Statement of Financial Position	5
Statement of Income and Retained Earnings	6
Statement of Cash Flows	7
Accounting Policies	8
Notes to the Annual Financial Statements	9

HARRY CURTIS & CO

Chartered Accountants

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INDEPENDENT AUDITORS REPORT

To the Members of

LLANDUDNO SPECIAL RATING AREA NPC

We have audited the annual financial statements of Llandudno Special Rating Area NPC, which comprise the statement of financial position as at 30 June 2015, the statement of income and retained earnings and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 9.

Directors Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008. 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.

Auditor's 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 of 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 auditor's 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 the directors, 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 cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008.



HARRY CURTIS & CO.
Partner : H D Curtis
Registered Auditor
(Practice No : 935050)

Cape Town

19 August 2015

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, No 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 International Financial Reporting Standards 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 International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008, 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 directors set 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.

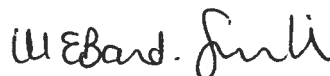
The directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing 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 2.

The financial statements set out on pages 5 to 9, which have been prepared on the going concern basis, were approved by the directors and signed accordingly.



DIRECTOR



DIRECTOR

19 August 2015

**LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

REPORT OF THE DIRECTORS

The directors hereby present their report for the year ended 30 June 2015.

INCORPORATION AND COMMENCEMENT OF OPERATIONS

The company was incorporated on 12 September 2014 from which date it commenced operations.

NATURE OF BUSINESS

The Llandudno Special Rating Area NPC is a non-profit company set up in terms of the municipal by-laws of the City of Cape Town (CoCT) which acts as the management body in respect of the Special Rating Area (SRA) determined by the CoCT in terms of section 22 of the Property Rates Act in respect of a defined geographical area. The source of revenue of the company is additional property rates billed by the CoCT to the registered property owners of Llandudno which funds are utilised to supplement services provided by the CoCT. These services include the provision of security for the common/public areas of the SRA/Llandudno, environmental maintenance and removal of alien vegetation, cleaning and tidying public open spaces and other community related services.

FINANCIAL RESULTS

The financial position and operating results of the company for the year ended 30 June 2015 are adequately reflected in the accompanying annual financial statements.

EVENTS SUBSEQUENT TO THE YEAR

No material fact or circumstance has occurred between the accounting date and the date of this report which affect the financial position of the company as reflected in these financial statements.

DIRECTORS

The names of the directors since incorporation on 12 September 2014 are reflected on page 1.

REGISTERED AND POSTAL ADDRESSES

11 Apostle Road
LLANDUDNO
7806

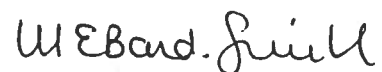
AUDITORS

Harry Curtis & Co were appointed company auditors and are re-appointed for the ensuing year.



DIRECTOR

19 August 2015



DIRECTOR

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF FINANCIAL POSITION

2015
R

ASSETS

NON CURRENT ASSETS

-

CURRENT ASSETS

157,340

Cash and Cash Equivalents
Trade Receivables

157,340
-

157,340

RESERVES AND LIABILITIES

RESERVES

Retained Income

132,532

NON CURRENT LIABILITIES

-

CURRENT LIABILITIES

24,808

Provisions
Trade Payables

-
24,808

157,340

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF INCOME AND RETAINED EARNINGS

2015
R

INCOME

Levies Received 357,219

EXPENDITURE

224,687

Advertising, Marketing and Promotions	6,278
Auditors Remuneration	10,000
Bank Charges	625
Community Service Costs	183,123
Blue Flag Beach Status	14,333
Cleaning Services	95,203
Environmental Upgrade	31,734
Security	41,853
Computer Expenses	796
Interest Paid	5,170
Printing, Stationery and Postage	3,726
Secretarial Costs	741
Statutory and Pre-Incorporation Costs	14,228

NET INCOME FOR THE YEAR

132,532

RETAINED INCOME AT BEGINNING OF YEAR

-

RETAINED INCOME AT END OF YEAR

132,532

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

STATEMENT OF CASH FLOWS

	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income for the Year	132,532
Adjustments :	
Interest Paid	5,170
Working Capital Changes	24,808
Trade Receivables	-
Trade Payables	24,808
Cash Generated from Operating Activities	162,510
Interest Paid	(5,170)
	<u>157,340</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS	157,340
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>157,340</u>

LLANDUDNO SPECIAL RATING AREA NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

ACCOUNTING POLICIES

Presentation of Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008. The financial statements are prepared on the historical cost basis and incorporate the principal accounting policies set out below.

Financial Instruments

The company classifies its financial instruments into the following categories : receivables, cash and cash equivalents and payables.

Trade and Other Receivables

Trade and other receivables are stated at cost less an allowance for doubtful debts. The allowance raised is the amount needed to reduce the carrying value to the expected future cash flows.

Cash and Cash Equivalents

Cash comprises cash on hand and deposits at call with banks. Cash equivalents comprise highly liquid investments that are convertible to cash with insignificant risk of changes in value. Cash and cash equivalents are measured at fair value.

Trade and Other Payables

Trade and other payables are measured at fair value.

Revenue Recognition

Revenue comprises special rates levies recognised on issue of monthly invoices by the City of Cape Town to all home owners in the suburb of the special rating area of Llandudno.

Taxation

The company has applied for approval as a public benefit organisation (PBO) to the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(cN) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income, or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 28%. No provision has been made for taxation as the company's income for the year will be exempt from income tax once it's registration has been approved.

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. TAXATION

The company has applied for approval as a public benefit organisation (PBO) to the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(cN) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income, or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 28%. No provision has been made for taxation as the company will be exempt from income tax once it's registration has been approved.

2. REGISTRATION AND COMMENCEMENT OF OPERATIONS

The company was registered on 12 September 2014 from which date it commenced operations.

3. COMPARATIVE FIGURES

Since this is the first year the company is in operation, being incorporated on 12 September 2014, there are no comparative figures.