

LLANDUDNO SPECIAL RATING AREA NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

REGISTRATION NUMBER	2014/179104/08
PUBLIC BENEFIT ORGANISATION NUMBER	930 049 328
DIRECTORS	M Bond-Smith (Chairperson) J Aufrichtig W Endersby P R Lupini M A MacKenzie A Pearce C De Ridder
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

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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. 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 3.

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.

W E Bard. J. Hill
DIRECTOR


DIRECTOR

16 August 2016

HARRY CURTIS & CO

Chartered Accountants

SAICA Reg. No : 001 30106

IRBA Reg. No : 935050

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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 2016, 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 2016, 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

16 August 2016

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

REPORT OF THE DIRECTORS

The directors hereby present their report on the annual financial statements for the year ended 30 June 2016.

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 2016 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

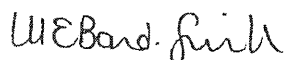
The names of the directors at the financial year end are reflected on page 1. The resignation of J Davis and appointments of J Aufrichtig, M A Mac Kenzie, P R Lupini and C De Ridder are in the process of being registered with the Companies and Intellectual Property Commission (CIPC).

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

16 August 2016



DIRECTOR

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
<u>ASSETS</u>			
NON CURRENT ASSETS			
		-	-
CURRENT ASSETS			
Cash and Cash Equivalents		100,389	157,340
Trade Receivables	1	52,107 48,282	157,340 -
		<u>100,389</u>	<u>157,340</u>
 <u>RESERVES AND LIABILITIES</u>			
RESERVES			
Retained Income		91,189	132,532
NON CURRENT LIABILITIES			
		-	-
CURRENT LIABILITIES			
Provisions		9,200	24,808
Trade Payables	2	-	-
		9,200	24,808
		<u>100,389</u>	<u>157,340</u>

LLANDUDNO SPECIAL RATING AREA NPC
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF INCOME AND RETAINED EARNINGS

<u>Notes</u>	<u>2016</u> R	<u>2015</u> R
INCOME	510,222	357,219
Donations Received	127,614	-
Levies Received - Current Year	376,159	357,219
Levies Received - Prior Year Retention Refund	6,449	-
EXPENDITURE	551,565	224,687
Auditors Remuneration	9,100	10,000
Bank Charges	1,247	625
Capital Expenses - Security Equipment	352,014	-
Community Service Costs	169,507	183,123
Blue Flag Beach Status	-	14,333
Cleaning Services	84,364	95,203
Environmental Upgrade	29,321	31,734
Security	53,482	41,853
Social Upliftment	2,340	-
Computer Expenses	8,653	796
Interest Paid	-	5,170
Marketing and Newsletters	3,768	6,278
Meeting Expenses	6,426	-
Printing, Stationery and Postage	850	3,726
Secretarial Costs	-	741
Statutory and Pre-Incorporation Costs	-	14,228
NET INCOME / (LOSS) FOR THE YEAR	(41,343)	132,532
RETAINED INCOME AT BEGINNING OF YEAR	132,532	-
RETAINED INCOME AT END OF YEAR	91,189	132,532

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STATEMENT OF CASH FLOWS

	<u>2016</u> R	<u>2015</u> R
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (Loss) for the Year	(41,343)	132,532
Adjustments :		
Interest Paid	-	5,170
Working Capital Changes	(63,890)	24,808
Trade Receivables	(48,282)	-
Trade Payables	(15,608)	24,808
Cash Utilised in Operating Activities	(105,233)	162,510
Interest Paid	-	(5,170)
	<u>(105,233)</u>	<u>157,340</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(105,233)	157,340
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	157,340	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>52,107</u>	<u>157,340</u>

LLANDUDNO SPECIAL RATING AREA NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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. These accounting policies are consistent, in all material respects, with those applied in the previous period.

Recognition of Assets and Liabilities

Assets are recognised if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the company and the cost or fair value can be measured reliably.

Liabilities are only recognised if they meet the definition of a liability, it is probable that future economic benefits economic benefits with the liability will flow from the company and the cost or fair value can be measured reliably.

Property, Plant and Equipment

The company has not complied with International Financial Reporting Standard IAS 16 on Property, Plant and Equipment as to the capitalisation of costs and depreciating of assets over their useful lives. The company's policy is to write off property, plant and equipment on acquisition as a capital expense in the statement of income and retained earnings.

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. Donations received are accounted for on receipt from the donor.

Taxation

The company has been approved as a public benefit organisation (PBO) by 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%.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	<u>2016</u> R	<u>2015</u> R
1. TRADE RECEIVABLES		
South African Revenue Service - VAT	48,282	-
	<hr/> <hr/>	<hr/> <hr/>
2. TRADE PAYABLES		
Harry Curtis & Co - Audit and Tax	9200	10,000
South African Revenue Service - VAT	-	4,168
Weavers Horticultural Services	-	10,640
	<hr/> <hr/>	<hr/> <hr/>
	9,200	24,808