

ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2015/169342/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2015/169342/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	District improvement
Directors	JB Houston G Castle DG Lorimer AJ Bowring
Registered office	40 6th Avenue Elsies River 7480
Business address	40 6th Avenue Elsies River 7480
Postal address	40 6th Avenue Elsies River 7480
Bankers	Standard Bank Limited
Auditor's	C2M Chartered Accountants Incorporated Chartered Accountants (S.A.) Registered Auditors
Company registration number	2015/169342/08
Tax reference number	9307/820/25/6
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Issued	30 June 2016

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

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

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.

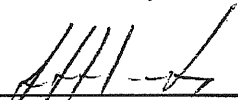
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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 directors 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 2017 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.

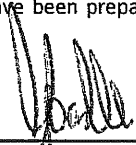
The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the directors on 25 July 2016 and were signed on its behalf by:



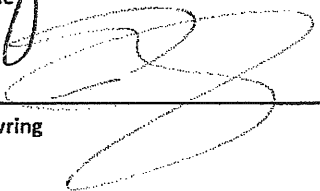
JB Houston



DG Lorimer



G Castle



AJ Bowring

Bellville

25 July 2016

INDEPENDENT AUDITOR'S REPORT

To the directors of Elsie's River City Improvement District NPC

We have audited the annual financial statements of Elsie's River City Improvement District NPC, as set out on pages 8 to 14, which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

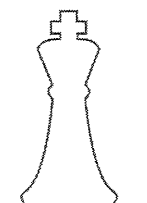
Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual 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 company'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 annual 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 Elsie's River City Improvement District NPC as at 30 June 2016, 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 71 of 2008.



Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 15 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required by Companies Act, 71 of 2008

As part of our audit of the annual financial statements for the year ended 30 June 2016, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

25 July 2016

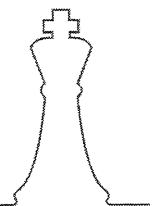
C2M Chartered Accountants Incorporated
Registered Auditors

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
Bellville
7530

MD Dreyer
Professional Accountant (S.A.)
Associate

HELPING YOU  MAKE THE RIGHT MOVE

C2M is a Level 1 contributor and value added supplier with B-BBEE procurement recognition of 168,75%



ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
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DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Elsie's River City Improvement District NPC for the year ended 30 June 2016.

1. Incorporation

The company was incorporated on 18 May 2015 and obtained its certificate to commence business on the same day.

2. Nature of business

Elsie's River City Improvement District NPC was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

3. 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.

4. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control program, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

5. Directors

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

Directors
JB Houston
G Castle
DG Lorimer
AJ Bowring

There have been no changes to the directorate for the period under review.

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

7. 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.

8. Going concern

The directors have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and do not believe that the company has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly not been prepared on the going concern basis.

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DIRECTORS' REPORT

9. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

10. Secretary

The company had no secretary during the year.

11. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 25 July 2016. No authority was given to anyone to amend the financial statements after the date of issue.

12. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

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 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016
 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note(s)	2016 R
Assets		
Non-Current Assets		
Property, plant and equipment	2	364,744
Current Assets		
Trade and other receivables	3	41,887
Cash and cash equivalents	4	58,378
		<u>100,265</u>
Total Assets		<u>465,009</u>
Equity and Liabilities		
Equity		
Retained income		465,009
Total Equity and Liabilities		<u>465,009</u>

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2016 R
Revenue	5	1,915,300
Other income	6	203,058
Operating expenses		(1,653,349)
Operating profit		465,009
Profit for the year		465,009
Other comprehensive income		-
Total comprehensive income for the year		465,009

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STATEMENT OF CASH FLOWS

	Note(s)	2016 R
Cash flows from operating activities		
Cash generated from operations	8	<u>445,237</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	2	<u>(386,859)</u>
Total cash movement for the year		<u>58,378</u>
Total cash at end of the year	4	<u>58,378</u>

ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

ACCOUNTING POLICIES

1. Presentation of annual financial statements

The annual financial statements have been prepared 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, except for biological assets at fair value less point of sale costs, 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include 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.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Security equipment	Straight line	5 years

Gains and losses on disposals are recognised in profit or loss.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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ACCOUNTING POLICIES

1.3 Financial instruments (continued)

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

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ACCOUNTING POLICIES

1.7 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2016
R

2. Property, plant and equipment

	2016		
	Cost	Accumulated depreciation	Carrying value
Security equipment	386,859	(22,115)	364,744

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Security equipment	-	386,859	(22,115)	364,744

3. Trade and other receivables

Trade receivables	11,400
VAT	30,487
	41,887

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	58,378
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5. Revenue

Levies received	1,915,300
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6. Other Income

Donations received	203,058
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7. Taxation

No provision has been made for 2016 tax as the company is a non profit company.

8. Cash generated from operations

Profit before taxation	465,009
Adjustments for:	
Depreciation and amortisation	22,115
Changes in working capital:	
Trade and other receivables	(41,887)
	445,237

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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DETAILED INCOME STATEMENT

	Note(s)	2016 R
Revenue		
Levies received		1,915,300
Other income		
Donations received		203,058
Operating expenses		
Administration and management fees		(275,000)
Advertising		(4,407)
Bank charges		(3,914)
Cleaning		(183,260)
Computer expenses		(5,500)
Depreciation, amortisation and impairments		(22,115)
Enviromental upgrading		(14,907)
Insurance		(1,649)
Meeting expenses		(865)
Motor vehicle expenses		(16,500)
Promotions		(3,630)
Repairs and maintenance		(6,539)
Security		(1,097,250)
Social upliftment		(6,813)
Telephone and fax		(11,000)
		(1,653,349)
Profit for the year		465,009