

ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2015/169342/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2015/169342/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 Auditor
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.
Preparer	The annual financial statements were independently compiled by: MD Dreyer Professional Accountant (S.A.)
Issued	03 July 2017

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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 external auditor's is 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 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 2018 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 auditor's 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 auditor's and their report is presented on page 4.

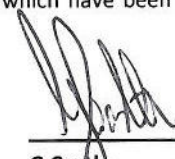
The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the directors on 24 July 2017 and were signed on its behalf by:



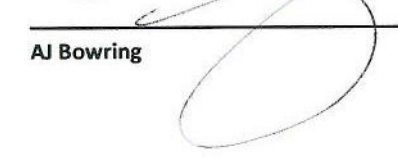
JB Houston



DG Lorimer



G Castle



AJ Bowring

Bellville
24 July 2017

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the Annual Financial Statements of Elsie's River City Improvement District NPC set out on pages 8 to 16, which comprise the Statement of Financial Position as at 30 June 2017, 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 significant accounting policies.

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 2017, 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 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

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.

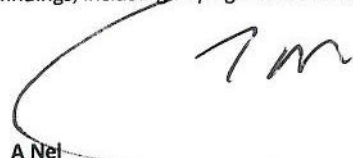
Auditor's responsibilities for the audit of the Annual Financial Statements

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.

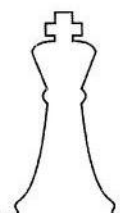
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



A Nel
Chartered Accountants (S.A.)
Register Auditors
Director

24 July 2017

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
Bellville
7530



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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 2017.

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. 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.

7. 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.

8. 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.

9. 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.

DIRECTORS' REPORT

10. 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.

11. Liquidity and solvency

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

12. Secretary

The company had no secretary during the year.

13. Auditor

C2M Chartered Accountants Incorporated continued in office as auditors for the company for 2017.

At the AGM, the shareholder will be requested to reappoint C2M Chartered Accountants Incorporated as the independent external auditors of the company and to confirm A Nel as the designated lead audit partner for the 2018 financial year.

14. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 24 July 2017. No authority was given to anyone to amend the financial statements after the date of issue.

ELSIES RIVER CITY IMPROVEMENT DISTRICT NPC
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 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note(s)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	370,336	364,744
Current Assets			
Trade and other receivables	3	12,035	41,887
Cash and cash equivalents	4	209,913	58,378
		221,948	100,265
Total Assets		592,284	465,009
Equity and Liabilities			
Equity			
Retained income		592,284	465,009
Total Equity and Liabilities		592,284	465,009

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2017 R	2016 R
Revenue	5	2,172,094	1,915,300
Other income	6	-	203,058
Operating expenses		(2,044,819)	(1,653,349)
Operating profit		127,275	465,009
Profit for the year		127,275	465,009
Other comprehensive income		-	-
Total comprehensive income for the year		127,275	465,009

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STATEMENT OF CHANGES IN EQUITY

	Retained income R	Total equity R
Profit for the year	465,009	465,009
Other comprehensive income	-	-
Total comprehensive income for the year	465,009	465,009
Balance at 01 July 2016	465,009	465,009
Profit for the year	127,275	127,275
Other comprehensive income	-	-
Total comprehensive income for the year	127,275	127,275
Balance at 30 June 2017	592,284	592,284

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STATEMENT OF CASH FLOWS

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash generated from operations	9	236,355	445,237
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(84,820)	(386,859)
Total cash movement for the year		151,535	58,378
Cash at the beginning of the year		58,378	-
Total cash at end of the year	4	209,913	58,378

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

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

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.

ACCOUNTING POLICIES

1.3 Financial instruments (continued)

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.

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.

ACCOUNTING POLICIES

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.

1.7 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
2. Property, plant and equipment						
Security equipment	471,679	(101,343)	370,336	386,859	(22,115)	364,744
Reconciliation of property, plant and equipment - 2017						
	Opening balance	Additions	Depreciation	Total		
Security equipment	364,744	84,820	(79,228)	370,336		
Reconciliation of property, plant and equipment - 2016						
	Opening balance	Additions	Depreciation	Total		
Security equipment	-	386,859	(22,115)	364,744		
Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.						
3. Trade and other receivables						
Trade receivables				-		11,400
VAT				12,035		30,487
				12,035		41,887
4. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Cash on hand				209,913		58,378
5. Revenue						
Levies received				2,172,094		1,915,300
6. Other Income						
Donations received				-		203,058
7. Taxation						
No provision has been made for 2017 tax as the company is a non profit company.						
8. Auditor's remuneration						
Fees				2,771		-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017 R	2016 R
9. Cash generated from operations		
Profit before taxation	127,275	465,009
Adjustments for:		
Depreciation and amortisation	79,228	22,115
Changes in working capital:		
Trade and other receivables	29,852	(41,887)
	236,355	445,237

10. 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)	2017 R	2016 R
Revenue			
Levies received		2,172,094	1,915,300
Other income			
Donations received		-	203,058
Operating expenses			
Accounting fees		(6,990)	-
Administration and management fees		(324,000)	(275,000)
Advertising		(7,317)	(4,407)
Auditors remuneration	8	(2,771)	-
Bank charges		(3,112)	(3,914)
Cleaning		(216,000)	(183,260)
Computer expenses		(6,480)	(5,500)
Contingency		(783)	-
Depreciation, amortisation and impairments		(79,228)	(22,115)
Environmental upgrading		(40,649)	(14,907)
Insurance		(1,979)	(1,649)
Meeting expenses		(1,542)	(865)
Motor vehicle expenses		(19,440)	(16,500)
Promotions		(7,200)	(3,630)
Repairs and maintenance		(1,765)	(6,539)
Seed capital		(4,925)	-
Social upliftment		(11,442)	(6,813)
Social upliftment		(1,296,000)	(1,097,250)
Street furniture		(13,196)	-
Telephone and fax		-	(11,000)
		(2,044,819)	(1,653,349)
Profit for the year		127,275	465,009