

# **GARSCOM RESIDENTS ASSOCIATION NPC**

**(Registration Number 2007/012733/08)**

**PBO 930-034-335**

**Annual Financial Statements  
for the year ended 29 February 2020**

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 29 February 2020

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# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 29 February 2020

## GENERAL INFORMATION

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### COUNTRY OF INCORPORATION AND DOMICILE

South Africa

### NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Establishing a security residential area within the suburb of Garsfontein, Pretoria, and the development and promotion of the environmental and conservation interests of the area

### MANAGEMENT

CE van Niekerk  
HPJ Meyer  
PM Machere  
V Roelofse

### REGISTERED OFFICE

739 Greyhound Street  
Garsfontein X10  
Pretoria  
0081

### BANKERS

ABSA Bank

### AUDITORS

Van Wyk & Associates  
881 St Bernard Drive  
Garsfontein  
Pretoria  
Gauteng  
0042

### COMPANY SECRETARY

HPJ Meyer

St Bernard Rylaan 881  
Garsfontein X10  
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Praktyk Nr: 332135

*Geoktrooieerde Rekenmeester (SA)*



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P.O. Box 99784  
GARSFONTEIN EAST  
0060

Practice No: 332135

*Chartered Accountant (SA)*

## Independent Auditor's Report

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### To the Management of Garscom Residents Association NPC

We have audited the annual financial statements of Garscom Residents Association NPC set out on pages 5 to 11, which comprise the statement of financial position as at 29 February 2020, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Annual Financial Statements

The organisation's management is responsible for the preparation of the annual financial statements in accordance with the basis of accounting described in note 2, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, 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 about 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 entity's preparation 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 entity'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 of Garscom Residents Association NPC for the year ended 29 February 2020 are prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the annual financial statements.

Van Wyk & Associates

25 May 2020

  
Per: \_\_\_\_\_

Registered Auditor

881 St Bernard Drive  
Garsfontein  
Pretoria  
Gauteng  
0042

# GARSCOM RESIDENTS ASSOCIATION NPC

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Annual Financial Statements for the year ended 29 February 2020

## Management's Responsibilities and Approval

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Management is required 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 satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.


Management acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the management committee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

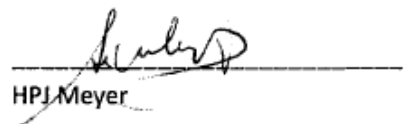
Management is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, Van Wyk & Associates, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. Management believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 2.

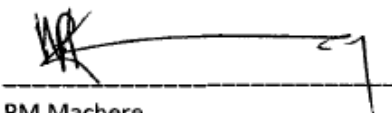
The annual financial statements as set out on pages 5 to 11 were approved by the management committee on 25 May 2020 and were signed on its behalf by:



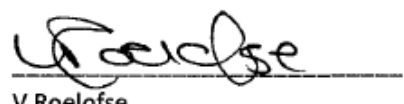
CE van Niekerk



HPI Meyer



PM Machere



V Roelofse

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 29 February 2020

## Management's Report

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The management committee present their report for the year ended 29 February 2020.

### 1. Review of activities

#### Main business and operations

The principal activity of the organisation is establishing a security residential area within the suburb of Garsfontein, Pretoria, and the development and promotion of the environmental and conservation interests of the area and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. 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.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

### 4. Management

The management of the organisation during the year and to the date of this report are as follows:

CE van Niekerk  
HPJ Meyer  
PM Machere  
V Roelofse

### 5. Secretary

The organisation's designated secretary is HPJ Meyer.

### 6. Independent Auditors

Van Wyk & Associates were the independent auditors for the year under review.

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Statement of Financial Position

Figures in R	Note(s)	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	82,625	185,694
<b>Current Assets</b>			
Trade and other receivables	4	70,477	51,713
Cash and cash equivalents	5	609,354	418,533
		<b>679,831</b>	<b>470,246</b>
<b>Total Assets</b>		<b>762,456</b>	<b>655,940</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Other components of equity	6	7,947	7,947
Retained earnings		750,599	642,109
		<b>758,546</b>	<b>650,056</b>
<b>Current Liabilities</b>			
Trade and other payables	7	3,910	5,884
<b>Total Reserves and Liabilities</b>		<b>762,456</b>	<b>655,940</b>

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Statement of Comprehensive Income

Figures in R	Note(s)	2020	2019
<b>Revenue</b>	8	927,710	995,593
Operating costs		<u>(846,963)</u>	<u>(886,784)</u>
<b>Operating surplus</b>		<b>80,747</b>	<b>108,809</b>
Finance income		<u>27,743</u>	<u>14,882</u>
<b>Surplus for the year</b>		<b><u>108,490</u></b>	<b><u>123,691</u></b>



# GARSCOM RESIDENTS ASSOCIATION NPC

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Financial Statements for the year ended 29 February 2020

## Statement of Changes in Reserves

Figures in R	Other components of equity	Accumulated surplus	Total
<b>Balance at 1 March 2018</b>	7,947	518,418	526,365
<b>Total comprehensive income for the year</b>			
Surplus for the year		123,691	123,691
<b>Total comprehensive income for the year</b>	-	123,691	123,691
<b>Balance at 28 February 2019</b>	<b>7,947</b>	<b>642,109</b>	<b>650,056</b>
<b>Balance at 1 March 2019</b>	7,947	642,109	650,056
<b>Total comprehensive income for the year</b>			
Surplus for the year		108,490	108,490
<b>Total comprehensive income for the year</b>	-	108,490	108,490
<b>Balance at 29 February 2020</b>	<b>7,947</b>	<b>750,599</b>	<b>758,546</b>
<b>Note</b>	6		

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Statement of Cash Flows

Figures in R	Note(s)	2020	2019
<b>Cash flows from operating activities</b>			
Surplus for the year		108,490	123,691
<i>Adjustments for:</i>			
Depreciation of Tangible assets		109,623	115,627
Investment income		(27,743)	(14,882)
<b>Operating cash flow before working capital changes</b>		<u>190,370</u>	<u>224,436</u>
<i>Working capital changes</i>			
Increase in trade and other receivables		(18,764)	(34,781)
Decrease in trade and other payables		(1,972)	(1,363)
<b>Cash generated by operating activities</b>		<u>169,634</u>	<u>188,292</u>
Investment income		27,743	14,882
<b>Net cash from operating activities</b>		<u><b>197,377</b></u>	<u><b>203,174</b></u>
Property, plant and equipment acquired	3	(6,556)	(17,295)
Increase in cash and cash equivalents		190,821	185,879
Cash and cash equivalents at beginning of the year		418,533	232,654
<b>Cash and cash equivalents at end of the year</b>	5	<u><b>609,354</b></u>	<u><b>418,533</b></u>

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Accounting Policies

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### 1. General information

Garscom Residents Association NPC is a non-profit company.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the accounting policies as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Revenue recognition

##### 2.1.1 Income recognition

The NPC recognises all income strictly on a cash basis. Interest received is recognised on an accrual basis.

#### 2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs 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 charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	20.00%
Security equipment	20.00%
IT equipment	33.33%
Other fixed asset	20.00%

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

Figures in R 2020 2019

### 3. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Furniture and fittings	8,000	7,397	<b>603</b>	8,000	5,793	2,207
Security equipment	465,729	390,124	<b>75,605</b>	470,539	309,893	160,646
IT equipment	10,899	10,897	<b>2</b>	10,899	10,897	2
Other fixed asset	100,074	93,659	<b>6,415</b>	100,074	77,235	22,839
	<b>584,702</b>	<b>502,077</b>	<b>82,625</b>	<b>589,512</b>	<b>403,818</b>	<b>185,694</b>

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	2,207	-	-	(1,604)	603
Security equipment	160,646	6,556	-	(91,596)	75,605
IT equipment	2	-	-	-	2
Other fixed asset	22,839	-	-	(16,423)	6,415
	<b>185,694</b>	<b>6,556</b>	<b>-</b>	<b>(109,623)</b>	<b>82,625</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	3,207	600	-	(1,600)	2,207
Security equipment	237,965	15,795	-	(93,113)	160,646
IT equipment	1	900	-	(899)	2
Other fixed asset	42,853	-	-	(20,015)	22,839
	<b>284,026</b>	<b>17,295</b>	<b>-</b>	<b>(115,627)</b>	<b>185,694</b>

### 4. Trade and other receivables

Trade debtors	58,874	28,217
Sundry debtors	3,535	16,112
Deposits	8,068	7,384
	<b>70,477</b>	<b>51,713</b>

### 5. Cash and cash equivalents

#### Favourable cash balances

Bank balances	609,354	418,533
Current assets	609,354	418,533
	<b>609,354</b>	<b>418,533</b>

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

Figures in R	2020	2019
<b>6. Other components of equity</b>		
Other components of equity	7,947	7,947
<b>7. Trade and other payables</b>		
Sundry creditors	-	2,749
Trade creditors	3,910	3,135
	<u>3,910</u>	<u>5,884</u>
<b>8. Revenue</b>		
An analysis of revenue is as follows:		
Insurance claims	10,893	-
Calenders	17,070	20,550
Membership fees	330,220	341,150
Recognition evening - tickets sale	-	18,664
Donations received: Business	390,642	436,705
Donations received: Residents	159,237	160,705
Radios and licences	9,977	1,290
Fund raising	8,735	16,360
Sundry income	936	169
	<u>927,710</u>	<u>995,593</u>
Investment income	27,743	14,882
	<u>955,453</u>	<u>1,010,475</u>
Less: Expenses	846,963	886,784
Surplus	<u>108,490</u>	<u>123,691</u>

## 9. Approval of annual financial statements

These financial statements were approved by the management committee and authorised for issue on 25 May 2020.

# GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Financial Statements for the year ended 29 February 2020

## Detailed Income Statement

Figures in R	2020	2019
<b>Gross Revenue</b>		
Calenders	17,070	20,550
Donations received - Business	390,642	436,705
Donations received - Residents	159,237	160,705
Fund raising	8,735	16,360
Insurance claims	10,893	-
Membership fees	330,220	341,150
Radios and licences	9,977	1,290
Recognition evening - tickets sale	-	18,664
Sundry income	936	169
	<u>927,710</u>	<u>995,593</u>
<b>Other Income</b>		
Investment income	27,743	14,882
	<u>27,743</u>	<u>14,882</u>
	<b>955,453</b>	<b>1,010,475</b>
<b>Expenditure</b>		
Accounting fees	72,390	68,080
Advertising	8,686	8,761
Bank charges	6,196	5,682
Business integrator fees	11,941	13,127
Cleaning	7,210	4,140
Communication costs	37,386	45,542
Computer expenses	2,285	675
Control room expenses	470,242	515,960
Data administration expenses	36,000	36,000
Depreciation - Tangible assets	109,623	115,627
Donations	5,000	4,200
Entrance board expenses	4,200	4,200
Functions	1,800	23,694
General expenses	2,000	-
Insurance	28,483	28,315
Legal expense	4,667	-
Loss on assets written off	3,295	-
Motor vehicle expense	1,533	-
Patrol expenses	11,995	2,004
Printing and stationery	748	480
Radio license fees - iCASA	4,141	-
Radio repairs and programming	-	300
Staff welfare	7,162	5,197
Storage expenses	5,180	-
Telephone and fax	4,800	4,800
	<u>846,963</u>	<u>886,784</u>
<b>Surplus for the year</b>	<b>108,490</b>	<b>123,691</b>