

**GARSCOM (NPO)**  
**(Registration Number 2007/012733/08)**  
**Annual Financial Statements**  
**for the year ended 28 February 2017**

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

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# **GARSCOM (NPO)**

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## **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  
HJJ Prozesky  
V Roelofse (Appointed 4 May 2016)

**BANKERS**

ABSA Bank

**AUDITORS**

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

**COMPANY SECRETARY**

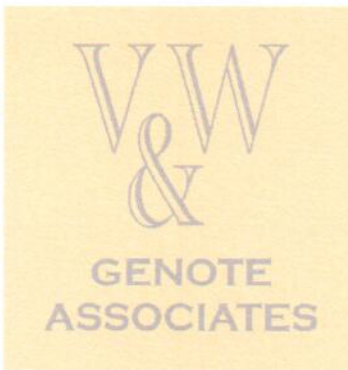
HPJ Meyer

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0060

Practice No: 332135

*Chartered Accountant (SA)*

## INDEPENDENT AUDITOR'S REPORT

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### To the management of Garscom (NPO)

We have audited the annual financial statements of Garscom (NPO) set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2017, 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

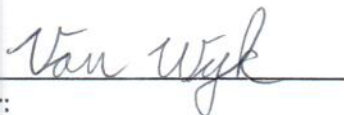
In our opinion, the annual financial statements of Garscom (NPO) for the year ended 28 February 2017 are prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the annual financial statements.

Van Wyk & Associates

21 April 2017

Per:

Registered Auditors



881 St Bernard Drive  
Garsfontein  
Pretoria  
Gauteng  
0042

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## **MANAGEMENT'S RESPONSIBILITIES AND APPROVAL**

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The 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 and present fairly 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.

The 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.

The 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 3.

The annual financial statements as set out on pages 6 to 12 were approved by the management committee on 10 May 2017 and were signed on its behalf by:

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CE van Niekerk

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HPJ Meyer

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PM Machere

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HJJ Prozesky

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V Roelofse

# **GARSCOM (NPO)**

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## **MANAGEMENT'S REPORT**

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The management committee present their report for the year ended 28 February 2017.

### **1. Review of activities**

#### **Main business and operations**

The principal activity of the company 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 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  
HJJ Prozesky  
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 (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements as at 28 February 2017

## Statement of Financial Position

Figures in R	Note(s)	2017	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	330,075	402,095
<b>Current Assets</b>			
Trade and other receivables	4	21,289	33,993
Cash and cash equivalents	5	203,566	177,519
		<b>224,855</b>	<b>211,512</b>
<b>Total Assets</b>		<b>554,930</b>	<b>613,607</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Other components of equity	6	7,947	7,947
Retained earnings		532,959	520,270
		<b>540,906</b>	<b>528,217</b>
<b>Current Liabilities</b>			
Trade and other payables	7	14,024	85,390
<b>Total Reserves and Liabilities</b>		<b>554,930</b>	<b>613,607</b>

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Comprehensive Income

Figures in R	Note(s)	2017	2016
<b>Revenue</b>	8	938,381	978,651
Operating costs		(935,169)	(919,815)
<b>Operating surplus</b>		<b>3,212</b>	<b>58,836</b>
Finance income		9,477	14,884
<b>Surplus for the year</b>		<b>12,689</b>	<b>73,720</b>



# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Changes in Reserves

Figures in R	Other components of equity	Accumulated surplus	Total
<b>Balance at 1 March 2015</b>	7,947	446,550	454,497
<b>Total comprehensive income for the year</b>			
Surplus for the year		73,720	73,720
<b>Total comprehensive income for the year</b>	-	73,720	73,720
<b>Balance at 29 February 2016</b>	<b>7,947</b>	<b>520,270</b>	<b>528,217</b>
<b>Balance at 1 March 2016</b>	7,947	520,270	528,217
<b>Total comprehensive income for the year</b>			
Surplus for the year		12,689	12,689
<b>Total comprehensive income for the year</b>	-	12,689	12,689
<b>Balance at 28 February 2017</b>	<b>7,947</b>	<b>532,959</b>	<b>540,906</b>

Note

6

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Cash Flows

Figures in R	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Surplus for the year		12,689	73,720
<i>Adjustments for:</i>			
Depreciation of Tangible assets		105,798	87,552
Investment income		(9,477)	(14,884)
<b>Operating cash flow before working capital changes</b>		<b>109,010</b>	<b>146,388</b>
<i>Working capital changes</i>			
Decrease/(increase) in trade and other receivables		12,704	(23,617)
(Decrease)/Increase in trade and other payables		(71,366)	82,188
<b>Cash generated by operating activities</b>		<b>50,348</b>	<b>204,959</b>
Investment income		9,477	14,884
<b>Net cash from operating activities</b>		<b>59,825</b>	<b>219,843</b>
Property, plant and equipment acquired	3	(33,778)	(399,841)
Increase/(decrease) in cash and cash equivalents		26,047	(179,998)
Cash and cash equivalents at beginning of the year		177,519	357,517
<b>Cash and cash equivalents at end of the year</b>	5	<b>203,566</b>	<b>177,519</b>

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Accounting Policies

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### 1. General information

Garscom (NPO) is a non-profit organisation.

### 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 NPO 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 (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Notes to the Annual Financial Statements

Figures in R 2017 2016

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2017 Carrying value	Cost	Accumulated depreciation	2016 Carrying value
<i>Owned assets</i>						
Furniture and fittings	7,400	2,713	<b>4,687</b>	7,400	1,233	6,167
Security equipment	408,593	145,564	<b>263,029</b>	391,641	64,066	327,575
IT equipment	38,245	24,814	<b>13,431</b>	21,419	19,314	2,105
Other fixed asset	86,599	37,671	<b>48,928</b>	86,599	20,351	66,248
	<b>540,837</b>	<b>210,762</b>	<b>330,075</b>	<b>507,059</b>	<b>104,964</b>	<b>402,095</b>

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2017 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	6,167	-	-	(1,480)	4,687
Security equipment	327,575	16,952	-	(81,498)	263,029
IT equipment	2,105	16,826	-	(5,500)	13,431
Other fixed asset	66,248	-	-	(17,320)	48,928
	<b>402,095</b>	<b>33,778</b>	<b>-</b>	<b>(105,798)</b>	<b>330,075</b>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2016 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	-	7,400	-	(1,233)	6,167
Security equipment	3,955	386,041	-	(62,421)	327,575
IT equipment	9,244	-	-	(7,139)	2,105
Other fixed asset	76,607	6,400	-	(16,759)	66,248
	<b>89,806</b>	<b>399,841</b>	<b>-</b>	<b>(87,552)</b>	<b>402,095</b>

### 4. Trade and other receivables

Trade debtors	7,370	10,433
Sundry debtors	6,919	16,560
Deposits	7,000	7,000
	<b>21,289</b>	<b>33,993</b>

### 5. Cash and cash equivalents

#### Favourable cash balances

Bank balances	203,566	177,519
Current assets	203,566	177,519
	<b>203,566</b>	<b>177,519</b>

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Notes to the Annual Financial Statements

Figures in R

	2017	2016
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### 6. Other components of equity

Other components of equity	7,947	7,947
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### 7. Trade and other payables

Sundry creditors	7,000	-
Trade creditors	6,074	85,035
Amounts received in advance	950	355
	<u>14,024</u>	<u>85,390</u>

### 8. Revenue

An analysis of revenue is as follows:

Clothing	-	150
Calenders	14,700	17,100
Chubb new contracts	2,403	2,364
Other income	-	2,000
Membership fees	323,996	329,640
Recognition evening - tickets sale	3,195	-
Donations received: Business	391,455	428,371
Donations received: Residents	160,293	165,448
Radios and licences	14,988	11,872
Fund raising	26,451	21,705
Sundry income	900	-
	<u>938,381</u>	<u>978,651</u>
Investment income	9,477	14,884
	<u>947,857</u>	<u>993,535</u>
Less: Expenses	930,955	919,815
Surplus	<u>16,903</u>	<u>73,720</u>

### 9. Approval of annual financial statements

These financial statements were approved by the management committee and authorised for issue on 21 April 2017.

# GARSCOM (NPO)

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2017

## Detailed Income Statement

Figures in R	2017	2016
<b>Gross Revenue</b>		
Clothing	-	150
Calenders	14,700	17,100
Chubb new contracts	2,403	2,364
Donations received - Business	391,455	428,371
Donations received - Residents	160,293	165,448
Fund raising	26,451	21,705
Membership fees	323,996	329,640
Other income	-	2,000
Radios and licences	14,988	11,872
Recognition evening - tickets sale	3,195	-
Sundry income	900	-
	<u>938,381</u>	<u>978,651</u>
<b>Other Income</b>		
Investment income	9,477	14,884
	<u>9,477</u>	<u>14,884</u>
	<b>947,858</b>	<b>993,535</b>
<b>Expenditure</b>		
Accounting fees	42,000	38,500
Advertising	11,747	26,250
Bank charges	5,272	5,624
Business integrator fees	11,224	9,068
Cleaning	1,350	-
Communication costs	4,214	-
Computer expenses	1,298	19,357
Control room expenses	527,236	544,771
Data administration expenses	81,000	73,000
Depreciation - Tangible assets	105,798	87,552
Donations	1,251	5,000
Entrance board expenses	4,200	-
Fun day	18,837	16,317
Functions	33,772	15,907
Green lights and magnets	800	-
Insurance	30,661	29,371
Postage	420	-
Printing and stationery	33,583	38,518
Radio license fees - iCASA	3,530	-
Radio repairs and programming	360	-
Repairs and maintenance	7,532	-
Statutory fees	-	938
Subscriptions	855	-
Telephone and fax	8,228	9,642
	<u>935,169</u>	<u>919,815</u>
<b>Surplus for the year</b>	<b>12,689</b>	<b>73,720</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited