

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

PBO 930-034-335

**Annual Financial Statements
for the year ended 28 February 2019**

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2019

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GENERAL INFORMATION

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 N Prinsloo (Resigned 24 July 2018)
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

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Chartered Accountant (SA)

Independent Auditor's Report

To the Management of Garscom Residents Association NPC

We have audited the annual financial statements of Garscom Residents Association NPC set out on pages 6 to 12, which comprise the statement of financial position as at 28 February 2019, 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 28 February 2019 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

10 May 2019

Per:
Registered Auditor

**881 St Bernard Drive
Garsfontein
Pretoria
Gauteng
0042**

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Annual Financial Statements for the year ended 28 February 2019

Management's Responsibilities and Approval

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 3.

The annual financial statements as set out on pages 6 to 12 were approved by the management committee on 10 May 2019 and were signed on its behalf by:


CE van Niekerk


PM Machere


HPI Meyer


V Roelofse

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Annual Financial Statements for the year ended 28 February 2019

Management's Report

The management committee present their report for the year ended 28 February 2019.

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

N Prinsloo (Resigned 24 July 2018)

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.

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Financial Statements for the year ended 28 February 2019

Statement of Financial Position

Figures in R	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	185,694	284,026
Current Assets			
Trade and other receivables	4	51,713	16,932
Cash and cash equivalents	5	418,533	232,654
		470,246	249,586
Total Assets		655,940	533,612
Reserves and Liabilities			
Reserves			
Other components of equity	6	7,947	7,947
Retained earnings		642,109	518,418
		650,056	526,365
Current Liabilities			
Trade and other payables	7	5,884	7,247
Total Reserves and Liabilities		655,940	533,612

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Statement of Comprehensive Income

Figures in R	Note(s)	2019	2018
Revenue	8	995,593	967,817
Operating costs		<u>(886,784)</u>	<u>(991,621)</u>
Operating surplus/(deficit)		108,809	(23,804)
Finance income		<u>14,882</u>	<u>9,257</u>
Surplus/(deficit) for the year		123,691	(14,547)

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Statement of Changes in Reserves

Figures in R	Other components of equity	Accumulated surplus	Total
Balance at 1 March 2017	7,947	532,965	540,912
Total comprehensive income for the year			
Deficit for the year		(14,547)	(14,547)
Total comprehensive income for the year	-	(14,547)	(14,547)
Balance at 28 February 2018	7,947	518,418	526,365
Balance at 1 March 2018	7,947	518,418	526,365
Total comprehensive income for the year			
Surplus for the year		123,691	123,691
Total comprehensive income for the year	-	123,691	123,691
Balance at 28 February 2019	7,947	642,109	650,056

Note

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Statement of Cash Flows

Figures in R	Note(s)	2019	2018
Cash flows from operating activities			
Surplus/(deficit) for the year		123,691	(14,547)
<i>Adjustments for:</i>			
Depreciation of Tangible assets		115,627	108,259
Investment income		(14,882)	(9,257)
Operating cash flow before working capital changes		224,436	84,455
<i>Working capital changes</i>			
(Increase)/decrease in trade and other receivables		(34,781)	4,357
Decrease in trade and other payables		(1,363)	(6,771)
Cash generated by operating activities		188,292	82,041
Investment income		14,882	9,257
Net cash from operating activities		203,174	91,298
Property, plant and equipment acquired	3	(17,295)	(71,876)
Proceeds on disposals of property, plant and equipment		-	9,666
Increase in cash and cash equivalents		185,879	29,088
Cash and cash equivalents at beginning of the year		232,654	203,566
Cash and cash equivalents at end of the year	5	418,533	232,654

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Accounting Policies

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%

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Notes to the Annual Financial Statements

Figures in R 2019 2018

3. Property, plant and equipment

	Cost	Accumulated depreciation	2019 Carrying value	Cost	Accumulated depreciation	2018 Carrying value
<i>Owned assets</i>						
Furniture and fittings	8,000	5,793	2,207	7,400	4,193	3,207
Security equipment	470,539	309,893	160,646	454,744	216,779	237,965
IT equipment	10,899	10,897	2	9,999	9,998	1
Other fixed asset	100,074	77,235	22,839	100,074	57,221	42,853
	589,512	403,818	185,694	572,217	288,191	284,026

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

	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
	284,026	17,295	-	(115,627)	185,694

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2018 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	4,687	-	-	(1,480)	3,207
Security equipment	263,029	58,401	-	(83,465)	237,965
IT equipment	13,431	-	(9,666)	(3,764)	1
Other fixed asset	48,928	13,475	-	(19,550)	42,853
	330,075	71,876	(9,666)	(108,259)	284,026

4. Trade and other receivables

Trade debtors	28,217	4,517
Sundry debtors	16,112	5,415
Deposits	7,384	7,000
	51,713	16,932

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Figures in R	2019	2018
5. Cash and cash equivalents		
Favourable cash balances		
Bank balances	418,533	232,654
Current assets	418,533	232,654
	<u>418,533</u>	<u>232,654</u>
6. Other components of equity		
Other components of equity	7,947	7,947
	<u>7,947</u>	<u>7,947</u>
7. Trade and other payables		
Sundry creditors	2,749	-
Trade creditors	3,135	7,247
	<u>5,884</u>	<u>7,247</u>
8. Revenue		
An analysis of revenue is as follows:		
Insurance claims	-	82,992
Calenders	20,550	17,400
Membership fees	341,150	294,360
Recognition evening - tickets sale	18,664	-
Sponsorships	-	6,000
Recoveries on expenses	-	9,709
Donations received: Business	436,705	368,569
Donations received: Residents	160,705	140,607
Radios and licences	1,290	17,114
Fund raising	16,360	27,797
Sundry income	169	3,270
	<u>995,593</u>	<u>967,817</u>
Investment income	14,882	9,257
	<u>1,010,475</u>	<u>977,074</u>
Less: Expenses	886,784	991,621
Surplus	<u>123,691</u>	<u>(14,547)</u>

9. Approval of annual financial statements

These financial statements were approved by the management committee and authorised for issue on 10 May 2019.

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Financial Statements for the year ended 28 February 2019

Detailed Income Statement

Figures in R	2019	2018
Gross Revenue		
Calenders	20,550	17,400
Donations received - Business	436,705	368,569
Donations received - Residents	160,705	140,607
Fund raising	16,360	27,797
Insurance claims	-	82,992
Membership fees	341,150	294,360
Radios and licences	1,290	17,114
Recognition evening - tickets sale	18,664	-
Recoveries on expenses	-	9,709
Sponsorships	-	6,000
Sundry income	169	3,270
	<u>995,593</u>	<u>967,817</u>
Other Income		
Investment income	14,882	9,257
	<u>14,882</u>	<u>9,257</u>
	<u>1,010,475</u>	<u>977,074</u>
Expenditure		
Accounting fees	68,080	66,000
Advertising	8,761	46,695
Bank charges	5,682	5,643
Business integrator fees	13,127	11,336
Cleaning	4,140	4,300
Communication costs	45,542	52,506
Computer expenses	675	4,303
Control room expenses	515,960	512,191
Data administration expenses	36,000	60,000
Depreciation - Tangible assets	115,627	108,259
Donations	4,200	-
Entrance board expenses	4,200	4,200
Fun day	-	36,569
Functions	23,694	3,248
Insurance	28,315	17,432
Loss on assets written off	-	22,308
Patrol expenses	2,004	3,655
Printing and stationery	480	1,546
Radio license fees - iCASA	-	8,965
Radio repairs and programming	300	2,637
Repairs and maintenance	-	4,200
Staff welfare	5,197	8,428
Telephone and fax	4,800	7,200
	<u>886,784</u>	<u>991,621</u>
Surplus/(deficit) for the year	<u>123,691</u>	<u>(14,547)</u>

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