

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

PBO 930-034-335

**Annual Financial Statements
for the year ended 28 February 2018**

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

INDEX

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

General Information	2
Independent Auditor's Report	3
Directors' Responsibilities and Approval	4
Directors' Report	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10
Notes to the Annual Financial Statements	11 - 12
The supplementary information presented does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	13 - 14

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

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 (Appointed 1 November 2017)
HJJ Prozesky (Resigned 6 October 2017)

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
Tel: (012) 998 6262
Faks: (012) 998 4247
E-pos: admin@vanwykassociates.com
Posbus 99784
GARSFONTEIN-OOS
0060
Praktyk Nr: 332135
Geoktrooieerde Rekenmeester (SA)



881 St Bernard Drive
Garsfontein X10
Tel: (012) 998 6262
Fax: (012) 998 4247
Email: admin@vanwykassociates.com
P.O. Box 99784
GARSFONTEIN EAST
0060
Practice No: 332135
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 2018, 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 2018 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

4 April 2018

Per: 
Registered Auditor

881 St Bernard Drive
Garsfontein
Pretoria
Gauteng
0042

R Van Wyk GR/CA (SA)

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

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.

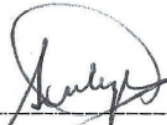
The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems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

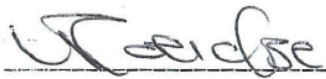
The financial statements have been audited by the independent auditing firm, Van Wyk & Associates, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. Management believes that all representations made to the independent auditor during 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 4 April 2018 and were signed on its behalf by:


CE van Niekerk


HPI Meyer


PM Machere


V Roelofse


N Prinsloo

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Management's Report

The management committee present their report for the year ended 28 February 2018.

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

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)

Annual Financial Statements as at 28 February 2018

Statement of Financial Position

Figures in R	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	3	284,026	330,075
Current Assets			
Trade and other receivables	4	16,932	21,289
Cash and cash equivalents	5	232,654	203,566
		249,586	224,855
Total Assets		533,612	554,930
Reserves and Liabilities			
Reserves			
Other components of equity	6	7,947	7,947
Retained earnings		518,418	532,965
		526,365	540,912
Current Liabilities			
Trade and other payables	7	7,247	14,018
Total Reserves and Liabilities		533,612	554,930

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Statement of Comprehensive Income

Figures in R	Note(s)	2018	2017
Revenue	8	967,817	938,381
Operating costs		<u>(991,621)</u>	<u>(935,169)</u>
Operating (deficit)/surplus		(23,804)	3,212
Finance income		<u>9,257</u>	<u>9,477</u>
(Deficit)/surplus for the year		<u>(14,547)</u>	<u>12,689</u>

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Statement of Changes in Reserves

Figures in R	Other components of equity	Accumulated surplus	Total
Balance at 1 March 2016	7,947	520,276	528,223
Total comprehensive income for the year			
Surplus for the year		12,689	12,689
Total comprehensive income for the year	-	12,689	12,689
Balance at 28 February 2017	7,947	532,965	540,912
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

Note

6

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

Figures in R	Note(s)	2018	2017
Cash flows from operating activities			
(Deficit)/surplus for the year		(14,547)	12,689
<i>Adjustments for:</i>			
Depreciation of Tangible assets		108,259	105,798
Investment income		(9,257)	(9,477)
Operating cash flow before working capital changes		<u>84,455</u>	<u>109,010</u>
<i>Working capital changes</i>			
Decrease in trade and other receivables		4,357	12,704
Decrease in trade and other payables		(6,771)	(71,366)
Cash generated by operating activities		<u>82,041</u>	<u>50,348</u>
Investment income		9,257	9,477
Net cash from operating activities		<u>91,298</u>	<u>59,825</u>
Property, plant and equipment acquired	3	(71,876)	(33,778)
Proceeds on disposals of property, plant and equipment		9,666	-
Increase in cash and cash equivalents		29,088	26,047
Cash and cash equivalents at beginning of the year		<u>203,566</u>	<u>177,519</u>
Cash and cash equivalents at end of the year	5	<u>232,654</u>	<u>203,566</u>

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

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%

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in R 2018 2017

3. Property, plant and equipment

	Cost	Accumulated depreciation	2018 Carrying value	Cost	Accumulated depreciation	2017 Carrying value
<i>Owned assets</i>						
Furniture and fittings	7,400	4,193	3,207	7,400	2,713	4,687
Security equipment	454,744	216,779	237,965	408,593	145,564	263,029
IT equipment	9,999	9,998	1	38,245	24,814	13,431
Other fixed asset	100,074	57,221	42,853	86,599	37,671	48,928
	572,217	288,191	284,026	540,837	210,762	330,075

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

	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

	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
	402,095	33,778	-	(105,798)	330,075

4. Trade and other receivables

Trade debtors	4,517	7,370
Sundry debtors	5,415	6,919
Deposits	7,000	7,000
	16,932	21,289

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Notes to the Annual Financial Statements

Figures in R	2018	2017
5. Cash and cash equivalents		
Favourable cash balances		
Bank balances	232,654	203,566
Current assets	232,654	203,566
	<u>232,654</u>	<u>203,566</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	-	7,000
Trade creditors	7,247	6,068
Amounts received in advance	-	950
	<u>7,247</u>	<u>14,018</u>
8. Revenue		
An analysis of revenue is as follows:		
Insurance claims	82,992	-
Calenders	17,400	14,700
Chubb new contracts	-	2,403
Membership fees	294,360	323,996
Recognition evening - tickets sale	-	3,195
Sponsorships	6,000	-
Recoveries on expenses	9,709	-
Donations received: Business	368,569	391,455
Donations received: Residents	140,607	160,293
Radios and licences	17,114	14,988
Fund raising	27,797	26,451
Sundry income	3,270	900
	<u>967,817</u>	<u>938,381</u>
Investment income	9,257	9,477
	<u>977,074</u>	<u>947,858</u>
Less: Expenses	991,621	935,169
Surplus	<u>(14,547)</u>	<u>12,689</u>

9. Approval of annual financial statements

These financial statements were approved by the management committee and authorised for issue on 4 April 2018.

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in R	2018	2017
Gross Revenue		
Calenders	17,400	14,700
Chubb new contracts	-	2,403
Donations received - Business	368,569	391,455
Donations received - Residents	140,607	160,293
Fund raising	27,797	26,451
Insurance claims	82,992	-
Membership fees	294,360	323,996
Radios and licences	17,114	14,988
Recognition evening - tickets sale	-	3,195
Recoveries on expenses	9,709	-
Sponsorships	6,000	-
Sundry income	3,270	900
	<u>967,817</u>	<u>938,381</u>
Other Income		
Investment income	9,257	9,477
	<u>9,257</u>	<u>9,477</u>
	<u>977,074</u>	<u>947,858</u>

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

GARSCOM RESIDENTS ASSOCIATION NPC

(Registration Number 2007/012733/08)

Annual Financial Statements for the year ended 28 February 2018

Detailed Income Statement

Figures in R	2018	2017
Expenditure		
Accounting fees	66,000	42,000
Advertising	46,695	11,747
Bank charges	5,643	5,272
Business integrator fees	11,336	11,224
Cleaning	4,300	1,350
Communication costs	52,506	4,214
Computer expenses	4,303	1,298
Control room expenses	512,191	527,236
Data administration expenses	60,000	81,000
Depreciation - Tangible assets	108,259	105,798
Donations	-	1,251
Entrance board expenses	4,200	4,200
Fun day	36,569	18,837
Functions	3,248	33,772
Insurance	17,432	30,661
Loss on assets written off	22,308	-
Patrol expenses	3,655	800
Postage	-	420
Printing and stationery	1,546	33,583
Radio license fees - iCASA	8,965	3,530
Radio repairs and programming	2,637	360
Repairs and maintenance	4,200	7,532
Staff welfare	8,428	-
Subscriptions	-	855
Telephone and fax	7,200	8,228
	<u>991,621</u>	<u>935,169</u>
(Deficit)/surplus for the year	<u>(14,547)</u>	<u>12,689</u>

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