

**STRAND BUSINESS IMPROVEMENT DISTRICT NPC  
(REGISTRATION NUMBER 2014/240759/08)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

BGR Pyper Turner Incorporated  
Chartered Accountants (SA)  
Registered Auditors  
Issued 24 August 2017

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	General upliftment of Strand central business district area
<b>Directors</b>	H Brand B S Friedman G M Goodwin D J Malan
<b>Registered office</b>	Old Mutual Building 12 Pickle Street Strand 7140
<b>Business address</b>	Old Mutual Building 12 Pickle Street Strand 7140
<b>Postal address</b>	P.O. Box 1029 Strand 7139
<b>Auditors</b>	BGR Pyper Turner Incorporated Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2014/240759/08
<b>Tax reference number</b>	9017135253
<b>Level of assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The financial statements were independently compiled by: J D Knoblauch Professional Accountant (SA)

# Strand Business Improvement District NPC

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

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# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

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## Directors' Responsibilities and Approval

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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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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.

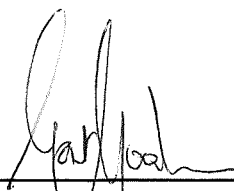
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for 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 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.

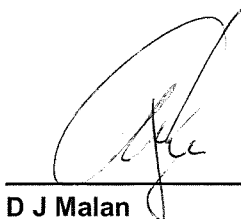
The external auditor's are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditor's and their report is presented on page 4.

The financial statements set out on pages 6 to 13, which have been prepared on the going concern basis, were approved by the directors and signed on their behalf by:



G M Goodwin

24 August 2017



D J Malan

## **Independent Auditor's Report**

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### **To the members of Strand Business Improvement District NPC**

#### **Opinion**

We have audited the Financial Statements of Strand Business Improvement District NPC set out on pages 7 to 13, 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 Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Strand Business 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 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 Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

## **Responsibilities of the directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

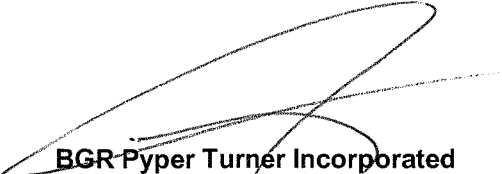
## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements, including the disclosures, and whether the 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.



**BGR Pyper Turner Incorporated**  
**Registered Auditors**  
**Director: E J Turner C.A. (SA) / R.A.**  
**24 August 2017**

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## Directors' Report

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The directors submit their report on the financial statements of Strand Business Improvement District NPC for the year ended 30 June 2017.

### 1. Nature of business

Strand Business Improvement District NPC is incorporated in South Africa with interests in the services industry. The company operates in South Africa.

### 2. Review of financial results and activities

The 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 financial statements.

### 3. Directors

The directors in office at the date of this report are as follows:

<b>Directors</b>	<b>Nationality</b>
H Brand	South African
B S Friedman	South African
G M Goodwin	South African
D J Malan	South African

### 4. 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.

### 5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## Statement of Financial Position as at 30 June 2017

Figures in Rand	Notes	2017	2016
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	2	46,170	41,974
Cash and cash equivalents	3	521,958	403,951
		<u>568,128</u>	<u>445,925</u>
<b>Total Assets</b>		<u>568,128</u>	<u>445,925</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained surplus		561,248	445,676
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	6,880	249
<b>Total Equity and Liabilities</b>		<u>568,128</u>	<u>445,925</u>



## Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

### Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
<b>Revenue</b>			
Levies received - City of Cape Town		979,014	961,537
<b>Other income</b>			
Retention refund - City of Cape Town		6,601	-
Interest received	6	23,089	3,696
		<b>29,690</b>	<b>3,696</b>
<b>Operating expenses</b>			
Accounting fees		7,830	10,222
Auditors remuneration	7	12,100	11,950
Bank charges		1,170	1,044
Management services		305,830	285,372
Projects		41,292	47,524
Meeting expenses		5,428	5,353
CIPC fees		100	100
Insurance		6,579	-
Motor vehicle expenses		26,004	24,000
Security		486,439	444,953
		<b>892,772</b>	<b>830,518</b>
<b>Operating profit</b>		<b>115,932</b>	<b>134,715</b>
Finance costs	8	(360)	-
<b>Surplus for the year</b>		<b>115,572</b>	<b>134,715</b>

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
<b>Balance at 01 July 2015</b>	<b>310,961</b>	<b>310,961</b>
<b>Surplus for the year</b>	<b>134,715</b>	<b>134,715</b>
<b>Balance at 01 July 2016</b>	<b>445,676</b>	<b>445,676</b>
<b>Surplus for the year</b>	<b>115,572</b>	<b>115,572</b>
<b>Balance at 30 June 2017</b>	<b>561,248</b>	<b>561,248</b>

## Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

### Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	95,278	85,573
Interest income		23,089	3,696
Finance costs		(360)	-
<b>Net cash from operating activities</b>		<b>118,007</b>	<b>89,269</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		403,951	314,682
<b>Total cash at end of the year</b>	3	<b>521,958</b>	<b>403,951</b>

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## Accounting Policies

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### 1. Presentation of financial statements

The 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, on the historical cost basis, 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 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.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### 1.2 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

Figures in Rand	2017	2016
<b>2. Trade and other receivables</b>		
Prepaid expenses	46,170	41,040
VAT	-	934
	<u>46,170</u>	<u>41,974</u>
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Nedbank current account	195,172	100,255
Nedbank 32 Day Notice deposit	326,786	303,696
	<u>521,958</u>	<u>403,951</u>
<b>4. Trade and other payables</b>		
Trade payables	251	249
VAT	6,629	-
	<u>6,880</u>	<u>249</u>
<b>5. Revenue</b>		
Levies received - City of Cape Town	<u>979,014</u>	<u>961,537</u>
In accordance with the finance agreement, the City pays over 97% of the annual budget to the CID in 1/12th instalments and retains 3% as a provision for bad debts. Accordingly, the City paid over R979,014 and retained R30,279 for the 2016/17 financial year. Retention of R6,601 was refunded to the Strand Business Improvement District NPC in 2016/17.		
<b>6. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	<u>23,089</u>	<u>3,696</u>
<b>7. Auditor's remuneration</b>		
Audit services	6,500	6,000
Tax- and secretarial services	5,600	5,950
	<u>12,100</u>	<u>11,950</u>
<b>8. Finance costs</b>		
SARS interest	<u>360</u>	<u>-</u>
<b>9. Taxation</b>		

No provision has been made for 2017 income tax, as the company is registered as a Public Benefit Organisation at the Tax Exempt Unit.

# Strand Business Improvement District NPC

(Registration number 2014/240759/08)

Financial Statements for the year ended 30 June 2017

## Notes to the Financial Statements

Figures in Rand	2017	2016
<b>10. Cash generated from operations</b>		
Profit before taxation	115,572	134,715
<b>Adjustments for:</b>		
Interest received	(23,089)	(3,696)
Finance costs	360	-
<b>Changes in working capital:</b>		
Trade and other receivables	(4,196)	(41,974)
Trade and other payables	6,631	(3,472)
	<b>95,278</b>	<b>85,573</b>

### 11. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

### 12. Risk management

#### Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Interest rate risk

The company's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit and loss.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers, presented net of doubtful receivables, on an ongoing basis.