

**STRAND BUSINESS IMPROVEMENT DISTRICT NPC  
(REGISTRATION NUMBER 2014/240759/08)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

BGR Pyper Turner Incorporated  
Registered Auditors  
Issued 10 August 2018

# Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

Financial Statements for the year ended 30 June 2018

## 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>	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 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)

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

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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 auditors are 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.

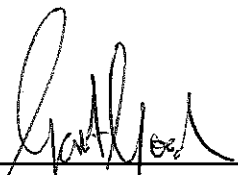
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for 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 2019 and, in the light of this review they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

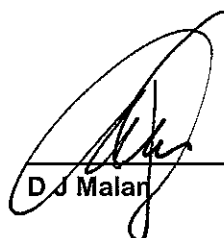
The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been audited by the company's external auditors and their report is presented on pages 5 to 6.

The financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved and signed by the directors:



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G M Goodwin



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D J Malan

Somerset West

10 August 2018

# Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

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## Directors' Report

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The directors submitting their report on the financial statements of Strand Business Improvement District NPC for the year ended 30 June 2018.

### 1. Nature of business

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

There have been no material changes to the nature of the company's business from the prior year.

### 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:

Directors	Changes
B S Friedman	
G M Goodwin	
D J Malan	
H Brand	Resigned 23 May 2018

There have been no changes to the directorate for the period under review.

### 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.

## **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 2018, 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 2018, 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.

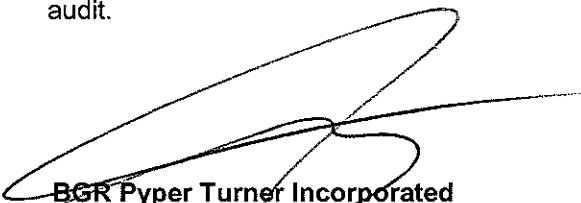
## **Auditor's responsibilities for the audit of the Financial Statements**

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 CA(SA) / RA**  
**Somerset West**  
**10 August 2018**

# Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

Financial Statements for the year ended 30 June 2018

## Statement of Financial Position as at 30 June 2018

Figures in Rand	Notes	2018	2017
<b>Assets</b>			
<b>Current Assets</b>			
Trade and other receivables	2	53 464	46 170
Cash and cash equivalents	3	671 194	521 958
		<u>724 658</u>	<u>568 128</u>
<b>Total Assets</b>		<u>724 658</u>	<u>568 128</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained surplus		<u>716 273</u>	<u>561 248</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4	<u>8 385</u>	<u>6 880</u>
<b>Total Equity and Liabilities</b>		<u>724 658</u>	<u>568 128</u>



# Strand Business Improvement District NPC

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## Statement of Comprehensive Income

Figures in Rand	Notes	2018	2017
<b>Revenue</b>			
Levies received - City of Cape Town		1 068 337	979 014
<b>Other income</b>			
Retention Refund - City of Cape Town		32 690	6 601
Interest received	5	32 432	23 089
		<b>65 122</b>	<b>29 690</b>
<b>Operating expenses</b>			
Accounting fees		9 151	7 830
Advertising		5 740	-
Auditor's remuneration	6	12 950	12 100
Bank charges		1 224	1 170
CIPC fees		450	100
Communications		20 500	-
Fines and penalties		396	-
Insurance		5 721	6 579
Management services		325 800	305 830
Meeting expenses		-	5 428
Motor vehicle expenses		-	26 004
Projects		32 130	41 292
Security		560 073	486 439
Urban maintenance		4 299	-
		<b>978 434</b>	<b>892 772</b>
<b>Operating surplus</b>		<b>155 025</b>	<b>115 932</b>
Finance costs	7	-	(360)
<b>Surplus for the year</b>		<b>155 025</b>	<b>115 572</b>

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## Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
<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 01 July 2017</b>	<b>561 248</b>	<b>561 248</b>
<b>Surplus for the year</b>	<b>155 025</b>	<b>155 025</b>
<b>Balance at 30 June 2018</b>	<b>716 273</b>	<b>716 273</b>

# Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

Financial Statements for the year ended 30 June 2018

## Statement of Cash Flows

Figures in Rand	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from operations	8	116 804	95 278
Interest income		32 432	23 089
Finance costs		-	(360)
<b>Net cash from operating activities</b>		<b>149 236</b>	<b>118 007</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		521 958	403 951
<b>Total cash at end of the year</b>	3	<b>671 194</b>	<b>521 958</b>

# Strand Business Improvement District NPC

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## 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.

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## Notes to the Financial Statements

Figures in Rand	2018	2017
<b>2. Trade and other receivables</b>		
Prepaid expenses	53 464	46 170
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Nedbank current account	111 977	195 172
Nedbank 32 day notice deposit	559 217	326 786
	<b>671 194</b>	<b>521 958</b>
<b>4. Trade and other payables</b>		
Trade payables	249	251
VAT	8 136	6 629
	<b>8 385</b>	<b>6 880</b>
<b>5. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	32 432	23 089
<b>6. Auditors remuneration</b>		
Audit services	7 000	6 500
Tax- and secretarial services	5 950	5 600
	<b>12 950</b>	<b>12 100</b>
<b>7. Finance costs</b>		
SARS Interest	-	360
<b>8. Cash generated from operations</b>		
Surplus before taxation	155 025	115 572
<b>Adjustments for:</b>		
Interest received	(32 432)	(23 089)
Finance costs	-	360
<b>Changes in working capital:</b>		
Trade and other receivables	(7 294)	(4 196)
Trade and other payables	1 505	6 631
	<b>116 804</b>	<b>95 278</b>

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## Notes to the Financial Statements

Figures in Rand	2018	2017
<b>9. Revenue</b>		
Levies received - City of Cape Town	<u>1 068 337</u>	<u>979 014</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 R1,068,337 and retained R33,041 for the 2017/2018 financial year. Retention of R32,690 was refunded to the Strand Business Improvement District NPC in 2017/2018.

### 10. Taxation

No provision has been made for 2018 tax as the company is registered as a Public Benefit Organisation at the Tax Exempt Unit.

### 11. Directors' remuneration

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