

**STRAND BUSINESS IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2014/240759/08)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Pyper Turner Incorporated
Registered Auditors
Issued 30 August 2022

Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

Financial Statements for the year ended 30 June 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	General upliftment of Strand central business district area
Directors	B S Friedman G M Goodwin D J Malan
Registered office	2nd Floor Friedman and Cohen 10 Wesley Street Strand Western Cape 7140
Business address	2nd Floor Friedman and Cohen 10 Wesley Street Strand Western Cape 7140
Postal address	PO Box 1029 Strand 7139
Auditors	Pyper Turner Incorporated Registered Auditors
Company registration number	2014/240759/08
Tax reference number	9017/135/25/3
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: J D Knoblauch Professional Accountant (SA)

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Directors' Responsibilities and Approval

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.

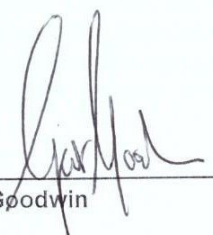
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for 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 are satisfied that the company has or has 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 14, which have been prepared on the going concern basis, were approved by the directors and signed on their behalf by:


G M Goodwin


D J Malan

30 August 2022

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Directors' Report

The directors submit their report on the financial statements of Strand Business Improvement District NPC for the year ended 30 June 2022.

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.

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:

B S Friedman
G M Goodwin
D J Malan

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.



PYPER TURNER

CHARTERED ACCOUNTANTS (SA)
REGISTERED AUDITORS

Independent Auditor's Report

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 14, which comprise the statement of financial position as at 30 June 2022, 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 2022, 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 (ISAs). 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 on page 4, as required by the Companies Act 71 of 2008.

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.

PYPER TURNER INCORPORATED | Reg. no. 2005/020068/21

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Directors: EJ Turner CA (SA) RA | E Neethling CA (SA) RA | E van Wyk CA (SA) RA | GC Pieterse CA (SA) RA

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.



Pyper Turner Incorporated
Registered Auditors
Director: E J Turner CA (SA) / RA

30 August 2022

Strand Business Improvement District NPC

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Statement of Financial Position as at 30 June 2022

Figures in Rand	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	24 312	-
Current Assets			
Trade and other receivables	3	80 563	74 942
Cash and cash equivalents	4	650 058	642 121
		730 621	717 063
Total Assets		754 933	717 063
Equity and Liabilities			
Equity			
Retained surplus		745 398	705 286
Liabilities			
Current Liabilities			
Trade and other payables	5	9 535	11 777
Total Equity and Liabilities		754 933	717 063

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Statement of Comprehensive Income

Figures in Rand	Notes	2022	2021
Revenue	6	1 463 460	1 330 572
Other income			
Interest received	7	24 043	26 945
Operating expenses			
Accounting fees		11 362	11 971
Advertising		1 175	-
Auditors remuneration	8	18 400	16 950
Bank charges		1 252	1 328
CIPC fees		450	450
Consulting fees		75 000	180 000
Entertainment and meetings		1 735	1 997
Insurance		4 565	3 261
Interest - SARS		43	-
Legal fees		-	3 500
Management services		396 000	374 730
Minor tools & equipment		1 838	1 839
Projects		69 000	51 900
Protective clothing		-	2 512
Security		855 321	774 652
Urban maintenance		11 250	-
		1 447 391	1 425 090
Surplus / (deficit) before taxation		40 112	(67 573)
Taxation	10	-	(158 096)
Surplus / (deficit) for the year		40 112	(225 669)

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Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 July 2020	930 955	930 955
Deficit for the year	(225 669)	(225 669)
Balance at 01 July 2021	705 286	705 286
Surplus for the year	40 112	40 112
Balance at 30 June 2022	745 398	745 398

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Statement of Cash Flows

Figures in Rand	Notes	2022	2021
Cash flows from operating activities			
Cash generated from (used in) operations	11	8 206	(100 873)
Interest income		24 043	26 945
Tax paid	12	-	(158 096)
Net cash from operating activities		32 249	(232 024)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(24 312)	-
Total cash movement for the year		7 937	(232 024)
Cash at the beginning of the year		642 121	874 145
Total cash at end of the year	4	650 058	642 121

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Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the of the Companies Act, 71 of 2008. The financial statements have been prepared 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 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost and is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes 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.

Property, plant and equipment with a cost of R7,000.00 or less per item, is depreciated in full during the year of acquisition.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
CCTV camera system	Straight line	5 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Gains and losses on disposals are recognised in profit and loss.

1.2 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.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

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.

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Accounting Policies

1.3 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	2022	2021
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2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
CCTV camera system	24 312	-	24 312	-	-	-

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Closing balance
CCTV camera system	-	24 312	24 312

3. Trade and other receivables

Prepaid expenses	80 563	74 942
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Nedbank current account	33 386	29 491
Nedbank 32 day notice account	616 672	612 630
	650 058	642 121

5. Trade and other payables

Trade payables	250	1 337
VAT	9 285	10 440
	9 535	11 777

6. Revenue

Rates received - City of Cape Town	1 443 538	1 330 572
Rates retention received - City of Cape Town	19 922	-
	1 463 460	1 330 572

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 R1,443,538 to the company in 2021/22. Retention of R19,922 was refunded to the company in 2021/22.

7. Investment revenue

Interest revenue		
Bank	24 043	26 945

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Notes to the Financial Statements

Figures in Rand	2022	2021
8. Auditors remuneration		
Audit services	11 000	10 000
Tax- and secretarial services	7 400	6 950
	<u>18 400</u>	<u>16 950</u>
9. Finance costs		
10. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - prior periods under provision	<u>-</u>	<u>158 096</u>
No provision has been made for 2022 tax as the company is registered as a Public Benefit Organisation at the Tax Exempt Unit and has no taxable income.		
11. Cash generated from (used in) operations		
(Deficit) surplus before taxation	40 112	(67 573)
Adjustments for:		
Interest received	(24 043)	(26 945)
Changes in working capital:		
Trade and other receivables	(5 621)	(6 982)
Trade and other payables	(2 242)	627
	<u>8 206</u>	<u>(100 873)</u>
12. Tax paid		
Current tax regarding 2015 assessment	<u>-</u>	<u>(158 096)</u>
13. Directors' remuneration		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		