

**STRAND BUSINESS IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2014/240759/08)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Pyper Turner Incorporated
Registered Auditors
Issued 23 August 2023

Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

Financial Statements for the year ended 30 June 2023

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

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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.

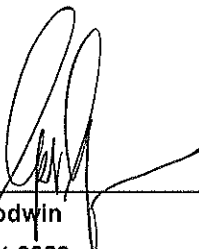
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for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

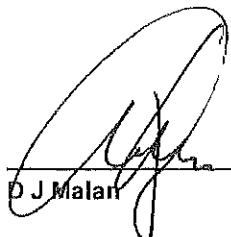
The directors have reviewed the company's cash flow forecast for the year to 30 June 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined 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
23 August 2023



D J Malan

Strand Business Improvement District NPC

(Registration number: 2014/240759/08)

Financial Statements for the year ended 30 June 2023

Directors' Report

The directors herewith submit their report on the financial statements of Strand Business Improvement District NPC for the year ended 30 June 2023.

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:

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.

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 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 2023, and its financial performance and cash flows for the year then ended in accordance with the 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 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 includes the Directors' Report as required by the Companies Act 71 of 2008, and the supplementary information as set out on pages 8 to 14. The 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 the 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 van Wyk CA (SA) / RA

23 August 2023

Strand Business Improvement District NPC

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Financial Statements for the year ended 30 June 2023

Statement of Financial Position as at 30 June 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	24,312	24,312
Current Assets			
Trade and other receivables	3	86,805	80,563
Cash and cash equivalents	4	749,062	650,058
		835,867	730,621
Total Assets		860,179	754,933
Equity and Liabilities			
Equity			
Retained income		859,929	745,398
Liabilities			
Current Liabilities			
Trade and other payables	5	250	9,535
Total Equity and Liabilities		860,179	754,933

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Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022
Revenue	6	1,570,375	1,463,460
Operating expenses			
Accounting fees		11,958	11,362
Administration and management services		422,600	396,000
Advertising		12,056	1,175
Auditors remuneration	7	19,150	18,400
Bank charges		1,129	1,252
CIPC		450	450
Entertainment and meetings		-	1,735
Insurance		14,217	4,565
Interest - SARS		-	43
Minor tools and equipment		2,995	1,838
Projects		11,750	75,000
Protective clothing		2,939	-
Public safety		924,724	855,321
Social upliftment		75,000	69,000
Urban maintenance		-	11,250
		1,498,968	1,447,391
Operating surplus		71,407	16,069
Investment income	8	43,124	24,043
Surplus for the year		114,531	40,112
Other comprehensive income		-	-
Total comprehensive income for the year		114,531	40,112

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2021	705,286	705,286
Surplus for the year	40,112	40,112
Balance at 01 July 2022	745,398	745,398
Surplus for the year	114,531	114,531
Balance at 30 June 2023	859,929	859,929

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Statement of Cash Flows

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash generated from operations	10	55,880	8,206
Interest income		43,124	24,043
Net cash from operating activities		99,004	32,249
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(24,312)
Total cash movement for the year		99,004	7,937
Cash and cash equivalents at the beginning of the year		650,058	642,121
Total cash at end of the year	4	749,062	650,058

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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 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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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.

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.

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

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 surplus or deficit unless it is included in the carrying amount of another asset.

Gains and losses on disposals are recognised in surplus or deficit.

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 surplus or deficit) 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.

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Accounting Policies

1.2 Financial instruments (continued)

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.

1.3 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 surplus or deficit using the effective interest rate method.

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Notes to the Financial Statements

Figures in Rand 2023 2022

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
CCTV camera system	24,312	-	24,312	24,312	-	24,312

Reconciliation of property, plant and equipment - 2023

	Opening balance	Closing balance
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	86,605	80,563
VAT	200	-
	86,805	80,563

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Nedbank current account	89,265	33,386
Nedbank 32 - day notice account	659,797	616,672
	749,062	650,058

5. Trade and other payables

Trade payables	250	249
VAT	-	9,286
	250	9,535

6. Revenue

Rates received - City of Cape Town	1,570,375	1,443,538
Rates retention received - City of Cape Town	-	19,922
	1,570,375	1,463,460

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 R1,570,375 to the company in 2022/2023.

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Notes to the Financial Statements

Figures in Rand	2023	2022
7. Auditors remuneration		
Audit services - prior year	12,000	11,000
Tax and secretarial services	7,150	7,400
	<u>19,150</u>	<u>18,400</u>
8. Investment revenue		
Interest revenue		
Bank	<u>43,124</u>	<u>24,043</u>
9. Taxation		
No provision has been made for 2023 tax as the company is registered as a Public Benefit Organisation at the Tax Exempt Unit and has no taxable income.		
10. Cash generated from operations		
Surplus before taxation	114,531	40,112
Investment income	(43,123)	(24,043)
Changes in working capital:		
(Increase) decrease in trade and other receivables	(6,242)	(5,621)
Increase (decrease) in trade and other payables	(9,286)	(2,242)
	<u>55,880</u>	<u>8,206</u>
11. Directors' remuneration		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		