

# OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

REGISTRATION NUMBER	2018/445811/08
DIRECTORS	H T Heye J F O'Callaghan J P Schwellnus
NATURE OF BUSINESS	Providing Services to the Special Rating Areas of Overkloof
REGISTERED ADDRESS	5 Bridoon Close Hout Bay 7806
AUDITORS	Harry Curtis & Co.

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# OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### DIRECTORS RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, No 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in their report. It is their responsibility to ensure that the annual 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 International Financial Reporting Standards for Small and Medium-Sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

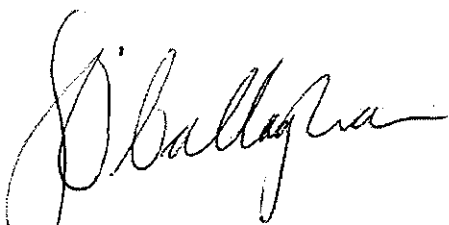
The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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 board 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

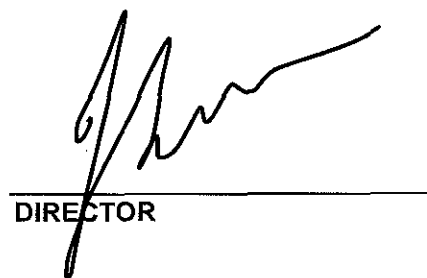
The external auditors are responsible for auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 and 5.

The financial statements set out on pages 7 to 11, which have been prepared on the going concern basis, were approved by the directors and signed accordingly.



DIRECTOR

6 July 2020



DIRECTOR

# SIGNATURE

**CONSULTING (PTY) LTD**  
**CHARTERED ACCOUNTANTS (SA)**

Company Reg No: 2019/036209/07  
SAICA Reg No : 20014195

P O Box 53067, Kenilworth, 7745  
4 Adelaide Road, Plumstead, 7800

Telephone : (021) 762 0255  
Facsimile : (021) 797 6041  
Email : office@signacons.co.za

## COMPILERS REPORT

To the Directors of

### OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

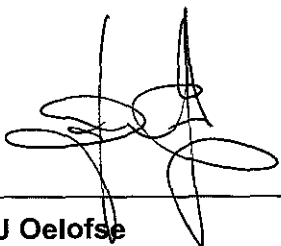
We have compiled the accompanying annual financial statements of Overkloof Community Improvement District NPC based on information you have provided. These annual financial statements comprise the statement of financial position as at 30 June 2020, the statement of income and retained earnings and the statement of cash flows for the year then ended, a summary of significant accounting policies and notes to the financial statements.

We performed this compilation engagement in accordance with the International Standard on Related Services 4410 (Revised) on Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008.



**J Oelofse**  
**Chartered Accountant (SA)**

**6 July 2020**

# HARRY CURTIS & CO

Chartered Accountants

Registered Auditors

SAICA Reg No : 001 30106

IRBA Reg No : 935050

P O Box 53067, Kenilworth, 7745

4 Adelaide Road, Plumstead, 7800

Telephone : (021) 762 0255

Facsimile : (021) 797 6041

Email : office@curtisco.co.za

Website : www.harrycurtisco.co.za

## INDEPENDENT AUDITORS REPORT

### To the Members of

## OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

### Opinion

We have audited the financial statements of Overkloof Community Improvement District NPC set out on pages 7 to 11, which comprise the statement of financial position as at 30 June 2020, the statement of income and retained earnings and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Overkloof Community Improvement District NPC as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Companies Act of South Africa.

### 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 the 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*. 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 of South Africa. 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 International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine are 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.

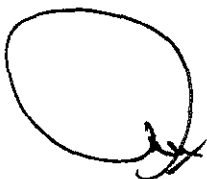
## Auditor's Responsibilities for the Audit of the Financial Statements

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 ISAs 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 ISAs, 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.



**H D CURTIS**  
**Registered Auditor**  
**(Registration No : 639206)**

**6 July 2020**

**4 Adelaide Road**  
**PLUMSTEAD**  
**7800**

# **OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### **REPORT OF THE DIRECTORS**

The directors hereby present their report on the annual financial statements for the year ended 30 June 2020.

#### **NATURE OF BUSINESS**

Overkloof Community Improvement District NPC is a non-profit company set up in terms of the municipal by-laws of the City of Cape Town (CoCT) which acts as the management body in respect of the Special Rating Area (SRA) determined by the CoCT in terms of section 22 of the Property Rates Act in respect of a defined geographical area. The source of revenue of the company is service fees billed by the CoCT to the registered property owners of Overkloof which funds are utilised to enhance and supplement services provided by the CoCT. These services include the provision of security for the common/public areas of the SRA, environmental maintenance and removal of alien vegetation, cleaning and tidying public open spaces and other community related services.

#### **FINANCIAL RESULTS**

The financial position and operating results of the company for the year ended 30 June 2020 are adequately reflected in the accompanying annual financial statements.

#### **EVENTS SUBSEQUENT TO THE YEAR**

No material fact or circumstance has occurred between the accounting date and the date of this report which affect the financial position of the company as reflected in these financial statements.

#### **DIRECTORS**

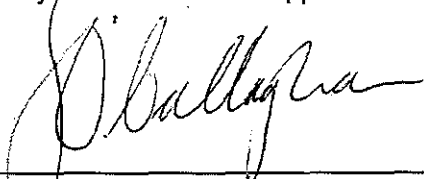
The directors of the company at the reporting date, are reflected on page 1.

#### **REGISTERED AND BUSINESS ADDRESS**

5 Bridoon Close  
Hout Bay  
7806

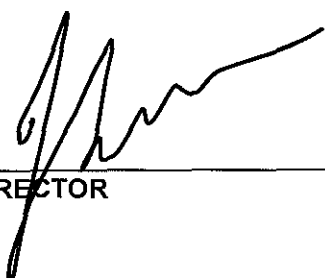
#### **AUDITORS**

Harry Curtis & Co were appointed company auditors for the year under review.



**DIRECTOR**

**6 July 2020**



**DIRECTOR**

**OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

**STATEMENT OF FINANCIAL POSITION**

	<u>Notes</u>	<u>2020</u> <u>R</u>	<u>2019</u> <u>R</u>
<b><u>ASSETS</u></b>			
NON CURRENT ASSETS		-	-
CURRENT ASSETS			
Cash and Cash Equivalents	1	279,919	174,821
		<u>279,919</u>	<u>174,821</u>
<b><u>RESERVES AND LIABILITIES</u></b>			
<b>RESERVES</b>			
Retained Income		259,114	156,634
NON CURRENT LIABILITIES		-	-
CURRENT LIABILITIES			
Trade and Other Payables	2	20,805	18,187
		<u>279,919</u>	<u>174,821</u>

# OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## STATEMENT OF INCOME AND RETAINED EARNINGS

	<u>2020</u> <u>R</u>	<u>2019</u> <u>R</u>
<b>INCOME</b>	465,722	397,700
Revenue - Services Rendered	421,562	397,700
Other Income - Retention Refund	44,160	-
<b>EXPENDITURE</b>	363,242	241,066
Accounting and Bookkeeping Fees	3,788	7,445
Advertising and Promotions	5,222	5,808
Audit Fee	8,500	10,000
Bank Charges	2,056	2,049
Community Services	327,513	204,807
CCTV Monitoring	203,675	140,870
Cleaning Services	19,739	4,870
Environmental Upgrade	12,423	10,023
Public Safety	41,637	20,000
Rehabilitation of Public Open Spaces	11,278	18,213
Social Upliftment	19,278	6,400
Urban Maintenance	19,483	4,431
Insurance	7,021	4,096
Meeting Expenses	3,792	2,036
Secretarial, Tax and Compilation Fees	5,350	4,825
<b>NET INCOME FOR THE YEAR</b>	102,480	156,634
<b>RETAINED INCOME AT BEGINNING OF YEAR</b>	156,634	-
<b>RETAINED INCOME AT END OF YEAR</b>	259,114	156,634



# OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## STATEMENT OF CASH FLOWS

	<u>2020</u> <u>R</u>	<u>2019</u> <u>R</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the Year	102,480	156,634
Working Capital Changes - Trade and Other Payables	2,618	18,187
	<u>105,098</u>	<u>174,821</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	105,098	174,821
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	174,821	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>279,919</u>	<u>174,821</u>

# **OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### **ACCOUNTING POLICIES**

#### **Presentation of Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and in the manner required by the Companies Act, No 71 of 2008. The financial statements are prepared on the historical cost basis and incorporate the principal accounting policies set out below. These accounting policies are consistent, in all material respects, with those applied in the previous period.

#### **Recognition of Assets and Liabilities**

Assets are recognised if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the company and the cost or fair value can be measured reliably.

Liabilities are only recognised if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the company and the cost or fair value can be measured reliably.

#### **Financial Instruments**

The company classifies its financial instruments into the following categories : receivables, cash and cash equivalents and payables.

#### **Trade and Other Receivables**

Trade and other receivables are stated at cost less an allowance for doubtful debts. The allowance raised is the amount needed to reduce the carrying value to the expected future cash flows.

#### **Cash and Cash Equivalents**

Cash comprises cash on hand and deposits at call with banks. Cash equivalents comprise highly liquid investments that are convertible to cash with insignificant risk of changes in value. Cash and cash equivalents

#### **Trade and Other Payables**

Trade and other payables are measured at fair value.

#### **Revenue Recognition**

Revenue comprises service fees invoiced monthly by the City of Cape Town to all property owners in the special rating area of Overkloof in accordance with the Financial Agreement, whereby the City pays 97% of the annual budget to the company in twelve monthly instalments and retains 3% as a provision for bad debts.

#### **Taxation**

The company has been approved as income tax exempt by the Commissioner of the South African Revenue Service, its levy income being exempt in terms of section 10(1)(e)(i)(cc) of the Income Tax Act.

# OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	<u>2020</u> <u>R</u>	<u>2019</u> <u>R</u>
<b>1. CASH AND CASH EQUIVALENTS</b>		
Cash Control	-	996
Current Account	279,919	173,825
	<u>279,919</u>	<u>174,821</u>
<b>2. TRADE AND OTHER PAYABLES</b>		
Bay Gardens & Pools	6,707	-
Harry Curtis & Co	8,500	10,000
Signature Consulting (Pty) Ltd	3,500	3,000
South African Revenue Service - Value Added Tax	2,098	5,187
	<u>20,805</u>	<u>18,187</u>
<b>3. TAXATION</b>		
The company has been approved as income tax exempt by the Commissioner of the South African Revenue Service, its levy income being exempt in terms of section 10(1)(e)(i)(cc) of the Income Tax Act.		
<b>4. COMPARATIVE FIGURES</b>		
As the company only commenced operations in September 2018, the comparative figures are in respect of a ten month period. The current figures cover a twelve month period.		