

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

REGISTRATION NUMBER	2023/794924/08
DIRECTORS	W Giljam G Meierhans C Reeves P Tuckwell
NON-EXECUTIVE DIRECTORS	R Maclean L Rottcher
NATURE OF BUSINESS	Providing Services to the Special Rating Areas of Marina Da Gama
REGISTERED ADDRESS	29 Park island Way Marina Da Gama Muizenberg 7945
AUDITORS	Harry Curtis & Co.

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PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

DIRECTORS RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 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 year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Companies Act 71 of 2008. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Companies Act 71 of 2008 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 3 and 4.

The financial statements set out on pages 6 to 10, which have been prepared on the going concern basis, were approved by the directors and signed on their behalf by :



W GILJAM

21 August 2024



C REEVES

INDEPENDENT AUDITORS REPORT

To the Members of

PARK ISLAND CID NPC

Opinion

We have audited the financial statements of Park Island CID NPC set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2024, 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 Park Island CID NPC as at 30 June 2024, 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 (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 71 of 2008. 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 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)

21 August 2024

4 Adelaide Road
PLUMSTEAD
7800

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

REPORT OF THE DIRECTORS

The directors hereby present their report on the annual financial statements for the year ended 30 June 2024.

NATURE OF BUSINESS

Park Island CID 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 relating to a defined geographical area. The source of revenue of the company is additional rates billed by the CoCT to the registered property owners of Marina Da Gama 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, facilitating the upliftment of distressed areas in the SRA, promoting economic growth and sustainable development and providing other community related services.

REGISTRATION AND COMMENCEMENT OF OPERATIONS

The company was registered on 5 June 2023, from which date it commenced operations.

FINANCIAL RESULTS

The financial position and operating results of the company for the year ended 30 June 2024 are adequately reflected in the accompanying annual financial statements. There are no comparative figures as this is the company's first year of operation.

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 and non-executive directors of the company at the financial year end are reflected on page 1. W Giljam, G Meierhans and P Tuckwell were appointed on 5 June 2023. C Reeves, R Maclean and L Rottcher were appointed on 28 November 2023.

REGISTERED AND BUSINESS ADDRESS

29 Park Island Way
Marina Da Gama
Muizenberg
7945

AUDITORS

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

PREPARER

The annual financial statements were prepared by J Oelofse CA (SA).

21 August 2024

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2024</u> <u>R</u>
<u>ASSETS</u>		
NON CURRENT ASSETS		
Property, Plant and Equipment	1	4,375
CURRENT ASSETS		
Cash and Cash Equivalents		96,786
Trade and Other Receivables	2	96,786 -
		<u>101,161</u>
 <u>RESERVES AND LIABILITIES</u>		
RESERVES		
Retained Income		85,668
NON CURRENT LIABILITIES		
		-
CURRENT LIABILITIES		
Provisions		15,493
Trade and Other Payables	3	- 15,493
		<u>101,161</u>

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF INCOME AND RETAINED EARNINGS

	<u>2024</u> <u>R</u>
INCOME	631,955
Additional Rates Received	631,955
Additional Rates Retention Received	-
OTHER INCOME	44,149
Donations Received	43,611
Interest Received	538
EXPENDITURE	590,436
Accounting and Bookkeeping Fees	20,000
Audit Fee	11,000
Bank Charges	849
Community Services and Projects	523,343
Environmental Upgrades	22,642
Public Safety	495,701
Social Upliftment	5,000
Depreciation	625
Marketing and Promotions	15,300
Meeting Expenses	6,276
Repairs and Maintenance	5,038
Secretarial and Tax Fees	8,005
NET INCOME FOR THE YEAR	85,668
RETAINED INCOME AT BEGINNING OF YEAR	-
RETAINED INCOME AT END OF YEAR	85,668

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF CASH FLOWS

	2024 R
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income for the Year	85,668
Adjustment:	87
Interest Received	(538)
Depreciation	625
Working Capital Changes	15,493
Trade and Other Receivables	-
Trade and Other Payables	15,493
Cash Generated from Operating Activities	101,248
Investment Income	538
	101,786
CASH FLOWS FROM INVESTING ACTIVITIES	
Property, Plant and Equipment Purchased	(5,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
	-
CHANGE IN CASH AND CASH EQUIVALENTS	96,786
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	96,786

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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.

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.

Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes, and are expected to be used over a period of more than one year.

Costs include all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs include 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.

Depreciation is provided, using the straight-line method to write down the cost, less estimated residual value, over the useful life of the property, plant and equipment, which is as follows :

<u>Item</u>	<u>Average Useful Life</u>
Security Guard Houses	6 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

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 are measured at fair value.

Trade and Other Payables

Trade and other payables are measured at fair value.

Revenue Recognition

Revenue comprises additional rates invoiced monthly by the City of Cape Town to all property owners in the special rating area of Marina Da Gama 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 is exempt from normal taxation on its revenue income in terms of section 10(1)(e)(i)(cc) of the Income Tax Act. Any other receipts and accruals derived by the company are exempt up to R50,000 per annum.

PARK ISLAND CID NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2024
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1. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value
Security Guard Houses	5,000	625	4,375

2. CASH AND CASH EQUIVALENTS

Current Account	57,628
Savings Account	39,158
	<u>96,786</u>

3. TRADE AND OTHER PAYABLES

Finesse Group Holdings (Pty) Ltd t/a Southern Signs	2,645
Harry Curtis & Co - Audit Fee	11,000
Signature Consulting (Pty) Ltd - Tax Fee	750
Value Added Tax Payable	1,098
	<u>15,493</u>

4. TAXATION

The company is exempt from normal taxation on its revenue income in terms of section 10(1)(e)(i)(cc) of the Income Tax Act. Any other receipts and accruals derived by the company are exempt up to R50,000 per annum. The company had no taxable income for the year.

5. REGISTRATION AND COMMENCEMENT OF OPERATIONS

The company was registered on 5 June 2023 from which date it commenced operations.

6. COMPARATIVE FIGURES

As the company only commenced operations in June 2023, there are no comparative figures.