

RICHMOND HILL SRA NPC (PTY) LTD  
(REGISTRATION NUMBER 2014/257578/08)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE SEVEN MONTHS ENDED 30 JUNE 2015

Alan Cousins and Associates  
Chartered Accountants (S.A.)  
Registered Auditors

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

**Richmond Hill SRA NPC (Pty) Ltd**

(Registration number 2014/257578/08)

Annual Financial Statements for the Seven months ended 30 June 2015

**GENERAL INFORMATION**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Community-Based Private Urban Management
<b>Directors</b>	KS Slattery RO Norton SM Rollo
<b>Registered office</b>	15 Stanley Street Richmond Hill Port Elizabeth 6001
<b>Business address</b>	15 Stanley Street Richmond Hill Port Elizabeth 6001
<b>Postal address</b>	PO Box 34937 Newton Park Port Elizabeth 6055
<b>Bankers</b>	Standard Bank of South Africa Ltd
<b>Auditors</b>	Alan Cousins and Associates Chartered Accountants (S.A.) Registered Auditors

**Richmond Hill SRA NPC (Pty) Ltd**  
(Registration number 2014/257578/08)  
Annual Financial Statements for the Seven months ended 30 June 2015

**INDEX**

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The reports and statements set out below comprise the annual financial statements presented to the Board of Directors:

<b>Index</b>	<b>Page</b>
Directors' Responsibilities and Approval	3
Independent Auditors' Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 13

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	14
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**Level of assurance**

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008.

**Published**

17 September 2015

**Richmond Hill SRA NPC (Pty) Ltd**

(Registration number 2014/257578/08)

Annual Financial Statements for the Seven months ended 30 June 2015

**DIRECTORS' RESPONSIBILITIES AND APPROVAL**

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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 this 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 seven months and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. 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 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 directors have reviewed the company's cash flow forecast for the seven months to 30 June 2016 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 annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board on 17 September 2015 and were signed on its behalf by:

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**KS Slattery**

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**RO Norton**

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**SM Rollo**

## Independent Auditors' Report

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To the Board of Directors of Richmond Hill SRA NPC (Pty) Ltd

We have audited the annual financial statements of Richmond Hill SRA NPC (Pty) Ltd, as set out on pages 7 to 13, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the seven months then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Directors' Responsibility for the Annual Financial Statements**

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards and requirements of the Companies Act, 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the annual financial statements of Richmond Hill SRA NPC (Pty) Ltd for the seven months then ended 30 June 2015 are prepared, in all material respects, in accordance with the basis of accounting described in note to the annual financial statements, and the requirements of the Companies Act, 71 of 2008.

**Other reports required by Companies Act, 71 of 2008**

As part of our audit of the annual financial statements for the seven months ended 30 June 2015, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

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**Alan Cousins and Associates**  
**Registered Auditors**  
**17 September 2015**

## **Directors' Report**

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The directors have pleasure in submitting their report on the annual financial statements of Richmond Hill SRA NPC (Pty) Ltd for the seven months ended 30 June 2015.

### **1. Incorporation**

The company was incorporated on 20 November 2014 and obtained its certificate to commence business on the same day.

### **2. Nature of business**

Richmond Hill SRA NPC (Pty) Ltd operates as a Community-Based Urban Management organisation.

### **3. Review of financial results and activities**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. The accounting policies have been applied consistently compared to the prior seven months.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### **4. Directorate**

The directors in office at the date of this report are as follows:

**Directors**  
KS Slattery  
  
RO Norton  
  
SM Rollo

**Changes**  
Appointed 20 November  
2014  
Appointed 20 November  
2014  
Appointed 01 January 2015

### **5. 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.

### **6. Auditors**

Alan Cousins and Associates were appointed as auditors for the company for 2015.

At the AGM, the shareholder will be requested to reappoint Alan Cousins and Associates as the independent external auditors of the company

**Richmond Hill SRA NPC (Pty) Ltd**

(Registration number 2014/257578/08)

Annual Financial Statements for the Seven months ended 30 June 2015

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

Figures in Rand	Note(s)	30 June 2015
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	2	95 000
<b>Current Assets</b>		
Trade and other receivables	3	133 000
Cash and cash equivalents	4	402 117
		<b>535 117</b>
<b>Total Assets</b>		<b>630 117</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Retained income		621 856
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	5	8 261
<b>Total Equity and Liabilities</b>		<b>630 117</b>



**Richmond Hill SRA NPC (Pty) Ltd**

(Registration number 2014/257578/08)

Annual Financial Statements for the Seven months ended 30 June 2015

**STATEMENT OF COMPREHENSIVE INCOME**

Figures in Rand	Note(s)	Seven months ended 30 June 2015
Revenue	6	840 000
Other income	7	2 018
Operating expenses		(220 762)
<b>Operating profit</b>		<b>621 256</b>
Investment revenue	8	600
<b>Profit for the Seven months</b>		<b>621 856</b>
Other comprehensive income		-
<b>Total comprehensive income for the Seven months</b>		<b>621 856</b>

**STATEMENT OF CHANGES IN EQUITY**

Figures in Rand	Retained income	Total equity
Profit for the Seven months	621 856	621 856
Other comprehensive income	-	-
<b>Total comprehensive income for the Seven months</b>	<b>621 856</b>	<b>621 856</b>
<b>Balance at 30 June 2015</b>	<b>621 856</b>	<b>621 856</b>

**Richmond Hill SRA NPC (Pty) Ltd**  
 (Registration number 2014/257578/08)  
 Annual Financial Statements for the Seven months ended 30 June 2015

**STATEMENT OF CASH FLOWS**

Figures in Rand	Note(s)	Seven months ended 30 June 2015
<b>Cash flows from operating activities</b>		
Cash generated from operations	10	501 517
Interest income		600
<b>Net cash from operating activities</b>		<b>502 117</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	2	(100 000)
<b>Total cash movement for the Seven months</b>		<b>402 117</b>
<b>Total cash at end of the Seven months</b>	4	<b>402 117</b>

## **ACCOUNTING POLICIES**

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### **1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, 71 of 2008. The annual 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**

The cost of 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.

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. 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.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

<b>Item</b>	<b>Average useful life</b>
Motor vehicles	5.0 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

#### **1.2 Impairment of assets**

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

## **ACCOUNTING POLICIES**

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### **1.2 Impairment of assets (continued)**

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

### **1.3 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts

receivable in respect of special municipal rate levies payable by the residents of Richmond Hill, Port Elizabeth.

Interest is recognised, in profit or loss, using the effective interest rate method.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Figures in Rand

2015

**2. Property, plant and equipment**

	2015		
	Cost / Valuation	Accumulated depreciation	Carrying value
Motor vehicles	95 000	-	95 000

**Reconciliation of property, plant and equipment - 2015**

	Opening balance	Additions	Depreciation	Total
Motor vehicles	-	100 000	(5 000)	95 000

**3. Trade and other receivables**

Trade receivables	133 000
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**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	2 391
Current Account - Standard Bank	249 126
Money Market Account - Standard Bank	150 600
	<b>402 117</b>

**5. Trade and other payables**

Accrued audit fees	6 000
Other payables - PAYE and UIF	2 261
	<b>8 261</b>

**6. Revenue**

Special rates from Nelson Mandela Bay Metropolitan Municipality	840 000
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**7. Other income**

Donations	2 018
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**8. Investment revenue**

Interest revenue	
Bank	600

**Richmond Hill SRA NPC (Pty) Ltd**  
 (Registration number 2014/257578/08)  
 Annual Financial Statements for the Seven months ended 30 June 2015

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

Figures in Rand

2015

**9. Taxation**

No provision for tax was made in the period as the entity is registered as a non-profit company with CIPC and is in the process of registering with the South African Revenue Services as an exempt tax entity.

**10. Cash generated from operations**

Profit before taxation	621 856
<b>Adjustments for:</b>	
Depreciation and amortisation	5 000
Interest received - investment	(600)
<b>Changes in working capital:</b>	
Trade and other receivables	(133 000)
Trade and other payables	8 261
	<b>501 517</b>

**11. Auditors' remuneration**

Fees	6 000
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**12. Comparative figures**

No comparative figures have been presented as these are the first annual financial statements of the company.

**Richmond Hill SRA NPC (Pty) Ltd**  
(Registration number 2014/257578/08)  
Annual Financial Statements for the Seven months ended 30 June 2015

**DETAILED INCOME STATEMENT**

Figures in Rand	Note(s)	Seven months ended 30 June 2015
<b>Revenue</b>		
Rate levies receivable		840 000
<b>Other income</b>		
Donations received		2 018
Interest received	8	600
		<b>2 618</b>
<b>Operating expenses</b>		
Advertising		2 850
Auditors remuneration	11	6 000
Bank charges		866
Cleaning		1 615
Computer expenses		6 737
Depreciation, amortisation and impairments		5 000
Employee costs		96 767
Insurance		2 377
Lease rentals on operating lease		7 900
Levies - retained by NMBMM		42 000
Medical expenses		861
Motor vehicle expenses		21 951
Professional fees		4 908
Repairs and maintenance		1 242
Security		3 170
Staff uniforms		9 720
Subscriptions		120
Telephone and fax		2 945
Training		1 800
Travel - local		1 933
		<b>220 762</b>
<b>Profit for the Seven months</b>		<b>621 856</b>