

RICHMOND HILL SRA NPC
(REGISTRATION NUMBER 2014/257578/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Clinton William Mullins
Chartered Accountant (SA)
Registered Auditors

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

Issued 21 November 2017

Richmond Hill SRA NPC

(Registration number 2014/257578/08)

Annual Financial Statements for the year ended 30 June 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Community-Based Private Urban Management
Directors	KS Slattery RO Norton SM Rollo
Registered office	13 Stanley Street Richmond Hill Port Elizabeth 6001
Business address	13 Stanley Street Richmond Hill Port Elizabeth 6001
Postal address	PO Box 34937 Newton Park Port Elizabeth 6055
Bankers	Standard Bank of South Africa Ltd
Auditor	Clinton William Mullins Chartered Accountant (SA) Registered Auditors IRBA Practice No. : 975035/0000
Tax reference number	9133691197

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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

21 November 2017

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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 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 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 auditor is 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 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 year to 30 June 2018 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 auditor is 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 auditor and their report is presented on page 4.

The annual financial statements set out on pages 6 to 12, which have been prepared on the going concern basis, were approved by the board on 21 November 2017 and were signed on its behalf by:

Approval of financial statements

KS Slattery

RO Norton

SM Rollo



Clinton Mullins
Chartered Accountant / Registered Auditor

Independent Auditor's Report

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

Opinion

I have audited the annual financial statements of Richmond Hill SRA NPC set out on pages 6 to 12, which comprise the statement of financial position as at 30 June 2017, 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 annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of Richmond Hill SRA NPC as at 30 June 2017, 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

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of my report. I am 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 annual financial statements in South Africa. I have fulfilled my 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

Clinton William Mullins
Chartered Accountant (SA)
Registered Auditor
IRBA Practice No. : 975035/0000

21 November 2017

Richmond Hill SRA NPC

(Registration number 2014/257578/08)

Annual Financial Statements for the year ended 30 June 2017

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Richmond Hill SRA NPC and its associates for the year ended 30 June 2017.

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 was incorporated in South Africa with interests in the Non-profit industry. The company 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 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 annual financial statements.

4. Directors

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

Directors	Office	Designation	Nationality
KS Slattery	Chairperson	Non-executive Independent	South African
RO Norton	Chairperson	Executive	South African
SM Rollo	Chief Operating Officer	Non-executive Independent	South African

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. Auditor

Clinton William Mullins continued in office as auditor for the company for 2017.

At the AGM, the shareholder will be requested to reappoint Clinton William Mullins as the independent external auditor of the company and to confirm Mr Clinton William Mullins as the designated lead audit partner for the 2018 financial year.

Richmond Hill SRA NPC

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Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

	Note(s)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	124 043	157 766
Current Assets			
Trade and other receivables	3	164 370	74 879
Cash and cash equivalents	4	390 743	404 892
		555 113	479 771
Total Assets		679 156	637 537
Equity and Liabilities			
Equity			
Retained income		662 379	629 445
Liabilities			
Current Liabilities			
Trade and other payables	5	16 777	8 092
Total Equity and Liabilities		679 156	637 537

Richmond Hill SRA NPC

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Annual Financial Statements for the year ended 30 June 2017

Statement of Comprehensive Income

	Note(s)	2017 R	2016 R
Revenue			
Special rates		1 036 381	823 676
Other income			
Other income - donations		6 500	4 500
Interest received	8	20 725	13 149
		27 225	17 649
Operating expenses			
Admin & Management		11 265	49 686
Advertising		3 586	1 003
Auditors remuneration		6 920	9 901
Bank charges		2 751	2 677
Computer expenses		11 604	11 019
Consumables		132	-
Depreciation, amortisation and impairments		41 184	41 029
Donations		1 050	-
Employee costs		535 398	394 592
Environment core activities		153 079	88 485
Insurance		20 969	14 954
Lease rentals on operating lease		40 700	21 900
Motor vehicle expenses		164 121	155 247
Printing and stationery		1 852	1 042
Promotions		16 011	-
Repairs and maintenance		5 533	3 519
Staff welfare		5 760	27 222
Subscriptions		640	126
Telephone and fax		7 938	11 334
		1 030 493	833 736
Operating profit		33 113	7 589
Finance costs		(179)	-
Profit for the year		32 934	7 589
Other comprehensive income		-	-
Total comprehensive income for the year		32 934	7 589

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Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 July 2015	621 856	621 856
Profit for the year	7 589	7 589
Other comprehensive income	-	-
Total comprehensive income for the year	7 589	7 589
Balance at 01 July 2016	629 445	629 445
Profit for the year	32 934	32 934
Other comprehensive income	-	-
Total comprehensive income for the year	32 934	32 934
Balance at 30 June 2017	662 379	662 379

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Statement of Cash Flows

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash (used in) generated from operations	10	(27 233)	93 420
Interest income		20 725	13 149
Finance costs		(179)	-
Net cash from operating activities		(6 687)	106 569
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7 461)	(103 795)
Total cash movement for the year		(14 148)	2 774
Cash at the beginning of the year		404 892	402 117
Total cash at end of the year	4	390 744	404 891

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual 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 annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost 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.

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 as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5.0 years
Equipment - Environmental Activities	Straight line	4.0 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.

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.4 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.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.4 Revenue (continued)

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

Notes to the Annual Financial Statements

	2017 R	2016 R
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2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Motor vehicles	198 400	(84 360)	114 040	198 400	(44 680)	153 720
Equipment - Environmental Activities	12 856	(2 853)	10 003	5 395	(1 349)	4 046
Total	211 256	(87 213)	124 043	203 795	(46 029)	157 766

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Motor vehicles	153 720	-	(39 680)	114 040
Equipment - Environmental Activities	4 046	7 461	(1 504)	10 003
	157 766	7 461	(41 184)	124 043

3. Trade and other receivables

Trade receivables	164 370	74 879
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 574	3 587
Current Account - Standard Bank	45 238	37 556
Money Market Account - Standard Bank	81 292	363 749
Investment account - Standard Bank	262 639	-
	390 743	404 892

5. Trade and other payables

Salaries - Net Pay	6 215	-
Accrued audit fees	6 800	6 800
Other payables - PAYE and UIF	3 762	1 292
	16 777	8 092

6. Revenue

Special rates from Nelson Mandela Bay Metropolitan Municipality	1 036 381	823 676
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7. Other income

Donations	6 500	4 500
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8. Investment revenue

Interest revenue

Bank	20 725	13 149
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9. Taxation

No provision has been made for 2017 tax as the entity is registered as a non-profit company with SARS.

10. Cash (used in) generated from operations

Profit before taxation	32 934	7 589
Adjustments for:		
Depreciation and amortisation	41 184	41 029
Interest received	(20 725)	(13 149)
Finance costs	179	-
Changes in working capital:		
Trade and other receivables	(89 490)	58 120
Trade and other payables	8 685	(169)
	(27 233)	93 420