

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.
PREPARER	J Oelofse CA (SA)

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OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

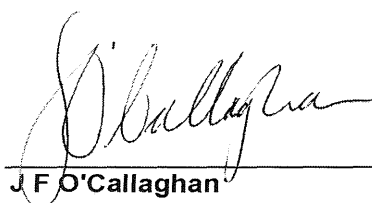
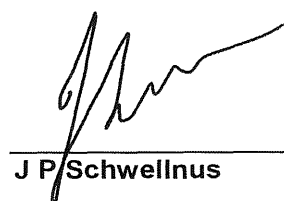
The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities and in the manner required by the Companies Act 71 of 2008 and are based upon appropriate accounting policies consistently applied and supported by reasonable 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 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 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 accordingly.


J F O'Callaghan
J P Schwellnus

3 August 2023

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 6 to 10, which comprise the statement of financial position as at 30 June 2023, 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 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 (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.

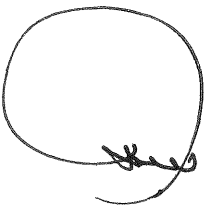
Auditor's Responsibilities for the Audit of the Financial Statements

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)

3 August 2023

4 Adelaide Road
PLUMSTEAD
7800

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

REPORT OF THE DIRECTORS

The directors hereby present their report on the annual financial statements for the year ended 30 June 2023.

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 additional rates 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 2023 are adequately reflected in the accompanying annual financial statements.

EVENTS SUBSEQUENT TO THE YEAR

No material facts or circumstances having 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.

GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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 believe the company will receive sufficient funding to meet its foreseeable cash requirements. 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.

DIRECTORS

The directors of the company at the financial year end, are reflected on page 1.

REGISTERED AND BUSINESS ADDRESS

5 Bidoon Close
Hout Bay
7806

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).

3 August 2023

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
<u>ASSETS</u>			
NON CURRENT ASSETS		-	-
CURRENT ASSETS			
Cash and Cash Equivalents	1	568,720	423,621
		<u>568,720</u>	<u>423,621</u>
<u>RESERVES AND LIABILITIES</u>			
RESERVES			
Retained Income		539,134	395,341
NON CURRENT LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	2	29,586	28,280
		<u>568,720</u>	<u>423,621</u>

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF INCOME AND RETAINED EARNINGS

	<u>Notes</u>	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
REVENUE	3	543,798	518,460
Additional Rates Received		502,088	473,667
Additional Rates Retention Received		41,710	44,793
OTHER INCOME		30,509	5,155
Donations Received		1,750	-
Interest Received		28,759	5,155
EXPENDITURE		430,514	378,517
Accounting Fees		7,500	-
Advertising and Promotions		8,067	4,126
Audit Fee		15,000	14,000
Bank Charges		1,810	1,619
Community Services		379,544	346,190
CCTV Monitoring		208,992	206,492
Cleaning Services		32,460	32,460
Environmental Upgrade		34,080	37,371
Public Safety		44,564	42,000
Rehabilitation of Public Open Spaces		34,486	11,541
Social Upliftment		18,722	13,377
Urban Maintenance		6,240	2,949
Insurance		7,022	7,022
Meeting Expenses		3,820	1,820
Secretarial Fees		2,600	350
Subscriptions		5,151	3,390
NET INCOME FOR THE YEAR		143,793	145,098
RETAINED INCOME AT BEGINNING OF YEAR		395,341	250,243
RETAINED INCOME AT END OF YEAR		539,134	395,341

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CASH FLOWS

	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the Year	143,793	145,098
Working Capital Changes - Trade and Other Payables	1,306	2,753
	<u>145,099</u>	<u>147,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	145,099	147,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>423,621</u>	<u>275,770</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>568,720</u>	<u>423,621</u>

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

ACCOUNTING POLICIES

Presentation of Financial Statements

The annual financial statements have been 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. 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 these applied in the previous year.

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 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 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 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.

OVERKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	<u>2023</u> <u>R</u>	<u>2022</u> <u>R</u>
1. CASH AND OTHER EQUIVALENTS		
Standard Bank - Current	44,806	58,466
Standard Bank - Money Market	523,914	365,155
	<u>568,720</u>	<u>423,621</u>
2. TRADE AND OTHER PAYABLES		
Bay Gardens & Pools	6,975	6,975
C L Sackim - Accounting Fees	1,500	-
Harry Curtis & Co - Audit Fee	15,000	14,000
J F O'Callaghan	560	-
J P Schwellnus	534	-
M Leadsom - Ladies of Love	-	350
Value Added Tax Payable	5,017	6,955
	<u>29,586</u>	<u>28,280</u>
3. REVENUE		
Additional Rates Received	502,088	473,667
Additional Rates Retention Received	41,710	44,793
	<u>543,798</u>	<u>518,460</u>

The City of Cape Town (CoCT) charges additional rates to property owners in the special rating area of Overkloof which funds are utilised to enhance and supplement services provided by the CoCT. The rates retention refund relates to refunds of bad debt provision retentions by CoCT.

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 has no taxable income for the year.