

**Fish Hoek Business Improvement District**  
(Registration number 2000/031844/08)

**Annual financial statements  
for the year ended 30 June 2016**

**Hudson Accounting**  
Chartered Accountants (SA)  
Registered Auditors

Published 24 August 2016

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Directors</b>	Mr M Mabin Mr M Reaper Mr K Patel Ms N Geldenhuys Mr M Johnson Mr T Heffer Mr R Downey Mr R Bing
<b>Registered office</b>	21 Second Avenue Fish Hoek 7975
<b>Postal address</b>	21 Second Avenue Fish Hoek 7975
<b>Auditors</b>	Hudson Accounting Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2000/031844/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Published</b>	24 August 2016

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

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The reports and statements set out below comprise the annual financial statements presented to the members:

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# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Responsibilities and Approval

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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 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 are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

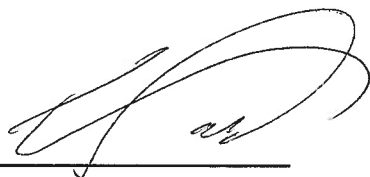
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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.

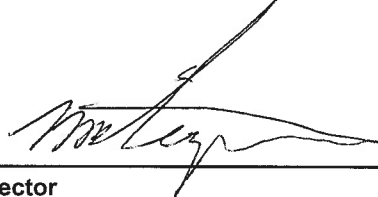
The directors have reviewed the company's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 page 4.

The annual financial statements set out on pages 5 to 13, which have been prepared on the going concern basis, were approved by the board of directors on 24 August 2016 and were signed on its behalf by:



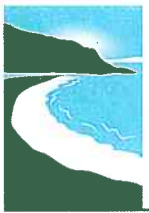
Director



Director

Fish Hoek

24 August 2016



# Hudson Accounting

*Chartered Accountants (SA)*

*Registered Auditors*

Corner 11th Ave and Kommetjie Rd, Fish Hoek

PO Box 22455, Fish Hoek, 7974

Tel: 021 782 9640

Fax: 021 782 9644

email: [admin@hudsonaccounting.co.za](mailto:admin@hudsonaccounting.co.za)

## Independent Auditors' Report

### To the members of Fish Hoek Business Improvement District

We have audited the annual financial statements of Fish Hoek Business Improvement District, as set out on pages 6 to 13, which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 the International Financial Reporting Standard for Small and Medium-sized Entities 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 entity'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 entity'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 present fairly, in all material respects, the financial position of Fish Hoek Business Improvement District as at 30 June 2016, 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.

Without qualifying our opinion, we draw attention to the fact that certain secretarial and bookkeeping duties were performed on behalf of the client.

*Hudson Accounting*

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Hudson Accounting  
DL Hickman  
Registered Auditors

24 August 2016  
Fish Hoek

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Fish Hoek Business Improvement District for the year ended 30 June 2016.

### 1. Nature of business

The company is involved in the revitalisation of the Fish Hoek Central Business District, by promoting a cleaner, safer and improved business environment.

There have been no material changes to the nature of the company's business from the prior year.

### 2. 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.

### 3. Directors

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

#### Directors

Mr M Mabin

Mr M Reaper

Mr K Patel

Ms N Geldenhuys

Mr M Johnson

Mr T Heffer

Mr R Downey

Mr R Bing

There have been no changes to the directorate for the period under review.

### 4. 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.

### 5. Auditors

Hudson Accounting continued in office as auditors for the company for 2016.

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	31 671	28 157
<b>Current Assets</b>			
Trade and other receivables	3	30 000	60 000
Cash and cash equivalents	4	763 996	521 442
		<b>793 996</b>	<b>581 442</b>
<b>Total Assets</b>		<b>825 667</b>	<b>609 599</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		819 204	599 666
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	6 463	9 933
<b>Total Equity and Liabilities</b>		<b>825 667</b>	<b>609 599</b>

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
<b>Revenue</b>			
Levy income		757 765	708 123
CoCT retention refund		36 846	55 857
		<b>794 611</b>	<b>763 980</b>
<b>Other income</b>			
Rental income		52 632	52 632
Donations		-	1 500
Interest received		14 093	1 898
		<b>66 725</b>	<b>56 030</b>
<b>Operating expenses</b>			
Advertising		11 691	19 881
Auditors remuneration		18 798	28 240
Bank charges		6 949	5 793
Cleaning		1 244	996
Computer expenses		525	4 393
Depreciation		36 954	32 524
Donations		600	-
Employee costs		76 353	68 855
Entertainment		10 547	8 903
Gifts		910	250
Hire		5 697	-
Management fees		126 600	122 000
Municipal expenses		9 934	681
Printing and stationery		1 777	86
Protective clothing		-	12 169
Repairs and maintenance		15 364	295
Security		304 643	310 947
Staff welfare		1 517	1 180
Subscriptions		-	550
Telephone and fax		10 402	8 866
Travel - local		1 293	1 810
		<b>641 798</b>	<b>628 419</b>
<b>Operating profit</b>		<b>219 538</b>	<b>191 591</b>
Finance costs		-	(936)
<b>Profit for the year</b>		<b>219 538</b>	<b>190 655</b>



# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 July 2014</b>	<b>409 011</b>	<b>409 011</b>
Profit for the year	190 655	190 655
<b>Balance at 01 July 2015</b>	<b>599 666</b>	<b>599 666</b>
Profit for the year	219 538	219 538
<b>Balance at 30 June 2016</b>	<b>819 204</b>	<b>819 204</b>

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
<b>Cash flows from operating activities</b>			
Cash generated from operations	6	268 929	202 989
Interest income		14 093	1 898
Finance costs		-	(936)
Tax received		-	507
<b>Net cash from operating activities</b>		<b>283 022</b>	<b>204 458</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(40 468)	-
<b>Total cash movement for the year</b>		<b>242 554</b>	<b>204 458</b>
Cash at the beginning of the year		521 442	316 984
<b>Total cash at end of the year</b>	4	<b>763 996</b>	<b>521 442</b>

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared 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, 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 are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

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

Cost includes 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. 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, which is as follows:

Item	Average useful life
Computer equipment	3 years
Security equipment	5 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

#### 1.2 Financial instruments

##### Financial instruments at amortised cost

Debt instruments, as defined in 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.

#### 1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

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.

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.

# **Fish Hoek Business Improvement District**

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## **Accounting Policies**

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### **1.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

### **1.5 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

Figures in Rand

2016

2015

### 2. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Computer equipment	170 855	(170 854)	1	170 855	(170 854)	1
Concrete bins	10 418	(10 418)	-	10 418	(10 418)	-
Security equipment	203 091	(171 421)	31 670	162 623	(134 467)	28 156
<b>Total</b>	<b>384 364</b>	<b>(352 693)</b>	<b>31 671</b>	<b>343 896</b>	<b>(315 739)</b>	<b>28 157</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Computer equipment	1	-	-	1
Security equipment	28 156	40 468	(36 954)	31 670
	<b>28 157</b>	<b>40 468</b>	<b>(36 954)</b>	<b>31 671</b>

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

	Opening balance	Depreciation	Total
Computer equipment	1	-	1
Security equipment	60 680	(32 524)	28 156
	<b>60 681</b>	<b>(32 524)</b>	<b>28 157</b>

### 3. Trade and other receivables

Rent receivable	30 000	60 000
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	498 114	269 653
Short-term deposits	265 882	251 789
	<b>763 996</b>	<b>521 442</b>

### 5. Trade and other payables

Trade payables	823	2 736
VAT	5 640	7 197
	<b>6 463</b>	<b>9 933</b>

# Fish Hoek Business Improvement District

(Registration number 2000/031844/08)

Annual Financial Statements for the year ended 30 June 2016

## Notes to the Annual Financial Statements

Figures in Rand

2016

2015

### 6. Cash generated from operations

Profit before taxation	219 538	190 655
<b>Adjustments for:</b>		
Depreciation and amortisation	36 954	32 524
Interest received - investment	(14 093)	(1 898)
Finance costs	-	936
<b>Changes in working capital:</b>		
Trade and other receivables	30 000	(19 220)
Trade and other payables	(3 470)	(8)
	<u>268 929</u>	<u>202 989</u>