



**LOWER KENILWORTH IMPROVEMENT DISTRICT NPC**  
**(Registration number 2020/593529/08)**

**AUDITED ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2022**

**Lower Kenilworth Improvement District NPC****(Registration number: 2020/593529/08)****Audited Annual Financial Statements for the year ended 30 June 2022****General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Provide community-based private urban management within public areas of the SRA
<b>Members</b>	PC Linnegar AP Nelson C Postlethwayt RD Moore ML Willis
<b>Registered office</b>	20 Ascot Road KENILWORTH 7708
<b>Business address</b>	20 Ascot Road KENILWORTH 7708
<b>Postal address</b>	20 Ascot Road KENILWORTH 7708
<b>Bankers</b>	First National Bank Limited
<b>Auditors</b>	Sentio Audit Incorporated Registered Auditors
<b>Preparer</b>	HVM Audit Incorporated
<b>Secretary</b>	C Abbott
<b>Company registration number</b>	2020/593529/08
<b>Income tax reference number</b>	9416/062/20/7
<b>VAT registration number</b>	4010292292
<b>Tax exemption unit number</b>	930071614

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

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

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

**Preparer**

C Niemand PA (S.A.)  
HVM Audit Incorporated

**Published**

16 August 2022

## **Boards' Responsibilities and Approval**

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The board is required by the Companies Act 71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited 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 audited annual financial statements.

The audited 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.

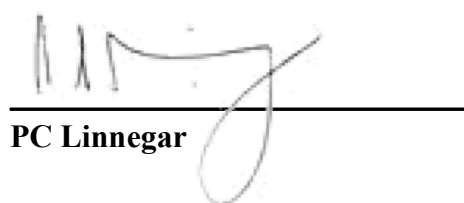
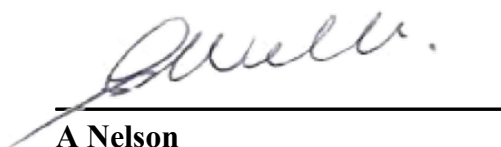
The board acknowledges that it is ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the board to meet these responsibilities, the board sets standards for internal control 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 board is 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 audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board has reviewed the company's cash flow forecast for the year to 30 June 2023 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 audited annual financial statements. The audited annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The audited annual financial statements set out on pages 9 to 14, which have been prepared on the going concern basis, were approved by the board on 16 August 2022 and signed on their behalf by:

  
**PC Linnegar**  
**A Nelson**

## **Lower Kenilworth Improvement District NPC**

(Registration number: 2020/593529/08)

**Audited Annual Financial Statements for the year ended 30 June 2022**

### **Boards' Report**

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The board has pleasure in submitting their report on the audited annual financial statements of Lower Kenilworth Improvement District NPC for the year ended 30 June 2022.

#### **1. Incorporation**

The company was incorporated on 04 August 2020 and obtained its certificate to commence business on the same day.

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

Lower Kenilworth Improvement District NPC was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

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

The audited 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 audited annual financial statements.

#### **4. Going concern**

The board believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the audited annual financial statements have been prepared on a going concern basis. The board has satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The board is not aware of any new material changes that may adversely impact the company. The board is 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.

#### **5. Events after the reporting period**

The board is not aware of any other material event which occurred after the reporting date and up to the date of this report.

#### **6. Property, plant and equipment**

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

## **Boards' Report**

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### **7. Board**

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

<b>Board</b>	<b>Nationality</b>	<b>Changes</b>
PC Linnegar	South African	
RD Moore	South African	
AP Nelson	South African	
C Postlethwayt	South African	
AP Van Dyk	South African	Resigned: 16 March 2022
ML Willis	South African	Appointed: 16 March 2022

### **8. Secretary**

Charles Abbott continued as company secretary for the company for 2022.

### **9. Auditors**

Sentio Audit Incorporated continued as auditors for the company for 2022.

### **10. Liquidity and solvency**

The directors have performed the liquidity and solvency test as required by the Companies Act 72 of 2008.



# Sentio Audit

Telephone  
+27 (21) 880 1994  
Fax  
+27 (86) 510 2637

Address  
Octo Place A5, Electron Street  
Techno Park, Stellenbosch,  
7600, South Africa

Postal  
P.O.Box 658, Stellenbosch,  
7599, South Africa

Registration  
Sentio Audit Incorporated  
2021/549478/21

## Independent Auditor's Report

### To the board of Lower Kenilworth Improvement District NPC

#### Opinion

We have audited the audited annual financial statements of Lower Kenilworth Improvement District NPC (the company) set out on pages 9 to 14, which comprise the statement of financial position as at 30 June 2022, 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 audited annual financial statements, including a summary of significant accounting policies.

In our opinion, the audited annual financial statements present fairly, in all material respects, the financial position of Lower Kenilworth Improvement District NPC as at 30 June 2022, 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

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the audited annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of audited annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other matter

We draw attention to the fact that supplementary information set out on page 15 does not form part of the audited annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

### **Responsibilities of the board for the Audited Annual Financial Statements**

The board is responsible for the preparation and fair presentation of the audited 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 board determines is necessary to enable the preparation of audited annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the audited annual financial statements, the board is 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 board 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 Audited Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the audited annual 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 International Standards on Auditing 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 audited annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the audited annual 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 board.
- Conclude on the appropriateness of the board's 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 audited annual 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 audited annual financial statements, including the disclosures, and whether the audited annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **Independent Auditor's Report**

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We communicate with the board 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.



**V Badenhorst**  
**SENTIO AUDIT INCORPORATED**

**Registered Auditors**  
**IRBA Number: 919485**

**16 August 2022**  
**Stellenbosch**

**Lower Kenilworth Improvement District NPC**  
(Registration number: 2020/593529/08)  
**Audited Annual Financial Statements for the year ended 30 June 2022**

**Statement of Financial Position as at 30 June 2022**

	<b>Notes</b>	<b>2022 R</b>	<b>2021 R</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	824 216	608 771
<b>Total Assets</b>		<b>824 216</b>	<b>608 771</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Surplus funds		677 206	486 230
		<b>677 206</b>	<b>486 230</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	3	147 010	119 541
Other financial liability	4	-	3 000
		<b>147 010</b>	<b>122 541</b>
<b>Total Equity and Liabilities</b>		<b>824 216</b>	<b>608 771</b>

**Lower Kenilworth Improvement District NPC**  
 (Registration number: 2020/593529/08)  
 Audited Annual Financial Statements for the year ended 30 June 2022

**Statement of Comprehensive Income**

	Notes	2022 R	2021 R
Revenue		1 537 554	1 482 745
Operating expenses		(1 360 263)	(996 515)
<b>Operating surplus</b>		<b>177 291</b>	<b>486 230</b>
Investment revenue	5	13 685	-
<b>Surplus for the year</b>		<b>190 976</b>	<b>486 230</b>

**Lower Kenilworth Improvement District NPC****(Registration number: 2020/593529/08)****Audited Annual Financial Statements for the year ended 30 June 2022****Statement of Changes in Equity**

	<b>Surplus funds R</b>	<b>Total equity R</b>
Surplus for the year	486 230	486 230
<b>Balance at 01 July 2021</b>	<b>486 230</b>	<b>486 230</b>
Surplus for the year	190 976	190 976
<b>Balance at 30 June 2022</b>	<b>677 206</b>	<b>677 206</b>

**Lower Kenilworth Improvement District NPC**  
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 Audited Annual Financial Statements for the year ended 30 June 2022

**Statement of Cash Flows**

	<b>Notes</b>	<b>2022 R</b>	<b>2021 R</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1 537 554	1 477 800
Cash paid to suppliers and employees		(1 332 794)	(872 027)
Cash generated from operations	8	204 760	605 773
Interest income		13 685	-
<b>Net cash from operating activities</b>		<b>218 445</b>	<b>605 773</b>
<b>Cash flows from financing activities</b>			
Net movement in other financial liability		(3 000)	3 000
<b>Net cash from financing activities</b>		<b>(3 000)</b>	<b>3 000</b>
<b>Total cash movement for the year</b>		<b>215 445</b>	<b>608 773</b>
Cash at the beginning of the year		608 771	-
<b>Total cash at end of the year</b>	2	<b>824 216</b>	<b>608 773</b>

## **Lower Kenilworth Improvement District NPC**

(Registration number: 2020/593529/08)

Audited Annual Financial Statements for the year ended 30 June 2022

### **Accounting Policies**

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#### **1. Basis of preparation and summary of significant accounting policies**

The audited 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 audited 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 Financial instruments**

###### **Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

###### **Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

##### **1.2 Tax**

###### **Tax expenses**

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

##### **1.3 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.

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

**Lower Kenilworth Improvement District NPC**  
(Registration number: 2020/593529/08)  
**Audited Annual Financial Statements for the year ended 30 June 2022**

**Notes to the Audited Annual Financial Statements**

	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>
<b>2. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	824 216	608 771
<b>3. Trade and other payables</b>		
Trade payables	144 945	116 471
South African Revenue Service: VAT	2 065	3 070
	<b>147 010</b>	<b>119 541</b>
<b>4. Other financial liability</b>		
Kenilworth Residents Association	-	3 000
The loan was settled during the current financial year.		
<b>Current liabilities</b>		
Other financial liability	-	3 000
<b>5. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	13 685	-
<b>6. Taxation</b>		
No provision has been made for 2022 tax as the company is exempt from paying income tax and has no other taxable income.		
<b>7. Auditor's remuneration</b>		
Fees	10 000	-
<b>8. Cash generated from operations</b>		
Surplus before taxation	190 976	486 230
<b>Adjustments for:</b>		
Interest received	(13 685)	-
<b>Changes in working capital:</b>		
Trade and other payables	27 469	119 543
	<b>204 760</b>	<b>605 773</b>

**Lower Kenilworth Improvement District NPC**

(Registration number: 2020/593529/08)

**Audited Annual Financial Statements for the year ended 30 June 2022****Unaudited Detailed Income Statement**

	<b>Notes</b>	<b>2022 R</b>	<b>2021 R</b>
<b>Revenue</b>			
Rendering of services		1 537 554	1 477 801
Donations received		-	4 944
		<b>1 537 554</b>	<b>1 482 745</b>
<b>Operating expenses</b>			
Accounting fees		(3 191)	(9 562)
Administration fees		(10 000)	(10 000)
Advertising		(5 016)	(18 941)
Auditors remuneration	7	(10 000)	-
Bank charges		(2 870)	(2 417)
CCTV leasing for cameras		(246 000)	(178 359)
CCTV monitoring		(276 862)	(201 645)
Cleaning		(61 000)	(16 100)
Communication		(2 456)	-
Computer expenses		(8 637)	(2 656)
Environmental upgrading		(7 033)	-
Insurance		(8 137)	(1 356)
Printing and stationery		(1 163)	-
Public safety		(702 011)	(553 500)
Repairs and maintenance		-	(1 979)
Urban maintenance		(15 887)	-
		<b>(1 360 263)</b>	<b>(996 515)</b>
<b>Operating surplus</b>		<b>177 291</b>	<b>486 230</b>
Investment income	5	13 685	-
<b>Surplus for the year</b>		<b>190 976</b>	<b>486 230</b>