



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

AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

Lower Kenilworth Improvement District NPC**(Registration number: 2020/593529/08)****Audited Annual Financial Statements for the year ended 30 June 2021****General Information**

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

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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

HA van der Merwe
Chartered Accountant (S.A.)

Published

04 August 2021

Lower Kenilworth Improvement District NPC

(Registration number: 2020/593529/08)

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Boards' Responsibilities and Approval

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 2022 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 15, which have been prepared on the going concern basis, were approved by the board on 04 August 2021 and signed on their behalf by:

PC Linnegar

AP Nelson

Lower Kenilworth Improvement District NPC

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Boards' Report

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 2021.

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 itself 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

7. Board

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

Board	Nationality	Changes
PC Linnegar	South African	Appointed 04 August 2020
AP Van Dyk	South African	Appointed 04 August 2020
C Postlethwayt	South African	Appointed 04 August 2020
RD Moore	South African	Appointed 04 August 2020
AP Nelson	South African	Appointed 26 January 2021

8. Secretary

Charles Abbott was appointed as company secretary during the year.

9. Auditors

HVM Audit Incorporated were appointed as auditors for the company for 2021.

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 15, which comprise the statement of financial position as at 30 June 2021, 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 2021, 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of audited annual financial statements in South Africa. We have fulfilled our 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 16 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

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
HVM AUDIT INCORPORATED
Chartered Accountants (S.A.)
Registered Auditors
IRBA Number: 903752

04 August 2021
Stellenbosch

Lower Kenilworth Improvement District NPC
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Statement of Financial Position as at 30 June 2021

	Notes	2021 R
Assets		
Current Assets		
Cash and cash equivalents	2	608 771
Total Assets		608 771
Equity and Liabilities		
Equity		
Surplus funds		486 230
		486 230
Liabilities		
Current Liabilities		
Trade and other payables	3	119 541
Other financial liability	4	3 000
		122 541
Total Equity and Liabilities		608 771

Lower Kenilworth Improvement District NPC**(Registration number: 2020/593529/08)****Audited Annual Financial Statements for the year ended 30 June 2021****Statement of Comprehensive Income**

	Notes	2021 R
Revenue		1 482 745
Operating expenses		(996 515)
Operating surplus		486 230
Surplus for the year		486 230

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Statement of Changes in Equity

	Surplus funds R	Total equity R
Surplus for the year	486 230	486 230
Balance at 30 June 2021	486 230	486 230

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Statement of Cash Flows

	Notes	2021 R
Cash flows from operating activities		
Cash receipts from customers		1 477 800
Cash paid to suppliers and employees		(872 029)
Cash generated from operations	6	605 771
Net cash from operating activities		605 771
Cash flows from financing activities		
Net movement in other financial liability		3 000
Net cash from financing activities		3 000
Total cash movement for the year		608 771
Total cash at end of the year	2	608 771

Accounting Policies

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 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.

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.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

Accounting Policies

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.

1.4 Borrowing costs

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

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Notes to the Audited Annual Financial Statements

	2021
	R
2. Cash and cash equivalents	
Cash and cash equivalents consist of:	
Bank balances	608 771
3. Trade and other payables	
Trade payables	116 471
South African Revenue Service: VAT	3 070
	119 541
4. Other financial liability	
Kenilworth Residents Association	3 000
The loan is unsecured, bears no interest and has no fixed terms of repayment.	
Current liabilities	
Other financial liability	3 000
5. Taxation	
No provision has been made for 2021 tax as the company is exempt from paying income tax and has no other taxable income.	
6. Cash generated from operations	
Surplus before taxation	486 230
Changes in working capital:	
Trade and other payables	119 541
	605 771

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Audited Annual Financial Statements for the year ended 30 June 2021**Unaudited Detailed Income Statement**

	Notes	2021 R
Revenue		
Donations		4 944
Rendering of services		1 477 801
		1 482 745
Operating expenses		
Accounting fees		(9 562)
Administration and management fees		(10 000)
Advertising		(18 941)
Bank charges		(2 417)
CCTV leasing for cameras		(178 359)
CCTV monitoring		(201 645)
Cleaning		(16 100)
Computer expenses		(2 656)
Insurance		(1 356)
Public safety		(553 500)
Repairs and maintenance		(1 979)
		(996 515)
Surplus for the year		486 230