

# **Pinelands Community Improvement District NPC**

**(Registration Number 2023/828331/08)**

**Annual Financial Statements  
for the year ended 30 June 2024**

**Audited Financial Statements**

in compliance with the Companies Act of South Africa

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Annual Financial Statements for the year ended 30 June 2024

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# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Annual Financial Statements for the year ended 30 June 2024

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	2023/828331/08
<b>Registration Date</b>	22 June 2023
<b>Nature of Business and Principal Activities</b>	The non-profit company mission is to improve Pinelands consistently and incrementally for the benefit of all who live and work here.
<b>Directors</b>	John Britz Aslam Clarke Alexander McGuffog Marilynn McNamara Yazied Davids (Resigned 30 July 2024) David Stanley Owen (Resigned 30 July 2024)
<b>Registered Office</b>	Unit B12 Pinelands Business Park New Mill Road Pinelands 7405
<b>Auditors</b>	Pragmakonsult 20 Hope Street Hermanus 7200

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Annual Financial Statements for the year ended 30 June 2024

## Directors' Responsibilities and Approval

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The directors are required by the Companies Act of South Africa 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. These annual financial statements have been prepared in accordance with the IFRS for SMEs<sup>®</sup> Accounting Standard as issued by the International Accounting Standards Board (IASB<sup>®</sup>) and it is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the non-profit company, and explain the transactions and financial position of the business of the non-profit company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the non-profit company 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 non-profit 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 non-profit company and all employees are required to maintain the highest ethical standards in ensuring the non-profit company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the non-profit company is on identifying, assessing, managing and monitoring all known forms of risk across the non-profit company. While operating risk cannot be fully eliminated, the non-profit 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the non-profit company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the non-profit company.

The annual financial statements have been audited by the independent auditing firm, Pragmakonsult, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 5 to 6.

The annual financial statements set out on pages 7 to 15, and the supplementary information set out on page 16 which have been prepared on the going concern basis, were approved by the directors and were signed on 16 August 2024 on their behalf by:



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John Britz



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Alexander McGuffog

# Pinelands Community Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2024

## Directors' Report

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The directors present their report for the year ended 30 June 2024.

### 1. Review of activities

#### Main business and operations

The non-profit company mission is to improve Pinelands consistently and incrementally for the benefit of all who live and work here. There were no major changes herein during the year.

The operating results and statement of financial position of the non-profit company are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the non-profit company.

### 4. Directors

The directors of the non-profit company during the year and up to the date of this report are as follows:

John Britz

Aslam Clarke

Alexander McGuffog

Marilynn McNamara

Yazied Davids (Resigned 30 July 2024)

David Stanley Owen (Resigned 30 July 2024)

### 5. Taxation

In terms of Section 10(1)(e)(i)(cc) of the Income Tax Act, The Pineland Community Improvement District has tax exemption status.

### 6. Independent Auditors

Pragmakonsult were the independent auditors for the year under review.

# PRAGMAKONSULT

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## Independent Auditor's Report

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### To the Members of Pinelands Community Improvement District NPC

#### Opinion

We have audited the financial statements of Pinelands Community Improvement District NPC set out on pages 7 to 15, which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pinelands Community Improvement District NPC as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

#### 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 non-profit 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 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.

#### 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is 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 non-profit 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 non-profit 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.



# PRAGMAKONSULT

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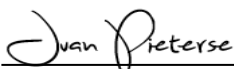
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 non-profit 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 non-profit 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 non-profit 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.

**Pragmakonsult**

**16 August 2024**



Per: **Juan Pieterse**  
**Director / Partner**  
**Registered Auditor**

**20 Hope Street**  
**Hermanus**  
**7200**



# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Statement of Financial Position

Figures in R

Notes

2024

### Assets

#### Non-current assets

Property, plant and equipment	3	<u>1,348,043</u>
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#### Current assets

Trade and other receivables		91,241
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Cash and cash equivalents	4	<u>5,661,698</u>
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<b>Total current assets</b>		<b><u>5,752,939</u></b>
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#### Total assets

		<b><u>7,100,982</u></b>
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### Equity and liabilities

#### Equity

Accumulated surplus		<u>5,862,419</u>
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#### Liabilities

##### Current liabilities

Provisions	5	11,750
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Trade and other payables	6	<u>1,226,813</u>
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<b>Total current liabilities</b>		<b><u>1,238,563</u></b>
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#### Total equity and liabilities

		<b><u>7,100,982</u></b>
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# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Statement of Comprehensive Income

Figures in R	Notes	2024
Revenue	7	9,869,668
Administrative expenses	8	(66,136)
Other expenses	9	(4,171,356)
<b>Surplus from operating activities</b>	10	<b>5,632,176</b>
Finance income		230,243
<b>Surplus for the year</b>		<b>5,862,419</b>

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Statement of Changes in Equity

Figures in R	Accumulated surplus
<b>Changes in equity</b>	
Surplus for the year	5,862,419
Total comprehensive income for the year	<u>5,862,419</u>
<b>Balance at 30 June 2024</b>	<u><b>5,862,419</b></u>

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Statement of Cash Flows

Figures in R

	Note	2024
<b>Cash flows from operations</b>		
<b>Surplus for the year</b>		<b>5,862,419</b>
<b>Adjustments to reconcile surplus</b>		
Adjustments for finance income		(230,243)
Adjustments for increase in other operating receivables		(91,241)
Adjustments for increase in trade accounts payable		18,121
Adjustments for increase in other operating payables		1,208,692
Adjustments for depreciation and amortisation expense		20,728
Adjustments for provisions		11,750
<b>Total adjustments to reconcile surplus</b>		<b>937,807</b>
<b>Net cash flows from operations</b>		<b>6,800,226</b>
Interest received		230,243
<b>Net cash flows from operating activities</b>		<b>7,030,469</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment		(1,368,771)
<b>Cash flows used in investing activities</b>		<b>(1,368,771)</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,661,698</b>
<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>5,661,698</b>

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Accounting Policies

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

The financial statements of Pinelands Community Improvement District NPC have been prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the Companies Act of South Africa. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The non-profit company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the non-profit company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Asset class	Useful life / depreciation rate
Machinery	6 years
Office equipment	6 years
Computer equipment	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

#### 1.2 Financial instruments

##### Trade and other receivables

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in surplus or deficit.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Accounting Policies continued...

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

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

#### **Trade and other payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

### **1.3 Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest income is recognised using the effective interest method.

### **2. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Notes to the Financial Statements

Figures in R

2024

### 3. Property, plant and equipment

Balances at year end and movements for the year

	Machinery	Office equipment	Computer equipment	Total
<b>Reconciliation for the year ended 30 June 2024</b>				
<b>Balance at 1 July 2023</b>				
At cost	-	-	-	-
Accumulated depreciation	-	-	-	-
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movements for the year ended 30 June 2024</b>				
Additions from acquisitions	1,310,260	8,607	49,904	<b>1,368,771</b>
Depreciation	(9,705)	(239)	(10,784)	<b>(20,728)</b>
<b>Property, plant and equipment at the end of the year</b>	<b>1,300,555</b>	<b>8,368</b>	<b>39,120</b>	<b>1,348,043</b>
<b>Closing balance at 30 June 2024</b>				
At cost	1,310,260	8,607	49,904	<b>1,368,771</b>
Accumulated depreciation	(9,705)	(239)	(10,784)	<b>(20,728)</b>
<b>Carrying amount</b>	<b>1,300,555</b>	<b>8,368</b>	<b>39,120</b>	<b>1,348,043</b>

### 4. Cash and cash equivalents

#### 4.1 Cash and cash equivalents included in current assets:

##### Cash

Balances with banks	5,661,698
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#### 4.2 Net cash and cash equivalents

Current assets	5,661,698
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#### 4.3 Detail of cash and cash equivalent balances

##### Bank balances

FNB Current Account	1,301,455
FNB Money Market	4,360,243
<b>Total</b>	<b>5,661,698</b>

# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Notes to the Financial Statements continued...

Figures in R

2024

### 5. Provisions

#### 5.1 Provisions comprise:

Other provisions	11,750
Other provisions	11,750
<b>Current portion</b>	<b>11,750</b>
	<b>11,750</b>

#### 5.2 Other provisions

	Audit fee	Total
<b>Balance at 1 July 2023</b>	-	-
New provisions	11,750	11,750
Total changes	11,750	11,750
<b>Balance at 30 June 2024</b>	<b>11,750</b>	<b>11,750</b>

### 6. Trade and other payables

#### Trade and other payables comprise:

Trade payables	18,121
Other payables	1,157,505
Value added tax	51,187
<b>Total trade and other payables</b>	<b>1,226,813</b>

### 7. Revenue

#### Revenue comprises:

Revenue – Additional Rates Received	9,869,668
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# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Financial Statements for the year ended 30 June 2024

## Notes to the Financial Statements continued...

Figures in R

2024

### 8. Administrative expenses

#### Administrative expenses comprise:

Accounting fees	38,092
Auditors remuneration - Fees	11,750
Bank charges	1,435
Computer expenses	9,357
Secretarial fees	1,867
Telecommunication	3,635
<b>Total administrative expenses</b>	<b>66,136</b>

### 9. Other expenses

#### Other expenses comprise:

Advertising	58,097
CCTV Monitoring	350,570
Cleaning	467,048
Depreciation	20,728
Employee benefit expenses	499,503
Insurance	6,814
Law enforcement	188,010
Meeting expenses	7,407
Printing and stationery	4,132
Property related expenses	749
Public safety	1,995,569
Repairs and maintenance	2,892
Seed funding	55,894
Small assets < R7 500	390
Social upliftment	15,000
Software expenses	25,487
Staff welfare	172
Travel - Local	2,287
Urban maintenance	470,607
<b>Total other expenses</b>	<b>4,171,356</b>

### 10. Surplus from operating activities

Surplus from operating activities includes the following separately disclosable items

#### Other operating expenses

Property plant and equipment - depreciation	20,728
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# Pinelands Community Improvement District NPC

(Registration Number 2023/828331/08)

Annual Financial Statements for the year ended 30 June 2024

## Detailed Income Statement

Figures in R

	Notes	2024
<b>Revenue</b>	7	
Revenue – Additional Rates Received		9,869,668
<b>Administrative expenses</b>	8	
Accounting fees		(38,092)
Auditors remuneration - Fees		(11,750)
Bank charges		(1,435)
Computer expenses		(9,357)
Secretarial fees		(1,867)
Telecommunication		(3,635)
		<b>(66,136)</b>
<b>Other expenses</b>	9	
Advertising		(58,097)
CCTV Monitoring		(350,570)
Cleaning		(467,048)
Depreciation - property, plant and equipment		(20,728)
Employee costs - salaries		(499,503)
Insurance		(6,814)
Law enforcement		(188,010)
Management fees		(749)
Meeting expenses		(7,407)
Printing and stationery		(4,132)
Public safety		(1,995,569)
Repairs and maintenance		(2,892)
Seed funding		(55,894)
Small assets < R7 500		(390)
Social upliftment		(15,000)
Software expenses		(25,487)
Staff welfare		(172)
Travel - Local		(2,287)
Urban maintenance		(470,607)
		<b>(4,171,356)</b>
<b>Surplus from operating activities</b>	10	<b>5,632,176</b>
<b>Finance income</b>		
Interest received		230,243
<b>Surplus for the year</b>		<b>5,862,419</b>