

Waenhuiskrans Arniston Ratepayers Association

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 October 2016**

Waenhuiskrans Arniston Ratepayers Association

ANNUAL FINANCIAL STATEMENTS for the year ended 31 October 2016

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PRACTITIONER'S COMPILATION REPORT TO THE MANAGEMENT OF

Waenhuiskrans Arniston Ratepayers Association

for the year ended 31 October 2016

We have compiled the accompanying financial statements of the abovementioned company based on information you have provided. These financial statements comprise the balance sheet as at 31 October 2016, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with South African Generally Accepted Accounting Practice. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with South African Generally Accepted Accounting Practice.

CWO Louw

Professional Accountant (SA)

(Practice number 24361)

Louw Cooper Financial Services CC

Accountant

Cape Town

14 December 2016

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 October 2016

Executive Committee's Report

The executive committee is required to maintain adequate accounting records and is 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 association 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 basis of the accounting policies.

The annual financial statements are prepared in accordance with the basis of accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The executive committee acknowledges that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the executive committee to meet these responsibilities, they 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 association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the ethical behaviours are applied and managed within predetermined procedures and constraints.

The executive committee 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The annual financial statements set out, have been prepared on the going concern basis, and were approved by the executive committee and were signed on its behalf by:

Chairman
14 December 2016

Treasurer
14 December 2016

Waenhuiskrans Arniston Ratepayers Association

BALANCE SHEET as at 31 October 2016

	Notes	2016 R	2015 R
ASSETS			
Current assets		11,819	50,909
Cash and cash equivalents	2	11,819	50,909
Total assets		11,819	50,909
RESERVES AND LIABILITIES			
Reserves		11,819	50,909
Accumulated surplus		11,819	50,909
Total reserves and liabilities		11,819	50,909

Waenhuiskrans Arniston Ratepayers Association

INCOME STATEMENT
for the year ended 31 October 2016

	Notes	2016 R	2015 R
Membership fees		12,900	14,400
Other operating income		148,925	1,655
Interest received		449	1,655
Donations		148,476	-
Total operating income		161,825	16,055
Less: Operating expenses		200,915	42,797
Accounting fees		7,980	26,868
AGM Costs		200	-
Bank charges		1,028	966
Consulting fees		-	11,400
Legal fees		188,342	-
Printing and stationery		155	1,395
Storage		3,210	2,168
Surplus/(deficit) for the year		(39,090)	(26,742)

Waenhuiskrans Arniston Ratepayers Association

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 October 2016

	Retained earnings/ (accumulated losses)	Total
Balance as at 31 October 2016	11,819	11,819
Surplus/(deficit) for the year	(39,090)	(39,090)
Balance as at 31 October 2015	50,909	50,909
Surplus/(deficit) for the year	(26,742)	(26,742)
Balance as at 31 October 2014	77,651	77,651

Waenhuiskrans Arniston Ratepayers Association

CASH FLOW STATEMENT
for the year ended 31 October 2016

	2016	2015
	R	R
Cash flows from activities	(39,090)	(26,742)
Cash receipts received	161,376	14,400
Cash paid to suppliers	(200,915)	(42,797)
Cash generated from/(utilized by) activities	(39,539)	(28,397)
Interest received	449	1,655
Net increase/(decrease) in cash and cash equivalents	(39,090)	(26,742)
Cash and cash equivalents at the beginning of the year	50,909	77,651
Cash and cash equivalents at the end of the year	<u>11,819</u>	<u>50,909</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 October 2016

1 Basis of preparation

The annual financial statements are prepared on historical cost basis and incorporate the following principal accounting policies, which are consistent in all material respects with those applied in the previous years except otherwise indicated:

1.1 Revenue recognition

Membership fees and donations are generally recognised when they are received.

	2016	2015
	R	R
2 Cash and cash equivalents		
Cash and cash equivalents consist of"		
Current account	11,819	22,254
Savings account	-	28,655
	<u>11,819</u>	<u>50,909</u>
3 Investment revenue		
Interest received	<u>449</u>	<u>1,655</u>