

**Waenhuiskrans Arniston Ratepayers Association  
Annual financial statements  
for the year ended 31 October 2015**

**Waenhuiskrans Arniston Ratepayers Association  
Annual Financial Statements for the year ended 31 October 2015**

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

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## Report of the Independent Auditors

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### To the members of Waenhuiskrans Arniston Ratepayers Association

We have audited the annual financial statements of Waenhuiskrans Arniston Ratepayers Association, which comprise the Statement of Financial Position as at 31 October 2015 and the Statement of Comprehensive Income for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 8.

### Executive Committee's Responsibility for the Annual Financial Statements

The executive committee is responsible for the preparation and fair presentation of these annual financial statements in accordance with the basis of accounting as per Note 1, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's 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 qualified audit opinion.

### Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the association to institute accounting controls over cash donations and other voluntary income prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

## AUDITING & INSIGHT

### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the preceding paragraph, the annual financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

### **Basis of accounting**

Without further qualifying our opinion above, we draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the association in providing financial statements to the members and other users of the financial statements. As a result, the financial statements may not be suitable for another purpose.



Nolands Inc  
Registered Auditors  
Practice number: 900583e  
Per: Mark Schulze CA (SA), RA  
Director

Cape Town  
17 December 2015

**Waenhuiskrans Arniston Ratepayers Association  
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**Executive Committee's Responsibilities and Approval**

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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 his 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 accounting as per Note 1. 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 basis of accounting as per Note 1 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 association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 external auditors are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on pages 2 to 3.

The annual financial statements set out on pages 5 to 8, which have been prepared on the going concern basis, were approved by the executive committee on 17 December 2015 and were signed on its behalf by:



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**Executive Committee Member**

**Cape Town  
17 December 2015**

**Waenhuiskrans Arniston Ratepayers Association**  
**Annual Financial Statements for the year ended 31 October 2015**

**Statement of Financial Position**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	50,909	77,651
<b>Total Assets</b>		<b>50,909</b>	<b>77,651</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Accumulated surplus		50,909	77,651
<b>Total Reserves and Liabilities</b>		<b>50,909</b>	<b>77,651</b>

**Waenhuiskrans Arniston Ratepayers Association**  
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**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2015</b>	<b>2014</b>
<b>Income</b>			
Membership fees		14,400	20,471
Interest received	3	1,655	1,319
		<u>16,055</u>	<u>21,790</u>
<b>Operating expenses</b>			
Accounting fees		26,868	1,439
Bank charges		966	826
Consulting fees		11,400	-
Printing and stationery		1,395	-
Rent paid		-	200
Storage		2,168	-
		<u>42,797</u>	<u>2,465</u>
<b>(Deficit) / surplus for the year</b>		<b>(26,742)</b>	<b>19,325</b>
Accumulated surplus at the beginning of the year		77,651	58,326
<b>Accumulated surplus at the end of the year</b>		<b>50,909</b>	<b>77,651</b>

**Waenhuiskrans Arniston Ratepayers Association  
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**Accounting Policies**

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**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

**1.1 Income**

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

Income from membership fees is credited to the statement of comprehensive income upon receipt.

**1.2 Expenses**

Expenses are recognised on the accrual basis of accounting.

No accounting entry is made for any services received free of charge.



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**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2015</b>	<b>2014</b>
<b>2. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances - Current account	22,254	30,467
- Savings account	28,655	27,000
- Attorneys trust account	-	20,184
	<u>50,909</u>	<u>77,651</u>
<b>3. Investment revenue</b>		
Interest received		
Bank	<u>1,655</u>	<u>1,319</u>