



LouwCooperRasool

TAX AND ACCOUNTING SERVICES

Waenhuiskrans Arniston Ratepayers Association  
Annual Financial Statements  
for the year ended 31 October 2017

These annual financial statements were prepared by:  
CWO Louw  
Professional Accountant (SA)

These annual financial statements have not been audited or independently reviewed.

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

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

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### **Level of assurance**

These annual financial statements have not been audited or independently reviewed.

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Executive Committee's Report

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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 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 polices 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 that 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 behaviour are applied and managed with 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 on pages 5 to 10, were approved by the executive committee and have been signed on their behalf by:

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Date

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Date



## Practitioner's Compilation Report

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### To the management of Waenhuiskrans Arniston Ratepayers Association

I have compiled the annual financial statements of Waenhuiskrans Arniston Ratepayers Association, as set out on pages 5 - 10, based on the information you have provided. These annual financial statements comprise the balance sheet of Waenhuiskrans Arniston Ratepayers Association as at 31 October 2017, the statement of comprehensive income, 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.

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

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual 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, I am not required to verify the accuracy or completeness of the information you provided to me to compile these annual financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

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**CWO Louw**  
**Partner**  
**Professional Accountant (SA)**  
**SAIPA 24361**

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**Date**

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Balance Sheet as at 31 October 2017

| Figures in Rand                       | Note(s) | 2017          | 2016          |
|---------------------------------------|---------|---------------|---------------|
| <b>Assets</b>                         |         |               |               |
| <b>Current Assets</b>                 |         |               |               |
| Cash and cash equivalents             | 2       | 38,401        | 11,819        |
| <b>Total Assets</b>                   |         | <b>38,401</b> | <b>11,819</b> |
| <b>Equity and Liabilities</b>         |         |               |               |
| <b>Members' interest and reserves</b> |         |               |               |
| Retained income                       |         | 38,401        | 11,819        |
| <b>Liabilities</b>                    |         |               |               |
| <b>Total Equity and Liabilities</b>   |         | <b>38,401</b> | <b>11,819</b> |

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Income Statement

| Figures in Rand                   | Note(s) | 2017          | 2016            |
|-----------------------------------|---------|---------------|-----------------|
| <b>Revenue</b>                    |         |               |                 |
| Membership fees                   |         | 16,310        | 12,900          |
| <b>Other income</b>               |         |               |                 |
| Donations                         |         | 88,200        | 148,476         |
| Interest received                 |         | -             | 449             |
|                                   |         | <b>88,200</b> | <b>148,925</b>  |
| <b>Operating expenses</b>         |         |               |                 |
| Accounting fees                   |         | 2,850         | 7,980           |
| AGM Costs                         |         | 200           | 200             |
| Bank charges                      |         | 1,078         | 1,028           |
| Legal expenses                    |         | 69,235        | 188,342         |
| Printing and stationery           |         | -             | 155             |
| Storage                           |         | 4,565         | 3,210           |
|                                   |         | <b>77,928</b> | <b>200,915</b>  |
| <b>Profit (loss) for the year</b> |         | <b>26,582</b> | <b>(39,090)</b> |

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Statement of Changes in Equity

| Figures in Rand                    | Retained income | Total equity    |
|------------------------------------|-----------------|-----------------|
| <b>Balance at 01 November 2015</b> | <b>50,909</b>   | <b>50,909</b>   |
| <b>Loss for the year</b>           | <b>(39,090)</b> | <b>(39,090)</b> |
| <b>Balance at 01 November 2016</b> | <b>11,819</b>   | <b>11,819</b>   |
| <b>Profit for the year</b>         | <b>26,582</b>   | <b>26,582</b>   |
| <b>Balance at 31 October 2017</b>  | <b>38,401</b>   | <b>38,401</b>   |

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Statement of Cash Flows

| Figures in Rand                             | Note(s) | 2017          | 2016            |
|---|---------|---------------|-----------------|
| <b>Cash flows from operating activities</b> |         |               |                 |
| Cash receipts from customers                |         | 104,510       | 161,376         |
| Cash paid to suppliers and employees        |         | (77,928)      | (200,915)       |
| Cash generated from (used in) operations    | 4       | 26,582        | (39,539)        |
| Interest income                             |         | -             | 449             |
| <b>Net cash from operating activities</b>   |         | <b>26,582</b> | <b>(39,090)</b> |
| <b>Total cash movement for the year</b>     |         |               |                 |
| Cash at the beginning of the year           |         | 11,819        | 50,909          |
| <b>Total cash at end of the year</b>        | 2       | <b>38,401</b> | <b>11,819</b>   |



# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Close Corporations Act, 1984 (No. 69 of 1984). The annual financial statements have been prepared on the historical cost basis, 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 Revenue

Revenue is recognised to the extent that the close corporation 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 close corporation. 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.

# Waenhuiskrans Arniston Ratepayers Association

Annual Financial Statements for the year ended 31 October 2017

## Notes to the Annual Financial Statements

| Figures in Rand                                    | 2017          | 2016            |
|--|---------------|-----------------|
| <b>2. Cash and cash equivalents</b>                |               |                 |
| Cash and cash equivalents consist of:              |               |                 |
| Current Account                                    | 38,401        | 11,819          |
| <b>3. Revenue</b>                                  |               |                 |
| Membership fees                                    | 16,310        | 12,900          |
| <b>4. Cash generated from (used in) operations</b> |               |                 |
| Profit (loss) before taxation                      | 26,582        | (39,090)        |
| <b>Adjustments for:</b>                            |               |                 |
| Interest received                                  | -             | (449)           |
| Rounding differences                               | -             | 1               |
| <b>Changes in working capital:</b>                 |               |                 |
| Trade and other payables                           | -             | (1)             |
|  | <b>26,582</b> | <b>(39,539)</b> |

### 5. 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.