

# **HERMANUS RATEPAYERS ASSOCIATION**

**(Association Not For Gain)**

**Annual Financial Statements**

**for the year ended 31 December 2021**

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## INDEX

---

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

General Information	1
Executive Committee's Responsibilities and Approval	2
Report of the Independent Reviewer	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Accounting Policies	8 - 9
Notes to the Annual Financial Statements	10
Supplementary information: Detailed Income Statement	11

---

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## GENERAL INFORMATION

---

<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	To preserve the character and natural beauty of Hermanus
<b>EXECUTIVE COMMITTEE REPRESENTATIVES</b>	Brian Wridgway (Chairperson) Michael Bourne (Treasurer) Arlene Ross-Smith Jan Cilliers Jenny Howard James Thom
<b>REGISTERED OFFICE</b>	1 Smuts Avenue Westcliff Hermanus South Africa 7200
<b>BANKERS</b>	Nedbank
<b>INCOME TAX REGISTRATION NUMBER</b>	9144993228
<b>INDEPENDENT REVIEWERS</b>	Cypress Consulting

# HERMANUS RATEPAYERS ASSOCIATION

(Registration Number Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## Executive Committee's Responsibilities and Approval

---

The Executive Committee is required by the constitution to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the year. The financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The Executive Committee acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable them 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation 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 that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the 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 management has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The independent reviewers are responsible for independently reviewing and reporting on the annual financial statements. The independent reviewers report is presented on page 3.

The annual financial statements as set out on pages 4 to 10 were approved by the management committee on 27 February 2022 and were signed on its behalf by:

---

Brian Wridgway  
Chairperson

---

Michael Bourne  
Treasurer

## **INDEPENDENT REVIEWER'S REPORT**

---

### **To the Members of Hermanus Ratepayers Association**

We have reviewed the financial statements of Hermanus Ratepayers Association set out on pages 4 to 10, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

### **Independent Reviewer's Responsibility**

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Hermanus Ratepayers Association as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

**Cypress Consulting**

**27 February 2022**

---

**Per: Jacobus Roux**  
**Chartered Accountant CA (SA)**

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2021	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	12,279	-
<b>Current Assets</b>			
Cash and cash equivalents	4	147,544	169,719
<b>Total Assets</b>		<b>159,823</b>	<b>169,719</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Retained earnings		159,823	169,719
<b>Total Reserves and Liabilities</b>		<b>159,823</b>	<b>169,719</b>

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF COMPREHENSIVE INCOME

14 months

Figures in R	2021	2020
<b>Income</b>	23,080	29,436
Operating costs	(37,498)	(15,370)
<b>Operating (deficit) / surplus</b>	<b>(14,418)</b>	<b>14,066</b>
Finance income	4,522	5,370
<b>(Deficit) / surplus for the year</b>	<b>(9,896)</b>	<b>19,436</b>
Retained income at 1 January 2021	169,719	150,283
(Deficit) / surplus for the year	(9,896)	19,436
Retained income at 31 December 2021	<b>159,823</b>	<b>169,719</b>

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF CHANGES IN RESERVES

Figures in R	Accumulated surplus	Total
<b>Balance at 1 November 2019</b>	150,283	150,283
<b>Total comprehensive income for the year</b>		
Surplus for the year	19,436	19,436
<b>Total comprehensive income for the year</b>	19,436	19,436
<b>Balance at 31 December 2020</b>	<b>169,719</b>	<b>169,719</b>
<b>Balance at 1 January 2021</b>	169,719	169,719
<b>Total comprehensive income for the year</b>		
Deficit for the year	(9,896)	(9,896)
<b>Total comprehensive income for the year</b>	(9,896)	(9,896)
<b>Balance at 31 December 2021</b>	<b>159,823</b>	<b>159,823</b>



# HERMANUS RATEPAYERS ASSOCIATION

(Registration Number Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## STATEMENT OF CASH FLOWS

14 months

Figures in R	Note	2021	2020
<b>Cash flows (used in) / from operating activities</b>			
(Deficit) / surplus for the year		(9,896)	19,436
<i>Adjustments for:</i>			
Depreciation of tangible assets		715	-
Investment income		(4,522)	(5,371)
<b>Net cash flows (used in) / from operations</b>		<b>(13,703)</b>	<b>14,065</b>
Investment income		4,522	5,370
<b>Net cash flows (used in) / from operating activities</b>		<b>(9,181)</b>	<b>19,435</b>
Property, plant and equipment acquired	3	(12,994)	-
Net (decrease) / increase in cash and cash equivalents		(22,175)	19,435
Cash and cash equivalents at beginning of the year		169,719	150,284
<b>Cash and cash equivalents at end of the year</b>	4	<b>147,544</b>	<b>169,719</b>

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## ACCOUNTING POLICIES

---

### 1. General information

Hermanus Ratepayers Association is a non-profit organisation.

### 2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

#### 2.1 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the organisation's activities. Income is shown net of returns and discounts.

##### 2.1.1 Subscription income

Subscription income is recognised when the income can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association.

##### 2.1.2 Interest income

Interest income is recognised using the effective interest rate method.

#### 2.2 Income taxes

The association has been approved as an income exempt organisation in terms of the Income Tax Act, No.58 of 1962, as amended.

#### 2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

IT equipment	33.33%
--------------	--------

#### 2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## ACCOUNTING POLICIES

---

*Summary of significant accounting policies continued...*

### **2.5 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.

### **2.6 Trade payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R 2021 2020

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2021 Carrying value	Cost	Accumulated depreciation	2020 Carrying value
<i>Owned assets</i>						
IT equipment	12,994	715	<b>12,279</b>	-	-	-

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2021 Carrying value at end of year
<i>Owned assets</i>					
IT equipment	-	12,994	-	(715)	12,279

### 4. Cash and cash equivalents

#### Favourable cash balances

Call Account	140,419	81,396
Current Account	7,125	88,323
	<u>147,544</u>	<u>169,719</u>

# HERMANUS RATEPAYERS ASSOCIATION

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2021

## DETAILED INCOME STATEMENT

14 months

Figures in R	2021	2020
<b>Income</b>		
Subscription income	23,080	29,436
	<u>23,080</u>	<u>29,436</u>
<b>Other Income</b>		
Investment income	4,522	5,370
	<u>4,522</u>	<u>5,370</u>
	<u><b>27,602</b></u>	<u><b>34,806</b></u>
<b>Expenditure</b>		
Accounting fees	4,300	-
Annual general meetings	-	6,066
Bank charges	567	1,359
Bypass road legal	23,201	-
Computer expenses	900	-
Depreciation - Tangible assets	715	-
Donations to the Red Cross	-	10,000
Election posters	458	-
Entertainment	550	2,000
Gifts of condolences	-	600
Internet service provider	1,612	-
Newsletters and postage	1,425	1,200
Printing and stationery	1,075	756
Special ratings area facilitation	-	(6,742)
Sundry expenses	139	-
Web meetings platform	2,556	-
Website costs	-	131
	<u>37,498</u>	<u>15,370</u>
<b>(Deficit) / surplus for the year</b>	<u><b>(9,896)</b></u>	<u><b>19,436</b></u>