

# **Hermanus Ratepayers Association**

**(Association Not For Gain)**

**Annual Financial Statements**

**for the year ended 31 December 2023**

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Index

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	<b>Page</b>
General Information	2
Executive Committee's Responsibilities and Approval	3
Report of the Compiler	4
The Chartered Accountant (South Africa) Declaration	5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 13
Supplementary information: Detailed Income Statement	14

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## General Information

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<b>Country of Incorporation and Domicile</b>	South Africa
<b>Nature of Entity</b>	Association Not For Gain
<b>PBO Number</b>	930054881
<b>Nature of Business and Principal Activities</b>	The nonprofit organisation is a community-based, registered Public Benefit Organisation that was set up in the 1960s to help preserve the character and natural beauty of Hermanus in a sustainable manner.
<b>Executive Committee Representatives</b>	Brian Wridgway (Chairperson) Christine Hibberd (Treasurer) Anne Stern (Vice Chairperson) Elizabeth Van Niekerk (Secretary) Arlene Ross-Smith Jenny Howard Aloma Jonker
<b>Registered Office</b>	1 Smuts Avenue Westcliff Hermanus South Africa 7200
<b>Bankers</b>	Nedbank
<b>Income Tax Number</b>	9144993228
<b>Preparer</b>	Cypress Consulting

# Hermanus Ratepayers Association

(Registration Number Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Executive Committee's Responsibilities and Approval

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The executive committee is required by the constitution 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 its 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 nonprofit organisation, and explain the transactions and financial position of the business of the nonprofit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the nonprofit organisation and supported by reasonable and prudent judgements and estimates.

The executive committee acknowledges that it is ultimately responsible for the system of internal financial control established by the nonprofit organisation and places considerable importance on maintaining a strong control environment. To enable the executive committee to meet these responsibilities, the executive committee sets 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 nonprofit organisation and all office bearers are required to maintain the highest ethical standards in ensuring the nonprofit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the nonprofit organisation is on identifying, assessing, managing and monitoring all known forms of risk across the nonprofit organisation. While operating risk cannot be fully eliminated, the nonprofit 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 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 executive committee has no reason to believe that the nonprofit organisation will not be a going concern in the foreseeable future. The annual financial statements support the viability of the nonprofit organisation.

The annual financial statements set out on pages 6 to 13, and the supplementary information set out on page 14 which have been prepared on the going concern basis, were approved by the executive committee and were signed on 29 February 2024 on its behalf by:

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Brian Wridgway (Chairperson)

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Christine Hibberd (Treasurer)



Cypress Consulting CC  
Company Registration: 1991/028164/23  
jacques@cypressconsult.co.za  
Director: Jacobus Roux  
SAICA Membership: 0902137

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Tax practitioner Number: PR0099096

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## Report of the Compiler

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### To the Executive Committee of Hermanus Ratepayers Association

We have compiled the accompanying annual financial statements of Hermanus Ratepayers Association based on information you have provided. These annual financial statements comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the 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 have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the basis of accounting described in note 2 to the annual financial statements and the requirements of the constitution. We 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, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the basis of accounting described in note 2.

Cypress Consulting

29 February 2024

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Per: Jacobus Roux  
Chartered accountant CA SA

## **The Chartered Accountant (South Africa) Declaration**

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The following annual financial statements of Hermanus Ratepayers Association presented on pages 6 to 13 have been independently compiled by a Chartered Accountant (South Africa) (CA(SA)). Refer to compilation report on page 4.

Use of the CA(SA) designation is governed by the Chartered Accountants Designation (Private) Act, 1993 (Act 67 of 1993), which regulates and permits the use of the CA(SA) designation exclusively by members of The South African Institute of Chartered Accountants (SAICA). Use of the designation without SAICA membership is consequently a criminal offence, and misuse is subject to legal action.

SAICA is the premier accountancy body in South Africa and one of the leading chartered accountancy institutes in the world and all members must comply with the Code of Professional Conduct which conforms to the code released by the International Ethics Standards Board for Accountants (IESBA). The SAICA code and definitions contained therein are consistent in all material aspects with the International Federation of Accountants' (IFAC) code as well as the Independent Regulatory Board for Auditors (IRBA) code.

The following fundamental principles are embodied in the SAICA Code of Professional Conduct and are to be upheld by all CAs(SA) at all times.

- Integrity – a duty to be straightforward and honest in all professional and business relationships.
- Objectivity – a duty to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- Professional competence and due care – a duty to maintain professional knowledge and skill at the level required to ensure that a client receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- Confidentiality – a duty to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the chartered accountant or third parties.
- Professional behaviour – a duty to comply with relevant laws and regulations and avoid any action that discredits the accountancy profession.

A distinguishing characteristic of CAs(SA) are their responsibilities and duties which extend beyond the needs of individual clients and also includes the public as a whole.

Accordingly, this declaration serves to confirm that the above mentioned annual financial statements have been prepared by a CA(SA) who has observed and complied with the SAICA Code.

**Cypress Consulting**

**29 February 2024**

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**Per: Jacobus Roux**  
**Chartered accountant CA SA**

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Statement of Financial Position

Figures in R

Notes

2023

2022

### Assets

#### Non-current assets

Property, plant and equipment	3	<u>7,635</u>	<u>14,133</u>
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#### Current assets

Cash and cash equivalents	4	<u>108,699</u>	<u>130,686</u>
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#### Total assets

		<u><b>116,334</b></u>	<u><b>144,819</b></u>
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### Reserves and Liabilities

#### Reserves

Retained earnings		<u>116,334</u>	<u>144,819</u>
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#### Total Reserves and Liabilities

		<u><b>116,334</b></u>	<u><b>144,819</b></u>
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# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Statement of Comprehensive Income

Figures in R

	2023	2022
Income	24,451	23,369
Depreciation	(6,498)	(4,646)
Other operational expenses	(55,306)	(40,227)
<b>Operating (deficit) / surplus</b>	<b>(37,353)</b>	<b>(21,504)</b>
Finance income	8,868	6,500
<b>(Deficit) / surplus for the year</b>	<b>(28,485)</b>	<b>(15,004)</b>



# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Statement of Changes in Equity

Figures in R	Retained earnings	Total
<b>Balance at 1 January 2022</b>	159,823	159,823
<b>Changes in equity</b>		
Deficit for the year	(15,004)	(15,004)
<b>Total comprehensive income for the year</b>	<u>(15,004)</u>	<u>(15,004)</u>
<b>Balance at 31 December 2022</b>	<b>144,819</b>	<b>144,819</b>
<b>Balance at 1 January 2023</b>	144,819	144,819
<b>Changes in equity</b>		
Deficit for the year	(28,485)	(28,485)
<b>Total comprehensive income for the year</b>	<u>(28,485)</u>	<u>(28,485)</u>
<b>Balance at 31 December 2023</b>	<b>116,334</b>	<b>116,334</b>

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Statement of Cash Flows

Figures in R

Note 2023 2022

<b>Cash flows used in operations</b>			
<b>Deficit for the year</b>		<b>(28,485)</b>	<b>(15,004)</b>
<b>Adjustments to reconcile deficit</b>			
Adjustments for finance income		(8,868)	(6,500)
Adjustments for depreciation expense		6,498	4,646
<b>Total adjustments to reconcile deficit</b>		<b>(2,370)</b>	<b>(1,854)</b>
<b>Net cash flows used in operations</b>		<b>(30,855)</b>	<b>(16,858)</b>
Interest received		8,868	6,500
<b>Net cash flows used in operating activities</b>		<b>(21,987)</b>	<b>(10,358)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		-	(6,500)
<b>Cash flows used in investing activities</b>		<b>-</b>	<b>(6,500)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(21,987)</b>	<b>(16,858)</b>
Cash and cash equivalents at beginning of the year		130,686	147,544
<b>Cash and cash equivalents at end of the year</b>	<b>4</b>	<b>108,699</b>	<b>130,686</b>

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Accounting Policies

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### 1. General information

Hermanus Ratepayers Association ('the nonprofit organisation') is a community-based, registered Public Benefit Organisation that was set up in the 1960s to help preserve the character and natural beauty of Hermanus in a sustainable manner.

The nonprofit organisation is incorporated as a Nonprofit Organisation and domiciled in South Africa. The address of its registered office is 1 Smuts Avenue, Westcliff, Hermanus, South Africa, 7200.

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

The financial statements of Hermanus Ratepayers Association have been prepared in accordance with the basis of accounting set out below and the constitution. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The preparation of financial statements in conformity with the basis of accounting described below requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the nonprofit organisation's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 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 executive committee.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

<b>Asset class</b>	<b>Useful life</b>
IT equipment	3 years

#### 2.2 Financial instruments

##### Trade and other receivables

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

##### 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

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Accounting Policies

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

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

### **2.2 Tax**

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 Income**

Income is measured at the fair value of the consideration received or receivable. Income is shown net of returns, rebates and discounts.

#### **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.

#### **Donations received**

Donations are accounted for on a cash received basis and where donations have been received in kind at the fair value.

#### **Interest income**

Interest income is recognised using the effective interest method.

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Notes to the Annual Financial Statements

Figures in R

2023

2022

### 3. Property, plant and equipment

#### Balances at year end and movements for the year

	IT equipment	Total
<b>Reconciliation for the year ended 31 December 2023</b>		
<b>Balance at 1 January 2023</b>		
At cost	19,494	19,494
Accumulated depreciation	(5,361)	(5,361)
<b>Carrying amount</b>	<b>14,133</b>	<b>14,133</b>
<b>Movements for the year ended 31 December 2023</b>		
Depreciation	(6,498)	(6,498)
<b>Property, plant and equipment at the end of the year</b>	<b>7,635</b>	<b>7,635</b>
<b>Closing balance at 31 December 2023</b>		
At cost	19,494	19,494
Accumulated depreciation	(11,859)	(11,859)
<b>Carrying amount</b>	<b>7,635</b>	<b>7,635</b>
<b>Reconciliation for the year ended 31 December 2022</b>		
<b>Balance at 1 January 2022</b>		
At cost	12,994	12,994
Accumulated depreciation	(715)	(715)
<b>Carrying amount</b>	<b>12,279</b>	<b>12,279</b>
<b>Movements for the year ended 31 December 2022</b>		
Additions	6,500	6,500
Depreciation	(4,646)	(4,646)
<b>Property, plant and equipment at the end of the year</b>	<b>14,133</b>	<b>14,133</b>
<b>Closing balance at 31 December 2022</b>		
At cost	19,494	19,494
Accumulated depreciation	(5,361)	(5,361)
<b>Carrying amount</b>	<b>14,133</b>	<b>14,133</b>
<b>4. Cash and cash equivalents</b>		
<b>4.1 Cash and cash equivalents included in current assets:</b>		
<b>Cash</b>		
Balances with banks	108,699	130,686

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Notes to the Annual Financial Statements

Figures in R

2023

2022

*Cash and cash equivalents continued...*

### 4.2 Detail of cash and cash equivalent balances

#### Bank balances

Call account	105,499	126,824
Current account	3,200	3,862
<b>Total</b>	<b>108,699</b>	<b>130,686</b>

# Hermanus Ratepayers Association

(Association Not For Gain)

Annual Financial Statements for the year ended 31 December 2023

## Detailed Income Statement

Figures in R

	2023	2022
<b>Income</b>		
Subscriptions	24,451	23,369
<b>Total revenue</b>	<b>24,451</b>	<b>23,369</b>
<b>Depreciation</b>		
Depreciation - property, plant and equip.	(6,498)	(4,646)
<b>Total depreciation and amortisation</b>	<b>(6,498)</b>	<b>(4,646)</b>
<b>Expenditure</b>		
Accounting fees	(9,957)	(5,250)
Annual general meetings	-	(2,995)
Bank charges	(913)	(976)
Computer expenses	(4,363)	-
Donations	(10,000)	(1,000)
Email domain	(130)	(930)
Gifts condolences	-	(600)
Marketing brochures	-	(6,968)
Newsletter and postage	(187)	-
Printing and stationery	(3,108)	(2,757)
Refreshment	(4,891)	(2,958)
Secretarial	(11,000)	-
Telephone and fax	-	(3,699)
Web design advisory	(7,233)	(6,696)
Web meetings platform	(3,524)	(5,398)
<b>Total other expenses</b>	<b>(55,306)</b>	<b>(40,227)</b>
<b>Deficit from operating activities</b>	<b>(37,353)</b>	<b>(21,504)</b>
<b>Other Income</b>		
Investment income	8,868	6,500
<b>Deficit for the year</b>	<b>(28,485)</b>	<b>(15,004)</b>