

St Francis Riperian Home Owners Association NPC
(Registration number 2006/017967/08)
Financial statements
for the year ended 30 June 2011

St Francis Riperian Home Owners Association NPC

(Registration number 2006/017967/08)

Financial Statements for the year ended 30 June 2011

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Managing and maintaining the canals in St Francis Bay, Eastern Cape, South Africa.
Directors	Colin Adrian Beckley Brian Denis Buckham Anthony Edward Ormond Butler Bernardus Morsink John Garth Robson Richard Buchanan Charles Foulds Daniel Edward Nell Jeffrey Peter Stevens
Registered office	54 Voortrekker Road Humansdorp 6300
Bankers	First National Bank
Auditors	Moore Stephens WK Incorporated Chartered Accountants (S.A.) Registered Auditor
Company registration number	2006/017967/08
Tax reference number	9528/745/15/2

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

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are 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 fairly present the state of affairs of the company 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 International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

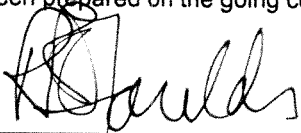
The directors have reviewed the company's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 4.

The financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board on 21 October 2011 and were signed on its behalf by:



Director



Director

Humansdorp
21 October 2011

Independent Auditors' Report

To the member of St Francis Riperian Home Owners Association NPC

We have audited the financial statements of St Francis Riperian Home Owners Association NPC, which comprise the statement of financial position as at 30 June 2011, and 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 notes, and the directors' report, as set out on pages 6 to 14.

Directors' Responsibility for the Financial Statements

The company's directors are 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, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of St Francis Riperian Home Owners Association NPC as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.

Compilation engagement

In addition to our duties as auditor and on the basis of information provided by the directors, we have compiled, in accordance with the International Standards on Compilation Services (ISRS 4410), the financial statements set out on pages 6 to 14 for the year ended 30 June 2011 in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. These financial statements comprise of the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' report. The directors are responsible for these

Moore Stephens WK Incorporated
Chartered Accountants (S.A)
Registered Auditor

Per: JMW Viviers

21 October 2011

54 Voortrekker Road
Humansdorp
6300

St Francis Riperian Home Owners Association NPC

(Registration number 2006/017967/08)

Financial Statements for the year ended 30 June 2011

Directors' Report

The directors submit their report for the year ended 30 June 2011.

1. Review of activities

Main business and operations

The company is engaged in managing and maintaining the canals in St Francis Bay, Eastern Cape, South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
Colin Adrian Beckley	South African	
Brian Denis Buckham	South African	
Anthony Edward Ormond Butler	South African	
Bernardus Morsink	South African	
John Garth Robson	South African	
Richard Buchanan Charles Foulds	South African	Appointed 24 May 2011
Daniel Edward Nell	South African	
Jeffrey Peter Stevens	South African	

5. Auditors

Moore Stephens WK Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

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Statement of Financial Position

Figures in Rand

	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	10 092	1 511
Current Assets			
Trade and other receivables	3	594 491	230 922
Cash and cash equivalents	4	1 077 255	1 246 916
Total Assets		1 671 746	1 477 838
		1 681 838	1 479 349
Equity and Liabilities			
Equity			
Retained income		1 082 539	833 384
Liabilities			
Current Liabilities			
Other financial liabilities	5	539 150	539 150
Trade and other payables	7	40 149	88 815
Provisions	6	20 000	18 000
Total Equity and Liabilities		599 299	645 965
		1 681 838	1 479 349

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue			
Boat licenses		322 190	243 475
Levies		426 693	534 969
Mooring fees		138 244	141 110
Temporary permits		33 084	48 073
	8	920 211	967 627
Other income			
Interest received	10	55 916	63 853
Operating expenses			
Accounting fees		3 146	8 865
Advertising		8 815	5 728
Auditors' remuneration	11	20 500	18 000
Bank charges		2 193	907
Boat repairs and maintenance		12 794	1 299
Consulting fees		113 044	2 200
Depreciation, amortisation and impairments		983	5 112
Employee costs		233 792	202 226
Entertainment		3 245	3 304
General expenses		-	180
Insurance		1 750	-
Jetty and canal repairs and maintenance		257 412	407 150
Legal expenses		51 812	-
Licences		930	-
Motor vehicle expenses		2 336	2 256
Petrol and oil		2 010	3 119
Postage		61	40
Printing and stationery		1 515	2 324
Repairs and maintenance		7 023	68 511
Subscriptions		-	2 685
Telephone and fax		3 000	3 295
Uniforms		611	158
		726 972	737 359
Profit for the year		249 155	294 121
Other comprehensive income		-	-
Total comprehensive Income		249 155	294 121

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2009		
Changes in equity	539 263	539 263
Total comprehensive income for the year		
Total changes	294 121	294 121
	294 121	294 121
Balance at 01 July 2010		
Changes in equity	833 384	833 384
Total comprehensive income for the year		
Total changes	249 155	249 155
	249 155	249 155
Balance at 30 June 2011	1 082 539	1 082 539
Note(s)		

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Statement of Cash Flows

Figures in Rand

	Note(s)	2011	2010
Cash flows from operating activities			
Cash receipts from customers		685 472	772 488
Cash paid to suppliers and employees		(901 485)	(658 064)
Cash (used in) generated from operations	12	(216 013)	114 424
Interest income		55 916	63 853
Net cash from operating activities		(160 097)	178 277
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9 564)	(527)
Cash flows from financing activities			
Repayment of other financial liabilities		-	(28 000)
Net cash from financing activities		-	(28 000)
Total cash movement for the year		(169 661)	149 750
Cash at the beginning of the year		1 246 916	1 097 168
Total cash at end of the year	4	1 077 255	1 246 918

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Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The 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 Property, plant and equipment

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Plant and machinery	5 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Notes to the Financial Statements

Figures in Rand

2011 2010

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Plant and machinery	23 490	(13 398)	10 092	13 926	(12 415)	1 511

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Plant and machinery	1 511	9 564	(983)	10 092

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Plant and machinery	6 096	527	(5 112)	1 511

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

3. Trade and other receivables

Trade receivables	583 896	225 496
VAT	10 595	5 426
	594 491	230 922

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 000	1 914
Bank balances	1 076 255	1 245 002
	1 077 255	1 246 916

5. Other financial liabilities

At amortised cost

Home owners	539 150	539 150
The loans are unsecured, interest-free and have no fixed terms of repayment		

Current liabilities

At amortised cost	539 150	539 150
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Figures in Rand

2011 2010

6. Provisions

Reconciliation of provisions - 2011

	Opening balance	Additions	Utilised during the year	(Over)/under provision	Total
Audit fees	18 000	20 000	(18 500)	500	20 000

Reconciliation of provisions - 2010

	Opening balance	Additions	Utilised during the year	Total
Audit fees	16 500	18 000	(16 500)	18 000

7. Trade and other payables

Accruals

40 149 88 815

8. Revenue

Boat licenses				
Levies			322 190	243 475
Mooring fees			426 693	534 969
Temporary permits			138 244	141 110
			33 084	48 073
			920 211	967 627

9. Operating profit

Operating profit for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	983	5 112
Employee costs	233 792	202 226

10. Investment revenue

Interest revenue

Bank

55 916 63 853

11. Auditors' remuneration

Fees

Adjustment for previous year

20 000 18 000

500 -

20 500 18 000

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	2011	2010
12. Cash (used in) generated from operations		
Profit before taxation		
Adjustments for:	249 155	294 121
Depreciation and amortisation		
Interest received	983	5 112
Movements in provisions	(55 916)	(63 853)
Changes in working capital:	2 000	18 000
Trade and other receivables	(363 569)	(195 137)
Trade and other payables	(48 666)	56 181
	(216 013)	114 424