RANDPARK RIDGE VILLAGE ASSOCIATION NPC
(Registration number 1998/019868/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

Exceed (Johannesburg) Inc.
Chartered Accountants (SA)
Registered Auditors
Issued 22 July 2020

EXCEED
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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Management of security and other amenities for the benefit of the residents of Randpark Ridge
Directors	HJ Mannion RGD Rankine WG Kets
Business address	Shop 20 93 Randpark Drive Randpark Ridge Gauteng 2194
Auditors	Exceed (Johannesburg) Inc. Chartered Accountants (SA) Registered Auditors IRBA Reg No : 975269
Company registration number	1998/019868/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: D Murphy

Contents

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

Published

22 July 2020

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are 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 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 annual financial statements.

The annual 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 judgements 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 of directors 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 annual 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 28 February 2021 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 auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 7 to 16, which have been prepared on the going concern basis, were approved by the board of directors on 22 July 2020 and were signed by them:

Approval of annual financial statements

Director	**Director**

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Randpark Ridge Village Association NPC and its associates for the year ended 29 February 2020.

1. Nature of business

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors	**Changes**
HJ Mannion	Appointed Tuesday, 09 June 2020
RGD Rankine	
WG Kets	
CW Granville	Resigned Tuesday, 09 June 2020
FJ Koch	Resigned Tuesday, 09 June 2020
T Schmitz	Resigned Tuesday, 09 June 2020
M Costello	Resigned Tuesday, 09 June 2020

Although the director amendments noted in these financial statements have been approved at the last annual general meeting, they have not been lodged at the Companies and Intellectual Property Commission (CIPC).

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 29 February 2020 the company's investment in property, plant and equipment amounted to R170,461 (2019:R268,733), of which R 0 (2019: R249,695) was added in the current year through additions.

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors have reviewed the budgets and cash flow forecasts and do not have full assurance that the company is in a sound financial position; and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. However, based on the current liquidity and solvency position of the company, the annual financial statements have been prepared on a going concern basis until February 2021.The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Auditors

Exceed (Johannesburg) Inc. continued in office as auditors for the company for 2020.

At the AGM, the shareholders will be requested to reappoint Exceed (Johannesburg) Inc. as the independent external auditors of the company and to confirm Mr J Cohen as the designated lead audit partner for the 2021 financial year.

8. Preparer

The annual financial statements have been internally compiled by D Murphy since June 2017.

Independent Auditor's Report

To the members of Randpark Ridge Village Association NPC

Opinion

We have audited the annual financial statements of Randpark Ridge Village Association NPC (the company) set out on pages 7 to 15, which comprise the statement of financial position as at 29 February 2020, and the statement of income and retained earnings, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Randpark Ridge Village Association NPC as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Randpark Ridge Village Association NPC annual financial statements for the year ended 29 February 2020", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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DIRECTORS: J COHEN, GA VAN RHYN
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Independent Auditor's Report

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Exceed (Johannesburg) Inc.

Exceed (Johannesburg) Inc.
Chartered Accountants (SA)
Registered Auditors
IRBA Practice no : 975269

22 July 2020

First Floor
Zotos House
183 Smit Street
Fairland
2170

Per: J Cohen CA(SA)
Director

Statement of Financial Position as at 29 February 2020

	Note	2020 R	2019 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	170,461	268,733
Current Assets			
Trade and other receivables	3	200,394	149,401
Cash and cash equivalents	4	308,284	674,990
		508,678	**824,391**
Total Assets		**679,139**	**1,093,124**
Equity and Liabilities			
Equity			
Retained income		631,645	969,435
Liabilities			
Current Liabilities			
Trade and other payables	5	47,494	123,689
Total Equity and Liabilities		**679,139**	**1,093,124**

Statement of Comprehensive Income

	Note	2020 R	2019 R
Revenue	7	1,894,530	1,854,390
Other income		71,223	99,111
Operating expenses		(2,345,361)	(2,261,378)
Operating loss	8	**(379,608)**	**(307,877)**
Investment revenue	9	41,818	61,655
(Loss) Profit for the year		**(337,790)**	**(246,222)**
Opening balance		969,435	1,215,656
Retained income at the end of the year		**631,645**	**969,434**

Statement of Cash Flows

	Note	2020 R	2019 R
Cash flows from operating activities			
Cash receipts from members		1,843,315	1,844,077
Cash paid to suppliers and employees		(2,300,838)	(2,028,873)
Cash used in operations	6	(457,523)	(184,796)
Interest income		41,818	61,655
Net cash from operating activities		**(415,705)**	**(123,141)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(249,695)
Sale of property, plant and equipment	2	48,999	-
Net cash from investing activities		**48,999**	**(249,695)**
Total cash movement for the year		**(366,706)**	**(372,836)**
Cash at the beginning of the year		674,990	1,047,826
Total cash at end of the year	4	**308,284**	**674,990**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. 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 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

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

Cost includes 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.

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 as follows:

Item	Depreciation method	Average useful life
Advertising boards	Straight line	10 years
CCTV systems	Straight line	5 years
Motor vehicles	Straight line	4 years

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

Gains and losses on disposals are recognsed in profit or loss.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

Accounting Policies

1.3 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.4 Revenue

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by services performed to date as a percentage of total services to be performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

Notes to the Annual Financial Statements

	2020 R	2019 R

2. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation and impairments	Carrying value	Cost	Accumulated depreciation and impairments	Carrying value
Advertising boards	63,585	(63,585)	-	63,585	(63,585)	-
CCTV systems	249,695	(79,234)	170,461	249,695	(29,295)	220,400
Motor vehicles	-	-	-	80,000	(31,667)	48,333
Total	**313,280**	**(142,819)**	**170,461**	**393,280**	**(124,547)**	**268,733**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Disposals	Depreciation	Closing balance
CCTV systems	220,400	-	(49,939)	170,461
Motor vehicles	48,333	(44,166)	(4,167)	-
	268,733	**(44,166)**	**(54,106)**	**170,461**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Impairment loss	Closing balance
Advertising boards	26,040	-	(7,440)	(18,600)	-
CCTV systems	-	249,695	(29,295)	-	220,400
Motor vehicles	68,333	-	(20,000)	-	48,333
	94,373	**249,695**	**(56,735)**	**(18,600)**	**268,733**

3. Trade and other receivables

Trade receivables	16,732	17,622
Prepayments - Protection services	178,162	131,779
Deposits	5,500	-
	200,394	**149,401**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Nedbank current account	1,035	12,780
Nedbank Money Trader	302,393	657,354
Petty cash	4,856	4,856
	308,284	**674,990**

5. Trade and other payables

Accrued audit fees	13,670	9,200
Sponsorship income received in advance	-	66,390
Subscriptions received in advance	18,000	29,880
Trade payables	15,824	18,219
	47,494	**123,689**

Notes to the Annual Financial Statements

	2020 R	2019 R

6. Cash used in operations

Loss before taxation	(337,790)	(246,222)
Adjustments for:		
Depreciation and amortisation	54,106	56,735
Profit on sale of assets	(4,833)	-
Interest received	(41,818)	(61,655)
Impairment loss	-	18,600
Changes in working capital:		
Trade and other receivables	(50,993)	29,687
Trade and other payables	(76,195)	18,059
	(457,523)	**(184,796)**

7. Revenue

Membership fees	1,894,530	1,854,390

8. Operating loss

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

Property, plant and equipment	4,833	-
Impairment on property, plant and equipment	-	18,600
Depreciation on property, plant and equipment	54,106	56,735
Employee costs	150,800	136,945

9. Investment revenue

Interest revenue		
Interest received on investment accounts	41,818	61,655

10. Taxation

No provision has been made for 2020 tax as the company is exempt from paying tax.

Notes to the Annual Financial Statements

	2020 R	2019 R

11. Additional explanatory notes

VAT

RRVA is a Section 18A Public Benefit Association that is not entitled to be registered as a VAT vendor. Therefore, it is obliged to pay VAT but cannot charge or claim VAT. All expenses shown on the income statement therefore include VAT.

Sponsorship income

Sponsorship Income has historically been derived from Vodacom's sponsorship of parks-maintenance as well as various sponsorships of RRVA's road signs. These incomes MUST be referred to as "sponsorships" because if RRVA entered into "advertising" agreements then the current RRVA contract with CoJ Property Company could be revoked, and their consequent demands for 'advertising' rates would far exceed the level of sponsorship which RRVA currently receives. There was no "sponsorship" income from estate agents in the 2020 year.

The Vodacom sponsorship declined from R85,411 (2019) to R66,390 (2020) due to a discovery of a fraudulent lease agreement between RRVA and Vodacom for lease of land in Hymany Park which has never been owned by RRVA. The land belongs to City of Joburg.

Administration and management fees

This was remuneration paid to Philip Culham who was employed by RRVA as an area manager consultant. He received R8,728 to cover 40 hours of work a month but with no holiday pay, medical aid or pension allowance from RRVA.This includes the cost of PAYE paid to SARS on behalf of the consultant. No UIF is paid. Philip Culham received one months' remuneration for March 2019 of R8,728 and a retrenchment package of R50,025 as agreed by the Directors.

Clearing and maintenance of amenities

This covers the cost of contracted in assistance for Enviro operations (usually Jonte Kinch for tree-felling, debris clearance and brush-cutting and Arcs & Sparks for fence and gate welding and repairs). Other costs include skip hire (Simply Skips), various tools, refuse bags, poisons, paint, and protective clothing, as well as the cost of the benches installed in Hymany Park.

Commission paid

This includes commissions paid to any member for:
1) Membership sign-ups;
2) Funds raised;
3) Management of contractors during special projects which is sanctioned by the committee.

In this financial year ending February 2020, commisions of R2,920 was paid to Claudia Packman of CSS for new membership signed up. This arrangement was cancelled by Rod Rankine in May 2019 and no further commisions were paid out to CSS staff or any other persons.

Consulting fees

This cost of R28,800 was paid to Zakir Rawoot for contracting fees in November 2019 for the assistance provided to the RRVA for administrative and other services.

Employee costs

This represents the wages paid to Ronnie, Max and Evison who are employed by the RRVA. UIF is included in this but RRVA currently does not pay anything towards staff Workman's Compensation and pensions. The cost also includes casual wages paid to three casuals for special projects carried out in March and April 2019.

Insurance

This is for the company vehicle (insured through CSS group insurance) as well as public liability insurance.

	2020	2019
	R	R

11. Additional explanatory notes (continued)

Motor vehicle expenses

This expense represents the refund of business fuel costs incurred by Philip Culham during the 2019 tax year, but the refund was only agreed to by the Directors in the 2020 financial year and therefore paid in arrears.

Security – 24 hour patrolling

This cost was paid to Community Support Services for the security cars and officers who patrol the RRVA designated area seven days/nights a week for 365 days a year per the 2009 Service Level Agreement.

Secretarial fees

This cost includes a consultation fee to CGF of R28,750 to investigate allegations against Phillip Culham and get advised on how RRVA was best to deal with his self-appointed bonus, salary increases and conflicts of interests. This further includes a consultation fee of R98,000 which was paid to Theresa Geldenhuys to draft RRVA corporate governance documentation.

Seminar

This expense represents the cost of Hall Hire to host security related talks or informative seminars addressed at the community.

Telephone

This expense includes the cost for the RRVA cell phone (MTN contract) which is kept at the RRVA office for emergency incoming calls from RRVA paid-up members in distress. The total also includes the annual fee for the RRVA web hosting and domain "rrva.net", which is paid to Xneelo (Pty) Ltd.

Detailed Income Statement

	Note	2020 R	2019 R
Revenue			
Subscriptions		1,894,530	1,854,390
Other income			
Gains on disposal of assets		4,833	-
Interest received	9	41,818	61,655
Sponsorship Income - Vodacom	11	66,390	85,411
Sponsorship Income - Road signs	11	-	13,700
		113,041	**160,766**
Operating expenses			
Accounting fees		115,057	96,483
Administration and management fees	11	58,753	108,903
Advertising and Promotions		12,391	-
Alarm installations		-	6,600
Auditors remuneration		9,800	9,200
Bad debts		-	19,397
Bank charges		24,034	23,797
Commission paid	11	2,920	42,493
Computer expenses		8,594	-
Consulting fees	11	32,800	-
Depreciation		54,106	75,335
Employee costs	11	150,800	136,945
Entertainment		1,804	-
Enviro - Amenities	11	73,756	95,149
Insurance	11	12,822	25,688
Legal Fees		9,500	3,544
Motor vehicle expenses	11	4,988	10,834
Printing and stationery		4,265	2,104
Protection - CSS	11	1,581,350	1,597,090
Rent Paid		27,826	-
Secretarial fees	11	132,525	1,100
Security Purchases		11,992	-
Seminar	11	2,500	4,014
Shop Expenses		10,021	-
Telephone	11	2,757	2,702
		2,345,361	**2,261,378**
Loss for the year		**(337,790)**	**(246,222)**