

**SUNNINGHILL COMMUNITY NPC  
(Registration number 1999/027619/08)  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 29 February 2020**

**SUNNINGHILL COMMUNITY NPC**  
(Registration number 1999/027619/08)  
Annual Financial Statements for the year ended 29 February 2020

**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Overall suburb management including inter alia the delivery of services towards security, traffic and infra-structure to the community of Sunninghill
<b>Directors</b>	L J Gildenhuis                      Executive Director M R Goodman                      Non Executive Director B I Lawson                          Executive Director G Maharaj                          Non Executive Director
<b>Registered office</b>	16 Nkuru Road Badger Park Sunninghill 2157
<b>Business address</b>	1st Floor, Sunninghill Shopping Centre Edison Crescent Sunninghill 2157
<b>Postal address</b>	P O Box 490 Sunninghill 2157
<b>Bankers</b>	ABSA Bank Limited and FirstRand Bank Limited
<b>Auditor's</b>	Abramowitz Schulenkowski & Associates Chartered Accountants (S.A.) Registered Auditors
<b>Company registration number</b>	1999/027619/08
<b>Taxation reference number</b>	9585/001/14/3
<b>VAT reference number</b>	4600221586
<b>NPO reference number</b>	040-860-NPO

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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 been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

**Preparer**

These annual financial statements were prepared by R Young.

Professional Accountant (S.A.)

**Published**

06 July 2020

## **Independent Auditor's Report**

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**To the members of Sunninghill Community NPC**

### **Opinion**

We have audited the Annual Financial Statements of Sunninghill Community NPC set out on pages 9 to 20, which comprise the Statement of Financial Position as at 29 February 2020, and the Statement of Comprehensive Income, 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 Sunninghill Community NPC as at 29 February 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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.

### **Emphasis of matter**

We draw attention to Note 14 to the annual financial statements, which deals with events after the reporting period and specifically the possible effects and implications of COVID-19 on Sunninghill Community NPC future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

## **Independent Auditor's Report**

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### **Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. 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 auditor's 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.

### **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 Standards 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:

## **Independent Auditor's Report**

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- 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.

**06 July 2020**  
**Sandton**

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**Abramowitz Schulenkowski & Associates**  
**Ralph Abramowitz**  
**Partner**  
**Chartered Accountants (S.A.)**  
**Registered Auditors**

# SUNNINGHILL COMMUNITY NPC

(Registration number 1999/027619/08)

Annual Financial Statements for the year ended 29 February 2020

## Directors' Responsibilities and Approval

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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 year then ended, in conformity with the International Financial Reporting Standards 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 Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

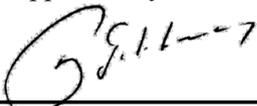
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards 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 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.

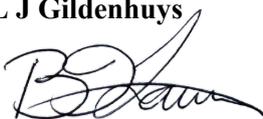
The directors have reviewed the company's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 3 - 5.

The annual financial statements set out on pages 7 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 06 July 2020 and were signed on its behalf by:



L J Gildenhuys



B I Lawson

Sandton, 06 July 2020



M R Goodman



G Maharaj

**SUNNINGHILL COMMUNITY NPC**  
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## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Sunninghill Community NPC for the year ended 29 February 2020.

### 1. Nature of business

The principal activities of the company are overall suburb management including inter alia the delivery of services towards security, traffic and infra-structure to the community of Sunninghill. The company operates solely in South Africa.

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 Standards 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. Events after the reporting period

Since 27 March 2020, South Africa has been under "Lockdown" due to the spread of COVID-19. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The directors have determined that these events are non-adjusting subsequent events. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company, or that of the company's clients, for future periods. The directors assume there is no significant doubt about the entity's ability to continue as a going concern at this stage.

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

### 4. Share capital

The company does not have share capital, as it is registered as a non-profit company, per the Memorandum of Incorporation.

### 5. Directors

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

<b>Directors</b>	<b>Designation</b>	<b>Nationality</b>
L J Gildenhuis	Executive	South African
M R Goodman	Non Executive	South African
B I Lawson	Executive	South African
G Maharaj	Non Executive	South African

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## **Directors' Report**

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### **6. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The directors continue to monitor the financial impact of COVID-19. Although the outcome is uncertain, the directors are confident that based on the nature of the business and the working capital resources it has at its disposal, the company has appropriately adopted the going concern assumption for the financial reporting period to 29 February 2020.

### **7. Auditors**

Abramowitz Schulenkowski & Associates continued in office as auditors for the company for 2020.

### **8. Secretary**

The company had no secretary during the year.

### **9. Liquidity and solvency**

The directors have performed the required liquidity and solvency tests as required by the Companies Act 71 of 2008.

# SUNNINGHILL COMMUNITY NPC

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## Statement of Financial Position as at 29 February 2020

	Notes	2020 R	2019 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	113,711	154,074
<b>Current Assets</b>			
Trade and other receivables	3	133,500	112,503
Cash and cash equivalents	4	644,501	547,116
		<b>778,001</b>	<b>659,619</b>
<b>Total Assets</b>		<b>891,712</b>	<b>813,693</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated surplus		876,880	801,311
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	14,832	12,382
<b>Total Liabilities</b>		<b>14,832</b>	<b>12,382</b>
<b>Total Equity and Liabilities</b>		<b>891,712</b>	<b>813,693</b>

# SUNNINGHILL COMMUNITY NPC

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## Statement of Comprehensive Income

	Notes	2020 R	2019 R
<b>Revenue</b>	6	<b>4,394,854</b>	<b>4,314,350</b>
Other income		396,719	105,522
Operating expenses		(4,740,781)	(4,362,987)
<b>Operating surplus</b>	7	<b>50,792</b>	<b>56,885</b>
Investment revenue	8	24,777	25,113
<b>Surplus for the year</b>		<b>75,569</b>	<b>81,998</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus for the year</b>		<b>75,569</b>	<b>81,998</b>

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## Statement of Changes in Equity

	Accumulated surplus R	Total equity R
<b>Balance at 01 March 2018</b>	<b>719,313</b>	<b>719,313</b>
Total comprehensive surplus for the year	81,998	81,998
<b>Balance at 01 March 2019</b>	<b>801,311</b>	<b>801,311</b>
Total comprehensive surplus for the year	75,569	75,569
<b>Balance at 29 February 2020</b>	<b>876,880</b>	<b>876,880</b>

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**Statement of Cash Flows**

	Notes	2020 R	2019 R
<b>Cash flows generated from operating activities</b>			
Cash generated from operations	11	72,608	30,165
Interest income	8	24,777	25,113
<b>Net cash generated from operating activities</b>		<b>97,385</b>	<b>55,278</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment	2	-	(151,378)
Sale of property, plant and equipment		-	10,000
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(141,378)</b>
<b>Total cash movement for the year</b>		<b>97,385</b>	<b>(86,100)</b>
Cash and cash equivalents at the beginning of the year	4	547,116	633,216
<b>Total cash and cash equivalents at end of the year</b>	<b>4</b>	<b>644,501</b>	<b>547,116</b>

**SUNNINGHILL COMMUNITY NPC**  
(Registration number 1999/027619/08)  
Annual Financial Statements for the year ended 29 February 2020

## Accounting Policies

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### 1. Presentation of annual financial statements

The annual financial statements have been prepared on the going concern basis in accordance with the International Financial Reporting Standards 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 year, unless otherwise stated.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

##### Key sources of estimation uncertainty

##### Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

##### Impairment testing

The company reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

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

Cost 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.

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:

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Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 years
Furniture and fittings	Straight line	6 years
Garden equipment	Straight line	5 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years

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## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

The depreciation charge for each year is recognised in profit or loss, unless it is included in the carrying amount of another asset.

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

### 1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.4 Financial instruments

#### Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial asset at amortised cost
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition.

#### Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. Financial instruments are measured initially at the transaction price.

#### Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses. Financial liabilities, classified as financial liabilities measured at amortised cost, are subsequently measured at amortised cost, using the effective interest rate method.

#### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

**SUNNINGHILL COMMUNITY NPC**  
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## **Accounting Policies**

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### **1.4 Financial instruments (continued)**

#### **Trade Receivables**

Trade receivables are classified as financial assets at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade Payables**

Trade payables are classified as financial liabilities measured at amortised cost.

### **1.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments, that are readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are initially, and subsequently recorded at fair value.

### **1.6 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

### **1.7 Taxation**

#### **Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### **Taxation expenses**

The non profit company (NPC) is taxed in terms of Section 10(1)(e) of the Income Tax Act. In terms of Section 10(1)(e) of the Income Tax Act, the NPC is exempt from taxation on sponsorship/donation income, as well as any income derived from any other sources, to the extent that the income derived from those other sources does not in total exceed R50,000 per annum.

A proportionate share of general expenditure incurred (such as accounting, audit fees and bank charges) are allowed as a deduction against the taxable income above R50,000.

**SUNNINGHILL COMMUNITY NPC**  
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## **Accounting Policies**

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### **1.8 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for subscription income in the normal course of business, net of value added tax.

#### **1.1.1 Service 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 balance sheet date. 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 balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

#### **1.1.2 Interest revenue**

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

### **1.9 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.

# SUNNINGHILL COMMUNITY NPC

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Annual Financial Statements for the year ended 29 February 2020

## Notes to the Annual Financial Statements

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	20,388	(20,387)	1	20,388	(20,387)	1
Furniture and fittings	17,650	(8,826)	8,824	17,650	(5,884)	11,766
Garden equipment	33,122	(26,481)	6,641	33,122	(24,785)	8,337
Motor vehicles	142,900	(44,656)	98,244	142,900	(8,931)	133,969
Office equipment	3,302	(3,301)	1	3,302	(3,301)	1
<b>Total</b>	<b>217,362</b>	<b>(103,651)</b>	<b>113,711</b>	<b>217,362</b>	<b>(63,288)</b>	<b>154,074</b>

### Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Total
Computer equipment	1	-	1
Furniture and fittings	11,766	(2,942)	8,824
Garden equipment	8,337	(1,696)	6,641
Motor vehicles	133,969	(35,725)	98,244
Office equipment	1	-	1
	<b>154,074</b>	<b>(40,363)</b>	<b>113,711</b>

### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Computer equipment	1	-	-	1
Furniture and fittings	14,708	-	(2,942)	11,766
Garden equipment	4,864	8,478	(5,005)	8,337
Motor vehicles	1	142,900	(8,932)	133,969
Office equipment	1	-	-	1
	<b>19,575</b>	<b>151,378</b>	<b>(16,879)</b>	<b>154,074</b>

### 3. Trade and other receivables

Trade receivables	133,500	112,503
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### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Other cash and cash equivalents	644,501	547,116
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**Notes to the Annual Financial Statements**

	2020 R	2019 R
<b>5. Trade and other payables</b>		
Accrued expenses	13,730	11,631
VAT payable	1,102	751
	<b>14,832</b>	<b>12,382</b>
<b>6. Revenue</b>		
Community subscriptions	4,394,854	4,314,350
<b>7. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
Profit on disposals of property, plant and equipment	-	(10,000)
Depreciation on property, plant and equipment	40,363	16,879
Employee costs	581,261	571,599
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	24,777	25,113
<b>9. Auditor's remuneration</b>		
Fee for audit	29,423	30,425
<b>10. Taxation</b>		
No provision has been made for 2020 current taxation as the company is registered as a public benefit organisation, and in terms of the Income Tax Act, all receipts and accruals are exempt from income tax in terms of Section 10(1)(e) of the Act, as well as any income derived from any other sources, to the extent that the income derived from those other sources does not in total exceed R50,000 per annum.		
A proportionate share of general expenditure incurred (such as accounting, audit fees and bank charges) are allowed as a deduction against the taxable income above R50,000.		
<b>11. Cash generated from operations</b>		
Surplus before taxation	75,569	81,998
<b>Adjustments for:</b>		
Depreciation and amortisation	40,363	16,879
Profit on disposals of property, plant and equipment	-	(10,000)
Interest received	(24,777)	(25,113)
<b>Changes in working capital:</b>		
Trade and other receivables	(20,997)	(31,436)
Trade and other payables	2,450	(2,163)
	<b>72,608</b>	<b>30,165</b>

**SUNNINGHILL COMMUNITY NPC**  
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 Annual Financial Statements for the year ended 29 February 2020

**Notes to the Annual Financial Statements**

	2020 R	2019 R
<b>12. Related parties</b>		
<b>Relationships</b>		
Director		
		L J Gildenhuis - Executive Director
		M R Goodman - Non Executive Director
		B I Lawson - Executive Director
		G Maharaj - Non Executive Director
<b>Related party transactions</b>		
<b>Executive Directors' emoluments paid to related parties</b>		
<b>- Security Executive</b>		
L J Gildenhuis	458,830	436,647
<b>Executive Directors' consulting fees paid to related parties</b>		
<b>- Managing Director</b>		
B I Lawson	96,000	79,000

**13. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The directors continue to monitor the financial impact of COVID-19. Although the outcome is uncertain, the directors are confident that based on the nature of the business and the working capital resources it has at its disposal, the company has appropriately adopted the going concern assumption for the financial reporting period to 29 February 2020.

**14. Events after the reporting period**

Since 27 March 2020, South Africa has been under "Lockdown" due to the spread of COVID-19. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The directors have determined that these events are non-adjusting subsequent events. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company, or that of the company's clients, for future periods. The directors assume there is no significant doubt about the entity's ability to continue as a going concern at this stage.

**SUNNINGHILL COMMUNITY NPC**  
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**Notes to the Annual Financial Statements**

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2020	2019
R	R

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**15. Risk management**

**Liquidity risk**

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared.

**Interest rate risk**

The company's income and operating cash flows are dependant on changes in market interest rates due to borrowings and operating leases. The company's policy is to manage interest rate risk, so that fluctuations in variable rates do not have a material impact on profit or loss.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread member base. Management evaluate credit risk relating to members on an ongoing basis.

**16. Insurance**

Insurer: Santam Limited

Broker: Marsh Pty Ltd

Policy number: 770261\*007

Anniversary date: 01 June 2020

# SUNNINGHILL COMMUNITY NPC

(Registration number 1999/027619/08)

Annual Financial Statements for the year ended 29 February 2020

## Detailed Income Statement

	2020	2019
	R	R
<b>Revenue</b>		
Community subscriptions	4,394,854	4,314,350
<b>Other income</b>		
Donations - Sunninghill Festival	64,100	-
Fire fund	-	100
Garden sponsorships	20,537	26,605
Income - Advertising	-	7,351
Income - Traffic Wardens	166,520	49,810
Insurance claim	118,562	11,406
Interest received	24,777	25,113
Profit on disposals of property, plant and equipment	-	10,000
Project - Litter and recycling	-	250
Project - Tesla Crescent Security	27,000	-
	<b>421,496</b>	<b>130,635</b>
<b>Expenses (Refer to page 22)</b>	<b>(4,740,781)</b>	<b>(4,362,987)</b>
<b>Surplus for the year</b>	<b>75,569</b>	<b>81,998</b>

# SUNNINGHILL COMMUNITY NPC

(Registration number 1999/027619/08)

Annual Financial Statements for the year ended 29 February 2020

## Detailed Income Statement

	2020	2019
	R	R
<b>Operating expenses</b>		
Accounting fees	78,295	74,310
Auditor's remuneration	29,423	30,425
Bad debts	3,731	-
Bank charges	15,867	16,114
Cleaning	5,831	4,708
Computer expenses	31,310	16,167
Consulting and professional fees	96,000	79,000
Depreciation, amortisation and impairments	40,363	16,879
Donations and gifts	4,000	10,748
Employee costs	581,261	571,599
Entertainment	1,386	-
Insurance	67,031	48,448
Legal expenses	4,147	1,955
Maintenance - general	15,827	12,977
Payroll costs	73,500	69,500
Printing and stationery	18,455	23,534
Project - Gardening and trees	80,275	105,820
Project - Image	17,718	2,560
Project - Litter casuals	12,136	16,382
Projects - Sunninghill Community	3,398,579	3,192,479
Protective clothing	12,043	11,194
Staff welfare	5,091	5,007
Subscriptions	595	495
Sunninghill Festival - expenses	62,937	-
Telephone and fax	28,513	27,273
Travel - local	49,043	25,413
Utilities	2,424	-
Venue hire - AGM	5,000	-
	<b>4,740,781</b>	<b>4,362,987</b>