

Florida Road Urban Improvement Precinct NPC (Florida Rd UIP)

Registration Number: 2013/059252/08



Annual Report for year ended 30 June 2023

Florida Road Urban Improvement Project NPC (Florida Rd UIP)

Registration Number: 2013/059252/08

("the Company")



Notice of the 10th Annual General Meeting

Telephone: 031 561 2496

Cell: 082 389 3584

Email: fynn@urbanmgt.co.za

Business Address: Ocean Dune, 2 Heleza Blvd, Hillhead, Umhlanga, 4320

Registered address: Ocean Dune, 2 Heleza Blvd, Hillhead, Umhlanga, 4320

Postal address: Box 867, uMhlanga Rocks, 4320,

Notice is hereby given that the Annual General Meeting of the members of the Company will be held at Olive Tree Church, 116 Florida Road on **01 February 2024 at 09h00** for the following purposes:

1. To receive the Chairman's Report.
2. To receive and adopt the audited annual financial statements for the year ended 30 June 2023, which incorporates the independent auditors report.
3. To re-appoint Baker Tilly Morrison Murray as the auditors of the company.
4. To elect directors in terms of Article 4 of the Memorandum of Incorporation.
The Board shall comprise a minimum of 5 and a maximum of 10 nominated directors.

It would facilitate secretarial procedures if nominations for the appointment of Directors could be emailed to cherrie@urbanmgt.co.za by no later than 18 January 2024. Nominations must be in writing with the name of the proposer and seconder, the acceptance of such nomination by the nominee, and should be accompanied by the curriculum vitae of such nominee. A nomination form is enclosed for this purpose.

5. To receive and adopt the budget for the financial year 1 July 2025 to 30 June 2026.
6. To transact such other business as may be transacted at an Annual General Meeting.

Note: Any member entitled to attend and vote is entitled to appoint a proxy to attend, vote and speak in his/her stead, and such proxy need not also be a member of the Company. A form of proxy is enclosed for this purpose.

Items for discussion under any agenda item should be advised to the Chairman of the Florida Rd Urban Improvement Project NPC and emailed to cherrie@urbanmgt.co.za by no later than the 18 January 2024. Please note that such notification must be in writing.

By order of the Board

W. Stainforth

Chairman

Florida Road Urban Improvement Project NPC (Florida Rd UIP)

Registration Number: 2013/059252/08



Directors Nomination Form for the Annual General Meeting of 01 February 2024

I, the undersigned:.....

duly authorised representative of:.....

being a Member of the Florida Road Special Ratings Area, hereby nominate for appointment as Director of the Florida Road Urban Improvement Project NPC:

.....

Proposer's signature

Nominee's signature

NOTE:

Directors Nomination Forms should be emailed to cherrie@urbanmgt.co.za for the attention the Chairman Florida Road Urban Improvement Project NPC by 18 January 2024.

Florida Road Urban Improvement Project NPC (Florida Rd UIP)

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Form of Proxy

I, the undersigned.....

duly authorised as representative of.....

being a Member of the Florida Road Special Ratings Area, hereby appoint:

..... (Name of Proxy)

Or, failing him/her, the Chairman of the meeting, as my proxy to vote for me and on my behalf at the Annual General Meeting of the Florida Road Urban Improvement Project NPC to be held on 01 February 2024.

I record that my proxy will vote as he/she thinks fit.

Signed at:..... this.....day of.....2024

Signature:.....

FOR AND BEHALF OF:.....

NOTE:

Proxy forms should be emailed to cherrie@urbanmgt.co.za for the attention the Chairman Florida Road Urban Improvement Project NPC by 18 January 2024.



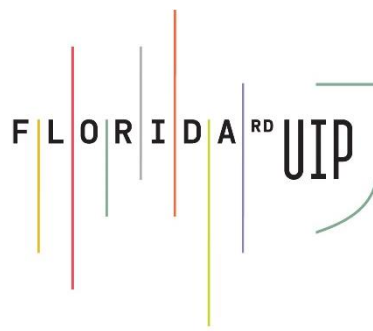
Florida Road Urban Improvement Project NPC (Florida Rd UIP)

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Agenda

1. Welcome
2. Apologies
3. Resolution 1: To receive and adopt the annual financial statements for the year ended 30 June 2023, which incorporates the independent auditors report.
4. To adopt the Minutes of the Annual General Meeting held on 16 February 2023.
5. Matters Arising for the Annual General Meeting held on 16 February 2023.
6. To receive the Chairman's Report
7. Resolution 2: To Re-appoint Baker Tilly Morrison Murray as the auditors to the Company.
8. Resolution 3: To elect Directors for the ensuing year. In terms of the Memorandum of Incorporation the following Directors retire at the Annual General Meeting, and being eligible, are available for re-election: Wayne Stainforth, Ross Roger, Alfred Sudheim, Laurence Dinsdale, Tom Wood and Chris Rencken.
9. Resolution 4: To receive and adopt the Budget for the financial year 1 July 2025 to 30 June 2026.
10. General
11. Close of Meeting

By order of the Board



**Florida Road Urban
Project (UIP) NPC**

(Registration Number: 2013/059252/08)

Improvement

**Minutes of the 9TH Annual General Meeting of Members of the Florida Road Urban
Improvement Project (UIP) NPC, held via Microsoft Teams Meeting
on 16 February 2023 at 10h00**

Directors:

Name	Initial	Representing	Present	Apologies
Wayne Stainforth (Chair)	WS	Measured Ability South Africa		Apologies
Tom Woods	TW	Private	Present	
Alfred Sudheim	AS	118 & 124 Florida Road	Present	
Laurence Dinsdale	LD	Dropkick Murphy's	Present	
Chris Rencken	CR	Urban Lime	Present	
Ross Rodger	RR	Olive Tree Church	Present	

Invitees:

Brian Wright	BW	UIP Project Leader		Apologies
Nwabisa Mkhize	NM	UIP Head of Operations South	Present	
Andrew Fynn	AF	UIP Precinct Manager	Present	
Jo Barnard	JB	UIP Corporate Governance & Secretariat	Present	
Cherrie Francis	CF	UIP Company Secretariat Assistant	Present	
Maxine Schilz	MS	UIP Finance	Present	
Jade Harding	JH	UIP Communications	Present	
Jason Howitz	JHow	Baker Tilly Morrison Murray Auditors	Present	

1/22	Welcome and Introductions	Action
	Ross Roger chaired the meeting and welcomed all to the 9 th Annual General Meeting of Members of the Florida Road Urban Improvement Project Non-Profit Company ("Florida Road UIP").	
2/22	Apologies	
	a.) Apologies were recorded as listed above.	
	b.) Proxies were recorded as listed above.	
3/22	Quorum	
	The attendees confirmed having received due notice of the meeting.	
	It was noted that the quorum required for the Annual General Meeting was 10 members, personally present or by proxy, or by its duly authorised representative. Due to apologies received from the Chair, Wayne Stainforth, Ross Rodgers (RR) took the meeting through the agenda in his stead. RR declared and confirmed the meeting duly constituted.	
	The Chair introduced the meeting to the Directors as follows: <ul style="list-style-type: none"> Wayne Stainforth (in absentia) Ross Roger Alfred Sudheim 	

	<ul style="list-style-type: none"> • Chris Rencken • Laurence Dinsdale • Tom Woods <p>The Chair further introduced Brian Wright, Andrew Fynn, Nwabisa Mkhize, Joanne Barnard, Cherrie Francis, Maxine Schilz and Jade Harding of the UIP's Management Team.</p> <p>Jason Howitz (JHow) of Baker Tilly Morrison Murray (the Auditor), was in attendance to answer any questions pertaining to the Audited Annual Financial Statements.</p>	
4/22	Resolution 1 - To receive and adopt the annual financial statements for the year ended <u>30 June 2022</u>, which incorporates the Chairman's report to members, and the report of the independent auditors.	
	<p>The Chair explained that the approval of the Annual Financial Statements had been brought forward on the Agenda, to allow the Auditors to leave the meeting after their respective presentation.</p> <p>The Chair noted that the Annual Financial Statements (AFS) along with the Chair's Review and the Report of the Independent Auditors, fully cover the activities of the Company for the period under review. The Chair explained that JHow from Baker Tilly Morrison Murray (the Auditor) was in attendance to respond to members' questions.</p> <p>As no comments or queries were raised, Chris Rencken (CR) proposed and Laurence Dinsdale (LD) seconded that the Annual Financial Statements of the Company for the year ended 30 June 2022 be approved and adopted. The proposal was accepted, and the <u>meeting resolved that the Financial Statements for the year ended 30 June 2022 were approved and adopted.</u></p> <p>Jhow left the meeting at 10h05.</p>	
5/22	To adopt the Minutes of the Annual General Meeting held on <u>16 February 2022</u>	
	<p>The Minutes of the Annual General Meeting held on <u>16 February 2022</u> had been circulated to attendees before the meeting.</p> <p>There being no comments, the minutes were approved as a correct record of proceedings. As such, adoption of the minutes was proposed by CR and a seconded by LD.</p>	
6/22	Matters Arising from Previous Minutes	
	<p>Joanne Barnard (JB) noted the action log, as circulated ahead of the meeting. All actions were taken as completed.</p>	
7/22	Presentation of the Chairman's Annual Report	
	<p>The meeting took the Chairman's Annual Report as read and noted that the Annual Presentation would be circulated to members after the meeting.</p>	JH
8/22	Resolution 2: Appointment of the auditors to the Company	
	<p>The Companies Act 2008 requires us to annually appoint an Auditor to the Company. The Chair proposed the re-appointment of Baker Tilly Morrison Murray as the appointed Auditors for the Company. The motion was put to the meeting and <u>was unanimously carried.</u></p>	
9/22	Resolution 3: To elect directors for the ensuing year	

The Chair explained that the Directors would retire at this Annual General Meeting and that the following Directors would be available for re-election:

- Wayne Stainforth
- Ross Roger
- Alfred Sudheim
- Laurence Dinsdale
- Chris Rencken
- Tom Woods.

The meeting noted the Companies Act of 2008 required that Directors be individually elected, and as such he called for nominations of directors:

- Wayne Stainforth (WS) nominated by LD and seconded by CR.
- Ross Roger nominated by CR and seconded by LD.
- Alfred Sudheim nominated by RR and seconded by LD.
- Laurence Dinsdale nominated by RR and seconded by CR
- Tom Woods nominated by LD and seconded by RR
- Chris Rencken nominated by LD and seconded by RR.

There being no objections to the nominations, the Chair moved that the nominees be elected to the Board until the next Annual General Meeting. **The motion was unanimously carried.**

10/22 Resolution 4: To receive and adopt the Budget for the financial year of 1 July 2023 to 30 June 2024

The Chair explained that Resolution 4 was to receive and adopt the budget for the financial year 1 July 2023 to 30 June 2024.

The Chair explained that eTM required that the annual budget be approved by a majority of members at the AGM and noted that the 2023/2024 levy increase was set at 6.7%

Florida Rd UIP Budget July 2023- June 2024		EX VAT		1	2	3	4	5	6	7	8
	Forecast 2022/2023	Budget 2022/2023	Variance	Budget 2023/2024	% of Budget	% 2024 Budget to Forecast 2023	% 2024 Budget to Budget 2023	Variance Budget 2022 to 2023			
Income											
SRA levies raised - anticipated SRA rate increase	3,706,687	3,706,687	0	3,955,108		6.7%	6.7%	248,421			
SRA levies raised - Rob Goulden Property valued at R28 mil as per eTM - verified from Rob	0	0	0	225,578				225,578			
Provision for under collections & prop value / usage changes	0	0	0	0				0			
Voluntary sidewalk monitors	32,070	32,075	5	32,161		0.3%	0.3%	86			
Voluntary residential and NGO	67,344	86,602	19,258	67,344		0.0%	-22.2%	(19,258)			
Total Income	3,806,101	3,825,364	19,263	4,280,190		12.5%	11.9%	454,826			
Expenses											
1 Admin and general	211,884	209,741	(2,143)	226,428	5.3%	6.9%	8.0%	16,687			
2 Utilities	0	0	0	0	0.0%	0.0%	0.0%	0			
3 Company costs	50,556	53,027	2,471	54,099	1.3%	7.0%	2.0%	1,072			
4 Operational management	681,218	681,218	0	726,858	17.0%	6.7%	6.7%	45,640			
5 Security	897,062	934,260	37,198	1,169,990	27.3%	30.4%	25.2%	235,730			
6 Cleaning	540,682	538,193	(2,489)	578,284	13.5%	7.0%	7.4%	40,091			
7 Greening	69,874	69,608	(265)	74,742	1.7%	7.0%	7.4%	5,134			
8 Repairs & maintenance	50,230	50,230	0	53,751	1.3%	7.0%	7.0%	3,521			
9 Social Economic Development	601,720	641,564	39,844	643,846	15.0%	7.0%	0.4%	2,282			
10 Communications, PR & mkt. of the UIP	138,954	139,547	593	145,201	3.4%	4.5%	4.1%	5,654			
11 Project management and leverage fee	365,330	365,330	(0)	389,806	9.1%	6.7%	6.7%	24,476			
12 Special Projects	264,000	264,000	0	216,000	5.0%	-18.2%	-18.2%	(48,000)			
Total Expenses	3,871,509	3,946,718	75,209	4,279,004	100.0%	10.5%	8.4%	332,286			
Surplus/ (Deficit)	(65,408)	(121,354)		1,187							
A Reserves at beginning of period											
	2,611,956	1,295,029	1,316,927	2,546,549							
B Net Income/(loss)											
	(65,408)	(121,354)	55,946	1,187							
C Special Projects - To be presented to the Board for consideration											
		0	0	(1,000,000)							
D Transfer into reserves											
	(65,408)	(121,354)		(988,813)							
E Reserves at end of period											
	2,546,549	1,173,675	1,372,874	1,547,735							

	<u>There being no further questions, the Directors unanimously voted to approve and adopt the 2023/24 Budget of R4,279,004 and financed by a levy income of R4,280,190.</u>	
11/22	General	
11.1	Special Projects Workshop The Directors agreed to hold a workshop to discuss proposals for special projects. CR undertook to circulate a meeting invitation to Directors.	CR
12/22	Meeting Closure	
	There being no further business the Chair thanked the attendees for their attendance and their ongoing efforts on the Road. The Chair declared the meeting closed at 10h15.	
	Read and confirmed this _____ day of _____ 2023. _____ Chair	

Florida Rd Urban Improvement Precinct NPC

Registration No. 2013/059252/08

Summary of Actions coming out of meetings



AGM 16 February 2023

	Minute no.	Action:	By whom	Progress
1.	7/22	Presentation of the Chairman's Annual Report <ul style="list-style-type: none">The Annual Presentation would be circulated to members after the meeting.	JH	Done
2.	11.1	Special Projects Workshop <ul style="list-style-type: none">The Directors agreed to hold a workshop to discuss proposals for special projects. CR undertook to circulate a meeting invitation to Directors.	CR	Directors considered a CCTV Masterplan as a major special project to undertake

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

(Registration number 2013/059252/08)

Annual Financial Statements
for the year ended 30 June 2023

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

(Registration number: 2013/059252/08)

Annual Financial Statements for the year ended 30 June 2023

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Management and Administration of the Florida Road Precinct
Directors	W Stainforth A Sudheim R Rodger L Dinsdale C Rencken T Woods
Registered office	44 Lagoon Drive Umhlanga Rocks Kwa-Zulu Natal 4319
Business address	44 Lagoon Drive Umhlanga Rocks Kwa-Zulu Natal 4319
Auditors	Baker Tilly Morrison Murray Chartered Accountants (S.A.) Registered Auditors
Company registration number	2013/059252/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: JG Verburg Chartered Accountant (SA)
Issued	<hr/>

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

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Annual Financial Statements for the year ended 30 June 2023

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

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FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

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Annual Financial Statements for the year ended 30 June 2023

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 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 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 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 30 June 2024 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:

Director

Date: _____

Director

Date: _____

INDEPENDENT AUDITOR'S REPORT

To the Members of Florida Road Urban Improvement Project NPC

Opinion

We have audited the financial statements of Florida Road Urban Improvement Project NPC (the company) set out on pages 8 to 14, which comprise the statement of financial position as at 30 June 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Florida Road Urban Improvement Project NPC as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 Statement of Financial Performance as set out on page 15 and the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the 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 and will not express an audit opinion or any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

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.

Baker Tilly Morrison Murray

**Partner: Jason Howitz CA(SA)
Registered Auditor**

Westville

Date:

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

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Annual Financial Statements for the year ended 30 June 2023

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Florida Road Urban Improvement Project NPC for the year ended 30 June 2023.

1. Nature of business

Florida Road Urban Improvement Project NPC is a Non Profit Company and was incorporated in South Africa on 10 April 2013. The aim and objectives of the Company relate to the physical area within the defined boundaries of the precinct.

The services of the company are procurement of supplementary including security, landscaping, maintenance and other such services which improve the quality of public areas.

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 of South Africa. The accounting policies have been applied consistently compared to the prior year.

3. Directors

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

W Stainforth
A Sudheim
R Rodger
L Dinsdale
C Rencken
T Woods

4. 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.

5. Auditors

Baker Tilly Morrison Murray continued in office as auditors for the company for 2023.

6. Liquidity and solvency

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

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

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Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Figures in Rand	Note(s)	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	26,692	2
Current Assets			
Trade and other receivables	3	801,084	1,713,745
Taxation	4	7,500	7,500
Cash and cash equivalents	5	2,523,586	1,204,996
		3,332,170	2,926,241
Total Assets		3,358,862	2,926,243
Equity and Liabilities			
Equity			
Accumulated surplus	6	3,240,310	2,707,491
Liabilities			
Current Liabilities			
Trade and other payables	7	118,552	218,752
Total Equity and Liabilities		3,358,862	2,926,243

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2023	2022
Revenue	8	3,929,649	4,245,031
Operating expenses		(3,521,724)	(3,352,085)
Operating surplus		407,925	892,946
Interest received	9	124,894	36,844
Surplus for the year		532,819	929,790

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 July 2021	1,777,701	1,777,701
Surplus for the year	929,790	929,790
Balance at 01 July 2022	2,707,491	2,707,491
Surplus for the year	532,819	532,819
Balance at 30 June 2023	3,240,310	3,240,310

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2023	2022
Cash flows from operating activities			
Cash generated from operations	11	1,220,386	580,090
Interest income		124,894	36,844
Net cash from operating activities		1,345,280	616,934
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(26,690)	-
Total cash movement for the year		1,318,590	616,934
Cash at the beginning of the year		1,204,996	588,062
Total cash at end of the year	5	2,523,586	1,204,996

FLORIDA ROAD URBAN IMPROVEMENT PROJECT NPC

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Annual Financial Statements for the year ended 30 June 2023

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 of South Africa. 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 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

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, investment property on the cost model 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 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 initially measured at cost.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years

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ACCOUNTING POLICIES

1.2 Property, plant and equipment (continued)

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the 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 surplus or deficit.

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.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment 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 surplus or deficit.

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 surplus or deficit.

1.5 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

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ACCOUNTING POLICIES

1.5 Government grants (continued)

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.6 Revenue

Revenue comprises grant income received from Ethekeeni Municipality in terms of the Florida Road Special Rating Area (SRA). Voluntary contributions comprise amounts received from property owners of Florida Road, and these contributions are recorded when received.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2023 2022

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	29,970	(3,278)	26,692	3,280	(3,278)	2

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Closing balance
Furniture and fixtures	2	26,690	26,692

Reconciliation of property, plant and equipment - 2022

	Opening balance	Closing balance
Furniture and fixtures	2	2

3. Trade and other receivables

Trade receivables	793,806	1,713,745
Prepayments	7,278	-
	801,084	1,713,745

4. Current tax receivable (payable)

Normal tax	7,500	7,500
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Net current tax receivable (payable)

Current assets	7,500	7,500
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2,523,586	1,204,996
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The bank account is administered by Eris Property Group (Pty) Ltd in terms of section 32(1) of the Estate Agency Affairs Act of 1976.

6. Accumulated surplus

Accumulated surplus	3,240,310	2,611,955
Place making fund	-	95,536
	3,240,310	2,707,491

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Annual Financial Statements for the year ended 30 June 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2023	2022
7. Trade and other payables		
Accrued expenses	24,053	-
Amounts received in advance	6,686	10,546
Provisions	33,276	31,932
VAT	54,537	176,274
	118,552	218,752
8. Revenue		
Grant income in terms of Florida Road Special Rating Area	3,831,624	4,144,488
Voluntary contributions	98,025	100,543
	3,929,649	4,245,031
9. Investment revenue		
Interest revenue		
Bank	124,894	36,844
10. Taxation		
Major components of the tax expense		
Provision of tax		
No provision has been made for 2023 tax as the company has no taxable income. The company is exempt from income tax in terms of Section 10(1)(d)(iii) of the Income Tax Act.		
11. Cash generated from operations		
Surplus before taxation	532,819	929,790
Adjustments for:		
Interest received	(124,894)	(36,844)
Changes in working capital:		
Trade and other receivables	912,661	(452,329)
Trade and other payables	(100,200)	139,473
	1,220,386	580,090
12. Directors' remuneration		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2022: Nil).		
13. Going concern		
The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.		

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Annual Financial Statements for the year ended 30 June 2023

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2023	2022
Revenue			
Grant income		3,831,624	4,144,488
Voluntary contributions		98,025	100,543
	8	3,929,649	4,245,031
Operating expenses			
Administration and management fees		1,119,196	1,073,070
Advertising		102,048	102,372
Audit fees		32,369	28,224
Bad debts		-	2,340
Bank charges		2,195	2,113
Cleaning		480,228	448,181
Entertainment		3,079	4,968
Garden		36,450	42,447
IT and data costs		29,090	30,808
Insurance		6,803	6,770
Parking monitors		602,024	600,790
Printing and stationery		7,396	6,978
Public relations services		95,536	60,000
Repairs and maintenance		27,419	17,925
Secretarial fees		52,206	49,614
Security		848,198	798,897
Tax administration fees		9,825	10,013
Telephone		41,100	39,671
Website cost		26,562	26,904
		3,521,724	3,352,085
Operating surplus		407,925	892,946
Interest received	9	124,894	36,844
Surplus for the year		532,819	929,790