

**Dolphin Coast Residents and Ratepayers Association**  
Financial statements  
for the year ended 28 February 2019

Luiz and Associates  
Chartered Accountant (SA)  
Issued 17 May 2019

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

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

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# **Dolphin Coast Residents and Ratepayers Association**

Financial Statements for the year ended 28 February 2019

## **Executive Committee's Responsibilities and Approval**

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The Executive Committee is required by the constitution to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the association 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 reviewer is engaged to express an independent opinion on the financial statements.

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

The Executive Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the Executive Committee to meet these responsibilities, the Executive Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the associate and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the associate is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Executive Committee is of the opinion, based on the information and explanations given by the Committee, that the system of internal control provide reasonable assurance that the financial records may be relied on for the preparation of financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Executive Committee have reviewed the association's cash flow forecast for the year to February 2020 and, in the light of this review and the current financial position, they are satisfied that the company have access to adequate resources yo continue in operational existence for the foreseeable future.

The financial statements set out on pages 5 to 12, were approved by members on 17 May 2019 and have been signed on their behalf by:

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**Chairperson**

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**Treasurer**

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## **Independent Reviewer's Report**

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### **To the members of Dolphin Coast Residents and Ratepayers Association**

We have reviewed the financial statements of Dolphin Coast Residents and Ratepayers Association, set out on pages 5 to 11, which comprise the statement of financial position as at 28 February 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Members' Responsibility for the Financial Statements**

The association's members are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Independent Reviewer's Responsibility**

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

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# Independent Reviewer's Report

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Dolphin Coast Residents and Ratepayers Association as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the constitution.

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**Luiz and Association**  
**Chartered Accountant (SA)**  
**14 May 2019**

**55A Old Main Road**  
**Gillitts**  
**3610**

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Statement of Financial Position as at 28 February 2019

Figures in Rand	Notes	2019	2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
Intangible assets	2	<u>31,481</u>	<u>36,728</u>
<b>Current Assets</b>			
Cash and cash equivalents	3	<u>262,740</u>	<u>174,265</u>
<b>Total Assets</b>		<b><u>294,221</u></b>	<b><u>210,993</u></b>
<b>Equity and Liabilities</b>			
<b>Member's interest and reserves</b>			
Retained income		<u>294,221</u>	<u>210,993</u>
<b>Total Equity and Liabilities</b>		<b><u>294,221</u></b>	<b><u>210,993</u></b>

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Statement of Comprehensive Income

Figures in Rand	2019	2018
<b>Other income</b>		
Interest received	11,656	11,451
Membership fees	86,550	3,501
	<b>98,206</b>	<b>14,952</b>
<b>Operating expenses</b>		
Advertising	(1,801)	-
Bank charges	(1,000)	(1,171)
Consulting fees	-	(10,000)
Printing and stationery	-	(588)
Website amortisation	(5,247)	(6,207)
Website cost	(6,930)	(1,668)
	<b>(14,978)</b>	<b>(19,634)</b>
<b>Profit (loss) for the year</b>	<b>83,228</b>	<b>(4,682)</b>

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
<b>Balance at 01 March 2017</b>	<b>215,675</b>	<b>215,675</b>
<b>Loss for the year</b>	<b>(4,682)</b>	<b>(4,682)</b>
<b>Balance at 01 March 2018</b>	<b>210,993</b>	<b>210,993</b>
<b>Profit for the year</b>	<b>83,228</b>	<b>83,228</b>
<b>Balance at 28 February 2019</b>	<b>294,221</b>	<b>294,221</b>



# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Statement of Cash Flows

Figures in Rand	Notes	2019	2018
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	4	76,819	(10,886)
Interest income		11,656	11,451
<b>Net cash from operating activities</b>		<b>88,475</b>	<b>565</b>
<b>Total cash movement for the year</b>			
Cash at the beginning of the year		174,265	173,700
<b>Total cash at end of the year</b>	3	<b>262,740</b>	<b>174,265</b>

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Accounting Policies

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

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the Constitution. The financial statements 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 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

<b>Item</b>	<b>Useful life</b>
Website	10 Years

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

#### 1.2 Impairment of assets

The association assesses at each reporting date whether there is any indication that intangible assets 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.

#### 1.3 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 amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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 profit or loss.

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Accounting Policies

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### 1.3 Financial instruments (continued)

#### 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.

### 1.4 Revenue

Revenue is recognised to the extent that the association has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

# Dolphin Coast Residents and Ratepayers Association

Financial Statements for the year ended 28 February 2019

## Notes to the Financial Statements

Figures in Rand 2019 2018

### 2. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Website	52,469	(20,988)	31,481	52,469	(15,741)	36,728

#### Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Website	36,728	(5,247)	31,481

#### Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Website	41,975	(5,247)	36,728

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	262,740	174,265
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### 4. Cash generated from (used in) operations

Profit (loss) before taxation	83,228	(4,682)
<b>Adjustments for:</b>		
Depreciation and amortisation	5,247	5,247
Interest received	(11,656)	(11,451)
	<b>76,819</b>	<b>(10,886)</b>