

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC
(Registration number 2020/211593/08)
Annual Financial Statements
for the year ended 30 June 2021

These annual financial statements were prepared by:
Roslyn Eachus
Accountant

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued : 26 August 2021

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To provide over and above the service rendered by SAPS and COCT, security, cleaning and social development support within the Boston Community Improvement District
Directors	Frederick Gey van Pittius Johannes Truter Jeanette-June van Niekerk Janeen van Heerden Abraham Winter Sean Smit Marnus Fourie Willem Els
Registered office	7 Voortrekker Road Bellville 7530
Bankers	First National Bank
Auditors	Cecil Kilpin & Co. Chartered Accountants (SA) Registered Auditor
Company registration number	2020/211593/08

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Independent Auditor's Report

To the Shareholders of BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

Opinion

We have audited the annual financial statements of Boston Community Improvement District NPC (the company) set out on pages 7 to 14, which comprise the statement of financial position as at 30 June 2021, 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 annual financial statements present fairly, in all material respects, the financial position of Boston Community Improvement District NPC as at 30 June 2021, 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 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 10 of the annual financial statements and point 3 in the Directors' Report which deals with subsequent events and specifically the possible effect of future implications of Covid-19 on Boston Community Improvement District NPC's 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Boston Community Improvement District NPC annual financial statements for the year ended 30 June 2021", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the supplementary information as set out on page 15. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

PARTNERS: N NYBACK CA (SA), RA | M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA
TAX: E CONRADIE B.COMPT (HONS), PG.DIP (TAX) | CONSULTANT: A MINNÉ

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Independent Auditor's Report

Responsibilities of the Directors for the Annual Financial Statements

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

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

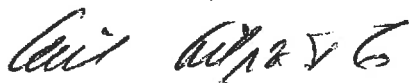
Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

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

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



Cecil Kilpin & Co.
Chartered Accountants (SA)
Registered Auditor
Per Partner: Nils Nyback

Century City
Date: 26 August 2021

PARTNERS: N NYBACK CA (SA), RA | M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA
TAX: E CONRADIE B.COMPT (HONS), PG.DIP (TAX) | CONSULTANT: A MINNÉ

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BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act 7:1 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 2022 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 pages 3 to 4.

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



Director

Boston CID - Chairman


Director

Century City

Date: 26 August 2021

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Annual Financial Statements for the year ended 30 June 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Boston Community Improvement District NPC for the year ended 30 June 2021.

1. Review of financial results and activities

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

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

2. Directors

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

Directors

Frederick Gey van Pittius
Johannes Truter
Jeanette-June van Niekerk
Janeen van Heerden
Abraham Winter
Sean Smit
Marnus Fourie
Willem Els

3. Events after the reporting period

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. Going concern

As a result of the corona virus pandemic, South Africa is locked-down in terms of strict regulations imposed by government. While the outcome is unclear, it is anticipated that the negative economic impact in South Africa will be severe in the short- to medium term. While the company will not be immune to these challenges, it however has been allowed to continue operations. The short- to medium term severity of the global corona virus pandemic and consequent impact on the profitability of our business, remains uncertain.

The current assessment of management is that sufficient liquidity is available to meet obligations over the next 12 months and will therefore remain a going concern. Management is however continuously assessing the impact of the corona virus pandemic on its operations, financial performance and going concern ascertains and will implement additional measures to minimise the impact where possible.

The annual financial statements have been prepared on the basis of the accounting policies applicable to a going concern. This basis presumes that funds will be available to finance operations and that the realisation of the assets and settlements of liabilities will occur in the ordinary course of business.

5. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2021.

6. Secretary

The company had no secretary for the financial year.

7. Liquidity and solvency

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

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

	Note(s)	2021 R
Assets		
Non-Current Assets		
Property, plant and equipment	2	23,855
Current Assets		
Trade and other receivables	3	16,162
Cash and cash equivalents	4	862,499
		878,661
Total Assets		902,516
Equity and Liabilities		
Equity		
Retained income		835,274
Liabilities		
Current Liabilities		
Trade and other payables	5	67,242
Total Equity and Liabilities		902,516

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Annual Financial Statements for the year ended 30 June 2021

Statement of Comprehensive Income

	Note(s)	2021 R
Revenue	6	3,613,250
Operating expenses		(2,789,684)
Operating surplus		823,566
Investment revenue	7	11,708
Surplus for the year		835,274
Other comprehensive income		-
Total comprehensive income for the year		835,274

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Equity

	Retained income R	Total equity R
Surplus for the year	835,274	835,274
Other comprehensive income	-	-
Total comprehensive income for the year	835,274	835,274
Balance at 30 June 2021	835,274	835,274

Note(s)

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2021

Statement of Cash Flows

	Note(s)	2021 R
Cash flows from operating activities		
Cash generated from operations	9	880,749
Interest income		11,708
Net cash from operating activities		892,457
Cash flows from investing activities		
Purchase of property, plant and equipment	2	(29,958)
Total cash movement for the year		862,499
Total cash at end of the year	4	862,499

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South-African Rands.

1.1 Property, plant and equipment

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

Property, plant and equipment is 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less 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
IT equipment	Straight line	3 years

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 profit or loss 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 profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) 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.

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Accounting Policies

1.2 Financial instruments (continued)

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 surplus or deficit.

1.3 Tax

Tax expenses

The non-profit company is taxed in terms of section 10 (1)(e) of the Income Tax Act, 1962. In terms of this section investment income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income and other income greater than R50,000 per annum less portion of deductible administrative expenses.

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.

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 is recognised to the extent that the company 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 company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Income from grants and donations are recognised on an accrual basis. Grants and donations received from institutions for a specific purpose are kept in trust funds and are only recognised as income when the expenditure is incurred.

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

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Notes to the Annual Financial Statements

2021
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2. Property, plant and equipment

	2021	
	Cost or revaluation	Accumulated depreciation
IT equipment	29,958	(6,103)
		23,855

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
IT equipment	-	29,958	(6,103)	23,855

3. Trade and other receivables

Deposits	16,162
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	862,499
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5. Trade and other payables

Trade payables	42,785
VAT	24,457
	67,242

6. Revenue

Rendering of services	3,613,250
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7. Investment revenue

Interest revenue	
Bank	11,708

8. Taxation

The community improvement district is subject to tax at the company rate of 28% on the net investment income, in excess of R50,000, in terms of Section 10 (1) (e) of the Income Tax Act.

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

	2021 R
9. Cash generated from operations	
Surplus before taxation	835,274
Adjustments for:	
Depreciation and amortisation	6,103
Interest received	(11,708)
Changes in working capital:	
Trade and other receivables	(16,162)
Trade and other payables	67,242
	880,749

10. Events after the reporting period

On the 27 March 2020, the South African government enforced a national lockdown due to the Covid-19 pandemic. The entity has determined that this event is a non-adjusting subsequent event and there is no immediate concern around going concern. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2021 have not been adjusted to reflect its impact. The duration and impact of Covid-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences on the company. Management are continually assessing and monitoring developments with regard to the disease and at the time of finalising the report, the directors are confident that our responses are adequate and the crisis is being continuously monitored to assess the impact on the company.

The directors are not aware of any other matter(s) or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2021

Detailed Income Statement

	Note(s)	2021 R
Revenue		
Rendering of services		3,613,250
Operating expenses		
Accounting fees		36,850
Advertising		21,997
Bank charges		4,302
Catering and Food		1,376
Cleansing Services		333,270
Computer expenses		9,435
Depreciation		6,103
Employee costs		379,626
Environmental upgrading		6,038
Insurance		10,639
Lease rentals on operating lease		68,676
Municipal expenses		8,050
Printing and stationery		8,752
Protective clothing		2,631
Public Safety: CCTV Monitoring		252,810
Public safety		1,566,724
Repairs and maintenance		16,748
Secretarial fees		1,200
Seed Capital		22,201
Social upliftment		9,522
Staff welfare		2,846
Sundry expenses		3,063
Telephone and fax		16,825
		2,789,684
Operating surplus		823,566
Investment income	7	11,708
Surplus for the year		835,274