

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC
(Registration number 2020/211593/08)
Annual Financial Statements
for the year ended 30 June 2022

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 of
South Africa.

Issued : 20 August 2022

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

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 Jeanette-June van Niekerk Janeen van Heerden Abraham Winter Sean Smit Willem Els
Registered office	7 Voortrekker Road Bellville 7530
Business address	7 Voortrekker Road Bellville 7530
Postal address	7 Voortrekker Road Bellville
Auditors	Cecil Kilpin & Co. Chartered Accountants (SA) Registered Auditor
Company registration number	2020/211593/08

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Index

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

	Page
Independent Auditor's Report	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	17 - 18

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 8 to 16, which comprise the statement of financial position as at 30 June 2022, 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 2022, 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 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 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual 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 information included in the document titled "Boston Community Improvement District NPC annual financial statements for the year ended 30 June 2022", which includes the Director's report as required by the Companies Act of South Africa and the supplementary information as set out on pages 17 to 18. 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.

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 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 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: 10/01/2022

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

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 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 2023 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 7.

The annual financial statements set out on pages 8 to 16, which have been prepared on the going concern basis, were approved by the directors and were signed on its behalf by:

Approval of annual financial statements



Frederick Gey van Pittius



Janeen van Heerden

Century City

Date: 2022/08/30

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

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 2022.

1. Nature of business

Boston Community Improvement District NPC was incorporated in South Africa, is engaged in improving and uplifting of specific geographic areas within the boundaries identified by the directors and approved by property owners in terms of the Special Rating Area By-Laws of the City of Cape Town and the operates principally in South Africa

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The deficit for the current year was R253,929. (2021 Surplus :R835,275).

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

2. Review of financial results and activities

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

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

3. Directors

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

Directors	Changes
Frederick Gey van Pittius	
Jeanette-June van Niekerk	
Janeen van Heerden	
Abraham Winter	
Sean Smit	
Willem Els	
Marnus Fourie	Resigned 29 November 2021
Johannes Truter	Resigned 29 November 2021

4. Events after the reporting period

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

5. 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.

6. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2022.

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Directors' Report

7. Secretary

The company had no secretary for the financial year.

8. Liquidity and solvency

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

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

	Note(s)	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	13,870	23,855
Current Assets			
Trade and other receivables	3	16,162	16,162
Cash and cash equivalents	4	570,811	862,498
		586,973	878,660
Total Assets		600,843	902,515
Equity and Liabilities			
Equity			
Retained Surplus		581,346	835,275
Liabilities			
Current Liabilities			
Trade and other payables	5	19,497	67,240
Total Equity and Liabilities		600,843	902,515

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Statement of Comprehensive Income

	Note(s)	2022 R	2021 R
Revenue – Additional Rates Received	6	3,917,663	3,613,250
Operating expenses		(4,190,828)	(2,789,683)
Operating deficit		(273,165)	823,567
Investment revenue	7	19,236	11,708
Deficit for the year		(253,929)	835,275
Other comprehensive income		-	-
Total comprehensive (deficit) surplus for the year		(253,929)	835,275

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Equity

	Retained Surplus R	Total equity R
Surplus for the year	835,275	835,275
Other comprehensive income	-	-
Total comprehensive income for the year	835,275	835,275
Balance at 01 July 2021	835,275	835,275
Deficit for the year	(253,929)	(253,929)
Other comprehensive income	-	-
Total comprehensive loss for the year	(253,929)	(253,929)
Balance at 30 June 2022	581,346	581,346

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Statement of Cash Flows

	Note(s)	2022 R	2021 R
Cash flows from operating activities			
Cash (used in) generated from operations	9	(310,923)	880,748
Interest income		19,236	11,708
Net cash from operating activities		(291,687)	892,456
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(29,958)
Total cash movement for the year		(291,687)	862,498
Cash at the beginning of the year		862,498	-
Total cash at end of the year	4	570,811	862,498

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

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 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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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
Leasehold improvements	Straight line	Indefinite

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

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They 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

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.

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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 R 50,000 per annum. Therefore, taxation is calculated and provided for on investment income greater than R 50,000 per annum less a portion of deductible administrative expenses.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 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 or investment property on the cost model 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.

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

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.

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

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R				
2. Property, plant and equipment						
	2022	2021				
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	29,958	(16,088)	13,870	29,958	(6,103)	23,855
Reconciliation of property, plant and equipment - 2022						
	Opening balance	Depreciation	Closing balance			
IT equipment	23,855	(9,985)	13,870			
Reconciliation of property, plant and equipment - 2021						
	Opening balance	Additions	Depreciation	Closing balance		
IT equipment	-	29,958	(6,103)	23,855		
Details of properties						
3. Trade and other receivables						
Deposits		16,162	16,162			
4. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Bank balances		570,811	862,498			
5. Trade and other payables						
Trade payables		-	42,783			
VAT		19,497	24,457			
		19,497	67,240			
6. Revenue						
Revenue – Additional Rates Received		3,830,045	3,613,250			
Revenue – Additional Rates Retention Received		87,618	-			
		3,917,663	3,613,250			
7. Investment revenue						
Interest revenue						
Bank		19,236	11,708			
8. Taxation						

The non-profit company 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

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
9. Cash (used in) generated from operations		
Surplus (deficit) before taxation	(253,929)	835,275
Adjustments for:		
Depreciation and amortisation	9,985	6,103
Interest received	(19,236)	(11,708)
Changes in working capital:		
Trade and other receivables	-	(16,162)
Trade and other payables	(47,743)	67,240
	(310,923)	880,748

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Detailed Income Statement

	Note(s)	2022 R	2021 R
Revenue			
Revenue – Additional Rates Received		3,830,045	3,613,250
Revenue – Additional Rates Retention Received		87,618	-
	6	3,917,663	3,613,250
Expenses (Refer to page 18)		(4,190,828)	(2,789,683)
Operating Deficit		(273,165)	823,567
Investment income	7	19,236	11,708
(Deficit) surplus for the year		(253,929)	835,275

BOSTON COMMUNITY IMPROVEMENT DISTRICT NPC

(Registration number: 2020/211593/08)

Annual Financial Statements for the year ended 30 June 2022

Detailed Income Statement

	Note(s)	2022 R	2021 R
Operating expenses			
Accounting fees		42,600	36,850
Advertising		10,727	21,997
Auditors remuneration		16,500	-
Bank charges		4,270	4,301
Cleaning		319,580	333,270
Computer expenses		9,462	9,435
Contingency / Sundry		2,425	3,063
Depreciation		9,985	6,103
Employee costs		468,961	361,626
Entertainment		3,973	1,376
Environmental upgrading		37,623	6,038
Insurance		10,909	10,639
Lease rentals on operating lease		80,206	68,676
Minor tools & equipment		12,528	-
Printing and stationery		2,499	8,752
Project - Fence		1,042,297	-
Project - Frans Conradie upgrades		18,857	-
Protective clothing		-	2,631
Public Safety		1,712,324	1,566,724
Repairs and maintenance		30,758	16,748
Secretarial fees		1,200	1,200
Security		274,577	252,810
Seed Capital		-	22,201
Social upliftment		1,066	9,522
Staff welfare		2,981	2,846
Telephone and fax		16,692	16,825
Travel		40,268	18,000
Utilities		17,560	8,050
		4,190,828	2,789,683