

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Annual Financial Statements

for the year ended 30 November 2023

Audited Financial Statements

in compliance with the Nonprofit Organisation Act of South Africa

Onrus Vermont Neighbourhood Watch

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Index

	Page
General Information	2
Committee's Responsibilities and Approval	3
Committee's Report	4
Independent Auditor's Report	5 - 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 - 13
Notes to the Financial Statements	14 - 15
The supplementary information presented does not form part of the Financial Statements and is unaudited: Detailed Income Statement	16

Onrus Vermont Neighbourhood Watch

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Annual Financial Statements for the year ended 30 November 2023

General Information

Country of Incorporation and Domicile	South Africa
Registration Number	NPO 165758
Committee	Anne Droomer - Chairperson Eddie Holloway - Vice-chairperson & Security Zahn Du Toit - Membership Coenie Groenewald - Patrols Jean Orban - Communication Gray Thomason - Treasurer Michiel de Kock - Community Vanessa Sutherland - Secretary
Chartered Accountants CA(SA)	Pragma Konsult 20 Hope Street Hermanus 7200

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Annual Financial Statements for the year ended 30 November 2023

Committee's Responsibilities and Approval

The committee is required by the Nonprofit Organisation Act of South Africa to maintain adequate accounting records and is 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 satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the nonprofit organisation, and explain the transactions and financial position of the business of the nonprofit organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the nonprofit organisation and supported by reasonable and prudent judgements and estimates.

The committee acknowledges that they are ultimately responsible for the system of internal financial control established by the nonprofit organisation and places considerable importance on maintaining a strong control environment. To enable the committee to meet these responsibilities, the 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 nonprofit organisation and all employees are required to maintain the highest ethical standards in ensuring the nonprofit organisation's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the nonprofit organisation is on identifying, assessing, managing and monitoring all known forms of risk across the nonprofit organisation. While operating risk cannot be fully eliminated, the nonprofit organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The committee is 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the committee has no reason to believe that the nonprofit organisation will not be a going concern in the foreseeable future. The annual financial statements support the viability of the nonprofit organisation.

The annual financial statements have been audited by the independent auditing firm, Pragma Konsult, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the committee, the committee and committees of the committee. The committee believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's qualified audit report is presented on pages 5 to 7.

The annual financial statements set out on pages 8 to 15, and the supplementary information set out on page 16 which have been prepared on the going concern basis, were approved by the committee and were signed on 18 March 2024.



Anne Droomer - Chairperson

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Annual Financial Statements for the year ended 30 November 2023

Committee's Report

The committee presents their report for the year ended 30 November 2023.

1. Review of financial results and activities

Main business and operations

The nonprofit organisation generated a deficit after tax for the year ended 30 November 2023 of R14,681 (2022: surplus of R10,722).

The nonprofit organisation's revenue increased from R78,984 in the prior year to R80,000 for the year ended 30 November 2023.

The nonprofit organisation's cash flows from operating activities changed from an inflow of R34,239 in the prior year to an outflow of R1,128 for the year ended 30 November 2023.

2. 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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The committee is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the nonprofit organisation.

4. Committee

The committee of the nonprofit organisation during the year and up to the date of this report is as follows:

Anne Droomer - Chairperson

Eddie Holloway - Vice-chairperson & Security

Zahn Du Toit - Membership

Coenie Groenewald - Patrols

Jean Orban - Communication

Gray Thomason - Treasurer

Michiel de Kock - Community

Vanessa Sutherland - Secretary

5. Independent Auditors

Pragma Konsult were the independent auditors for the year under review.

Independent Auditor's Report

To the Committee of Onrus Vermont Neighbourhood Watch

Qualified Opinion

We have audited the financial statements of Onrus Vermont Neighbourhood Watch set out on pages 8 to 15, which comprise the statement of financial position as at 30 November 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of Onrus Vermont Neighbourhood Watch for the year ended 30 November 2023 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements and the requirements of the Nonprofit Organisation Act of South Africa.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the association to institute accounting controls over all cash collections. Accordingly, it was impractical for us to extend our examination beyond the actually recorded.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the nonprofit organisation 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 qualified opinion.

Other Information

The committee is responsible for the other information. The other information comprises the information included in the document titled "Onrus Vermont Neighbourhood Watch Financial Statements for the year ended 30 November 2023", which includes the Committee's Report, and the statement of Committee's Responsibilities and Approval as required by the Nonprofit Organisation Act of South Africa, which we obtained prior to the date of this report, and the supplementary information set out on page 16. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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, 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 Committee for the Financial Statements

The committee is responsible for the preparation of the financial statements in accordance with the basis of accounting described in note 1 to the financial statements and the requirements of the Nonprofit Organisation Act of South Africa, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee is responsible for assessing the nonprofit organisation'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 committee either intends to liquidate the nonprofit organisation or to cease operations, or has 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 ISAs 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 ISAs, 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 nonprofit organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 nonprofit organisation'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 nonprofit organisation 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.



PRAGMAKONSULT

Accounting & Tax Services

We communicate with the committee 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.

Pragma Konsult

18 March 2024



Per: Juan Pieterse
Director / Partner
Chartered Accountant (SA)

20 Hope Street
Hermanus
7200



Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Statement of Financial Position

Figures in R

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	3	1	15,104
Current assets			
Cash and cash equivalents	4	120,337	121,465
Total assets		120,338	136,569
Equity and liabilities			
Equity			
Accumulated surplus		120,338	135,019
Liabilities			
Current liabilities			
Trade and other payables	5	-	1,550
Total equity and liabilities		120,338	136,569

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Statement of Comprehensive Income

Figures in R

	2023	2022
Revenue	80,000	78,984
Administrative expenses	(17,354)	(20,967)
Other expenses	(82,933)	(49,097)
(Deficit) / surplus from operating activities	(20,287)	8,920
Finance income	5,606	1,802
(Deficit) / surplus for the year	(14,681)	10,722

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Statement of Changes in Equity

Figures in R	Accumulated surplus	Total
Balance at 1 December 2021	124,297	124,297
Changes in equity		
Surplus for the year	10,722	10,722
Total comprehensive income for the year	10,722	10,722
Balance at 30 November 2022	135,019	135,019
Balance at 1 December 2022	135,019	135,019
Changes in equity		
Deficit for the year	(14,681)	(14,681)
Total comprehensive income for the year	(14,681)	(14,681)
Balance at 30 November 2023	120,338	120,338

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Statement of Cash Flows

Figures in R	Note	2023	2022
Cash flows from / (used in) operations			
(Deficit) / surplus for the year		(14,681)	10,722
Adjustments to reconcile (deficit) / surplus			
Adjustments for finance income		(5,606)	(1,802)
Adjustments for (decrease) / increase in other operating payables		(1,550)	1,550
Adjustments for depreciation and amortisation expense		15,103	21,967
Total adjustments to reconcile (deficit) / surplus		7,947	21,715
Net cash flows (used in) / from operations		(6,734)	32,437
Interest received		5,606	1,802
Net cash flows (used in) / from operating activities		(1,128)	34,239
Net (decrease) / increase in cash and cash equivalents		(1,128)	34,239
Cash and cash equivalents at beginning of the year		121,465	87,226
Cash and cash equivalents at end of the year	4	120,337	121,465

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements of Onrus Vermont Neighbourhood Watch have been prepared in accordance with the basis of accounting set out below and the Nonprofit Organisation Act of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in South African Rand.

The preparation of financial statements in conformity with the basis of accounting described below requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the nonprofit organisation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the committee.

The nonprofit organisation adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the nonprofit organisation. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Camera Equipment	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

1.2 Financial instruments

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Accounting Policies

Basis of preparation and summary of significant accounting policies continued...

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Interest income is recognised using the effective interest method.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Notes to the Financial Statements

Figures in R

2023

2022

3. Property, plant and equipment

Balances at year end and movements for the year

	Camera Equipment	Total
Reconciliation for the year ended 30 November 2023		
Balance at 1 December 2022		
At cost	109,836	109,836
Accumulated depreciation	(94,732)	(94,732)
Carrying amount	15,104	15,104
Movements for the year ended 30 November 2023		
Depreciation	(15,103)	(15,103)
Property, plant and equipment at the end of the year	1	1
Closing balance at 30 November 2023		
At cost	109,836	109,836
Accumulated depreciation	(109,835)	(109,835)
Carrying amount	1	1
Reconciliation for the year ended 30 November 2022		
Balance at 1 December 2021		
At cost	109,836	109,836
Accumulated depreciation	(72,765)	(72,765)
Carrying amount	37,071	37,071
Movements for the year ended 30 November 2022		
Depreciation	(21,967)	(21,967)
Property, plant and equipment at the end of the year	15,104	15,104
Closing balance at 30 November 2022		
At cost	109,836	109,836
Accumulated depreciation	(94,732)	(94,732)
Carrying amount	15,104	15,104

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Annual Financial Statements for the year ended 30 November 2023

Detailed Income Statement

Figures in R	2023	2022
Revenue		
Donations received	2,250	2,569
Fees earned	77,750	75,765
Signage	-	650
	<u>80,000</u>	<u>78,984</u>
Administrative expenses		
Admin expenses	(16,738)	(13,749)
Bank charges	(616)	(2,112)
Computer expenses	-	(5,106)
	<u>(17,354)</u>	<u>(20,967)</u>
Other expenses		
Advertising	-	(1,300)
Artwork	(5,924)	(2,250)
Camera monitoring	(7,912)	-
Depreciation - property, plant and equipment	(15,103)	(21,967)
Printing and stationery	(94)	(1,356)
Special projects	(47,860)	(4,720)
Sponsorship	(4,100)	(3,500)
Website	(1,940)	(14,004)
	<u>(82,933)</u>	<u>(49,097)</u>
(Deficit) / surplus from operating activities	<u>(20,287)</u>	<u>8,920</u>
Finance income		
Interest received	5,606	1,802
(Deficit) / surplus for the year	<u>(14,681)</u>	<u>10,722</u>

Onrus Vermont Neighbourhood Watch

(Registration Number NPO 165758)

Financial Statements for the year ended 30 November 2023

Notes to the Financial Statements

Figures in R

2023

2022

4. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash

Cash on hand

160

880

Balances with banks

33,575

10,795

33,735

11,675

Cash equivalents

Standard Bank Monitoring Account

86,602

109,790

120,337

121,465

5. Trade and other payables

Trade and other payables comprise:

Income received in advance

1,550