

# BRIDGE CITY MANAGEMENT ASSOCIATION (RF) NON PROFIT COMPANY

Registration No. 2007/027692/08



## Annual Report

**For the year ended 28 February 2017**



## Bridge City Management Association (RF) NPC

Registration No. 2007/027692/08

### Contents

	Pages
Notice of Meeting	3
Directors Nomination Form	4
Form of Proxy	5
Meeting Agenda	6
The Chairman's Annual Review	7
Minutes of Previous Annual General Meeting held on <u>19 October 2016</u>	10
Auditors Report and Annual Financial Statement	Appendix 1



## Bridge City Management Association (RF) NPC

Registration No. 2007/027692/08

### Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Members of the Bridge City Management Association (RF) NPC (“the Association”) will be held at the offices of **Tongaat Hulett Developments, 305 uMhlanga Rocks Drive, on 17 October 2017 at 14h00** for the following purposes:

1. To receive and adopt the audited annual financial statements for the year ended 28 February 2017, which incorporates the Chairman’s report to members, and the report of the independent auditors.
2. To re-appointment Stuart Edwards & Co as the auditors of the Association.
3. To elect directors in terms of Article 5.3 of the Articles of Association.  
The Board shall comprise not less than **four nor more than ten directors during the Development period, 4 of whom shall be nominees of the Developer**. It would facilitate secretarial procedures if nominations for the appointment of Directors could be received no later than 13 October 2017:
  - By Post to the Bridge City Management Association, c/o UrbanMGT, P.O. Box 867, uMhlanga Rocks
  - By Hand to Bridge City Management Association, c/o UrbanMGT, 44 Lagoon Drive, uMhlanga Rocks
  - By email to [nwabisa@urbanmgt.co.za](mailto:nwabisa@urbanmgt.co.za)

Nominations must be in writing with the name of the proposer and seconder, the acceptance of such nomination by the nominee, and should be accompanied by the curriculum vitae of such nominee.

4. To transact such other business as may be transacted at an annual general meeting.

#### **NOTE:**

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

Items for discussion under any agenda item should be advised to the Chairman Bridge City Management Association C/O Tongaat Hulett Developments, 305 uMhlanga Rocks Drive, uMhlanga or emailed to [nwabisa@urbanmgt.co.za](mailto:nwabisa@urbanmgt.co.za) by no later than the 13th October 2017. Please note that such notification must be in writing.

In terms of clause 14.12 of the Memorandum of Incorporation, any member who is 60 (sixty) days or more in arrears in the payment of any levies due to the Association in terms of the MOI, shall not be allowed to vote at the meeting, either in person or by proxy

By order of the Board



**Bridge City Management Association (RF) NPC**

Registration No. 2007/027692/08

**Directors Nomination Form for the Annual General Meeting of 17 October 2017**

I, the undersigned:.....

duly authorised representative of:.....

being a fully paid up member of the Association and registered owner of Ptn:.....

in the area known as BRIDGE CITY, hereby nominate for appointment as Director of the Association:

.....

\_\_\_\_\_  
Proposer's signature

\_\_\_\_\_  
Nominee's signature

**Directors Nomination Forms & Proxy forms should be delivered to Bridge City Management Association by 13 October 2017:**

By Post: c/o UrbanMGT, P.O. Box 867, uMhlanga Rocks;

By Hand c/o UrbanMGT, 44 Lagoon Drive, uMhlanga Rocks; or

By email to [nwabisa@urbanmgt.co.za](mailto:nwabisa@urbanmgt.co.za)



**Bridge City Management Association (RF) NPC**

Registration No. 2007/027692/08

**Form of Proxy**

I, the undersigned.....

duly authorised as representative of.....

being a fully paid up member of the Association and registered owner of Ptn No:.....

in the area known as BRIDGE CITY, hereby appoint:

..... (Name of Proxy)

Or, failing him/her, the Chairman of the meeting, as my proxy to vote for me and on my behalf at the Annual General Meeting of the Association to be held on 17 October 2017.

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

Signed at:..... this.....day of.....2017

Signature:.....

FOR AND BEHALF OF:.....

**Directors Nomination Forms & Proxy forms should be delivered to Bridge City Management Association by 13 October 2017:**

By Post: c/o UrbanMGT, P.O. Box 867, uMhlanga Rocks;

By Hand c/o UrbanMGT, 44 Lagoon Drive, uMhlanga Rocks; or

By email to [nwabisa@urbanmgt.co.za](mailto:nwabisa@urbanmgt.co.za)



## **Bridge City Management Association (RF) NPC**

Registration No. 2007/027692/08

### **Agenda**

**1. Welcome**

**2. Apologies**

**3. Notice of meeting and quorum**

The quorum required for the Annual General Meeting is 15% of the voting rights entitled to vote, personally present, or by its duly authorized representative – subject to a minimum of 3 members, with 1 member from the Developer during the Development Period.

**4. To adopt the Minutes of the Annual General Meeting held on 19 October 2016**

**5. Matters arising from the previous Annual General Meeting minutes**

**6. Chairman's Report to be presented**

**7. Resolution 1:** To receive and adopt the annual financial statements for the year ended 28 February 2017, which incorporates the Chairman's report to members, and the report of the independent auditors.

**8. Resolution 2:** To re-appoint Stuart Edwards & Co as the auditors of the Company.

**9. Resolution 3:** To elect Directors for the ensuing year. Current directors who will resign include: Anton Ernest Raubenheimer, Mgongiseni Godswill Gcaba, Nkosinathi Wiseman Nhlagulela, Yusuf Patel, & Siyabonga Desmond Hlengwa. The following Developer appointed directors will remain: Brian Donald Ive, Mtura Mtutuzeli Matshini, Simphiwe Marcus Maphumulo & Sithembiso Mthembu.

**10. General**

**11. Close of Meeting**

**By order of the Board**



## **Bridge City Management Association (RF) NPC**

Registration No. 2007/027692/08

### **Chairman's Annual Review**

The period under review is for the financial year ending 28<sup>th</sup> February 2017.

The purpose of the Bridge City Management Association is, through the Board of Directors, to protect and advance the interests of Association member's immovable property in Bridge City, in the areas of public security, essential services, landscape maintenance, general maintenance, cleanliness, amenities, design review, general administration and to enhance the viability and successes of Bridge City as a whole.

#### **FINANCE and AUDITOR**

- Eris Property Group are the appointed accounts administrator for the Association. Stuart Edwards and Company has served as Auditors for this period, and has produced the financial statements for the 2016-2017 period.

#### **PRECINCT DEVELOPMENT**

- The Bridge City shopping centre continues to trade successfully, with continuing steady flow of customers and visitors. +- 25 trains per day are in operation at this stage and are transporting INK residents and those visiting mostly the shopping centre and employees.
- Ptns 33, 34, 35, 46 and 47, between the BC Boulevard and the BRT/ M25 freeway, have been sold by the ED Joint Venture to eTM. They will likely be on-sold to Social Housing Institutes (SHIs) for building social housing units. Ptn 124 is currently being negotiated for sale to eTM.
- The number of both pedestrian and vehicular traffic has noticeably increased, including the number of taxis coming to the node. This has brought attention for the necessity for better traffic controls in Nogwaja, Indlanzi and Insimba Roads where the volume of vehicles is causing numerous traffic jams. ETA has been asked to look into this.
- The coming into operation of the Magistrates Court in 2013 has noticeably increased the amount of pedestrian and vehicular traffic along both Bhejane Road and Bridge City Boulevard.
- The IRPTN (Go! Durban): Construction by WHBO is progressing well. The access off the M25 off-ramp via the half-diamond interchange is open. Work is now in progress within the BRT Terminus. This will result in changes to road networks.
- The Half Diamond interchange from Bhejane Road under the M25 to Aberdare Road is now complete.

- The construction of the 500 bed Dr Pixley-ka-Isaka Seme Hospital continues at a good pace, and is due to be completed in 2019.
- Portion 122 (Imbali Trust): All phases are complete. Problems are being experienced with the approval of the plans by the Municipality. This is being resolved, but may cause a delay due to changes in the plan and approval by the Municipality.
- The NJR Steel Distribution Centre has been completed on portion 132 and opened for business in June 2017.
- Portion 151 owned by Hlengwa / Zulu Investments is still waiting for approval of the filling station license, no construction has commenced yet. They are also striving to get Provincial and local authority (eTM) buy-in for a One-Stop-Shop on the adjacent Ptn 150.
- The Private Hospital (portions 30, 31 & 32) earthworks were completed in February 2017, but construction has been delayed due to funding issues. We expect news of construction starting shortly.
- Portion 123 (Bellagio) has once again come to a standstill. The site was being used by WBHO as a lay-down area while they were constructing the bus terminus entrance. The site has been cleared up by Revolt and WBHO and is now locked to prevent illegal dumping.
- There has been a significant increase in interest in the Town Centre by would-be investors and purchasers following this upsurge in activity.
- Portions 139 & 156 have been sold to Calgro M3. The road cul-de-sac will also be included in the deal – eTM has agreed to the change in layout and zoning. Portion 139 is currently occupied by the Management Association offices, which are due to be sold and relocated to an alternative site.

#### SAFEGUARDING

- This remains a top priority for the Management Association. Since the increased manpower and additional response vehicle was introduced, there has been a significant drop in crime within the precinct of approximately 75%.
- Plans are well in hand for the installation of CCTV in the public areas, with the control room being complete. The first CCTV cameras are expected to be rolled out early in 2018.
- Bi-monthly security forums are in place but attendance is poor and meetings will be discontinued until the need for them arises. Meetings are only attended by Enforce and Precinct Management. Invitations were however sent to all Stakeholders.
- Metro Police visits the area from time to time and issue tickets but that methodology doesn't seem to be working. Illegal parking is still a major problem around the shopping centre.
- SAPS come to the area as and when required.

#### LANDSCAPING and MAINTENANCE

- Green Africa, an INK based landscaping and cleaning company is the appointed service provider for BCMA since March 2016. They continue to maintain all common property in respect of planting, mowing, refuse removal and repairs. They are also tasked to carry out repairs to common property when necessary, including signage.
- Road maintenance is undertaken by eThekweni Municipality, with daily street sweeping being carried out by DSW and Green Africa supplements the municipal service. Two mechanical push sweepers have been acquired by the BCMA to assist with cleaning efficiencies and effectiveness of the streets.
- Street lights are maintained by the eThekweni Municipality appointed contractor, Zethembe Electrical. The actual light fittings are supplied by the Association. Other services such as storm water, sewerage and electricity are maintained by eThekweni Municipality.



In conclusion, I would like to thank the Bridge City Management Association Board of Directors for contributing their time, efforts and careful consideration in acting in the best interest of the Members of the Association.

A big thank you is extended to the Management Association's service providers, Eris Property Group (accounts administration), Enforce Security Services / Luger Executive Protection Services and Green Africa (landscaping / cleaning) for their commitment and service levels.

I also take this opportunity of thanking UrbanMGT, our management team, for their hard work and dedication to the success of Bridge City. I must also thank Iain Laing for his **seven years** of service in Bridge City – he has now retired from duty in Bridge City. Finally, grateful thanks to all Bridge City Management Association Members who have supported the endeavours of the Association and we look forward to reporting on an equally productive 2017/2018 financial year.

Brian Ive  
Chairman  
Bridge City Management Association



## Bridge City Management Association (RF) NPC (“BCMA”)

Registration No. 2007/027692/08

### Minutes of the Bridge City AGM held at THD offices, 305 uMhlanga Rocks Drive on 19 October 2016 at 2pm

#### Directors:

Name	Initial	Representing	Present	Apologies
Brian Ive (Chair)	BI	Tongaat Hulett Developments (THD)	In attendance	
Mtura Matshini	MM	Tongaat Hulett Developments (THD)		
David Jollands	DJ	Tongaat Hulett Developments (THD)	In attendance	
Graeme Phillips	GP	Garlicke & Bousefield		Apologies
Shunnon Tulsiram	ST	eThekwini Municipality (eTM)	In attendance	
Anton Raubenheimer	AR	Capital Land		Apologies
Bongi Gcaba	BG	KZN Department of Health		Apologies
Nkosinathi Nhlagulela	NN	Ithala		

#### By Invitation:

Name	Initial	Representing	Present	Apologies
Brian Wright	BW	Bridge City MA	In attendance	
Iain Laing	IL	Bridge City MA	In attendance	
Cara Reilly	CR	Bridge City MA	In attendance	
Joanne Barnard	JB	Bridge City MA	In attendance	
Len Baars	LB	eThekwini Municipality (alternative)		Apologies
Des Pretorius	DP	Capital Land (alternative)	In attendance	
Simphiwe Maphumulo	SM	Garlicke & Bousefield	In attendance	
Sibusiso Chonco	SC	DPW		
Yusuf Patel	YP	Dipco	In attendance	
Moses Qwabe	MQ	Hlengwa/Zulu Investments	In attendance	
Siyabonga Hlengwa	SH	Hlengwa/Zulu Investments	In attendance	
Sid Moodley	SM			
Fred Peterson	FP	Crowie Projects		
Gopi Shastivarathan	GS	Crowie Projects	In attendance (via telephone)	
Mandisa Manolwana	MM			
Brandon Bergman	BB	NJR Steel		Apologies
Frank Mni	FM	Bellagio Group		
Kagiso Mokyatle	KM	Marang-global		Apologies
Micky D'Argent	MDA	Stuart Edwards and Company	In attendance	
Fabian Naidoo	FN	Stuart Edwards and Company	In attendance	



	<p>Board” should be changed to the BCMA Board.</p> <ul style="list-style-type: none"> <li>Page 9, Minute 9.1, line 11: “purchases” should read “purchasers”.</li> </ul> <p>Together with the above changes, the minutes were approved as a correct record of proceedings and signed by the Chair requested a proposer: Des Pretorius (DP) and a seconder Brian Wright (BW).</p>	
<b>5.</b>	<b>Matters Arising From Previous Minutes</b>	
	Iain Laing (IL), the Precinct Manager, responded to matters arising from the previous meeting:	
a)	Minute 6.1 – Landscaping contract: An INK Landscaping Company (Green Africa) was awarded the landscaping contract within Bridge City.	
b.)	<p>Minute 7.6 – Reserve Account: BW reported the following figures within the reserve account:</p> <ul style="list-style-type: none"> <li>October 2015: R2,036,552</li> <li>July 2016: R2,724,081</li> </ul> <p>BW explained that the BCMA currently allocate 6% of levies to reserve account to prepare for future expenditure on capital items.</p>	
c.)	Minute 9.1 – New Directors: IL confirmed that new purchasers had been requested to attend Board meetings as members, with a number taking up the opportunity. Representation from the Magistrates Court was in the process of being finalised.	
d.)	Minute 10.2 – Urban MGT’s Management Contract: BW confirmed that the BCMA had approved Urban MGT’s Management Contract.	
	Siyabonga Hlengwa and Moses Qwabe of Hlengwa/Zulu Investments joined the meeting.	
<b>6.</b>	<b>Chairman’s Report to Be Presented</b>	
	<p>The Chair took the meeting through the Chairman’s Report, as circulated ahead of the meeting. The following points were noted:</p> <ul style="list-style-type: none"> <li>The Bridge City Shopping Centre was trading well, with vacancy levels sitting at 3%. Des Pretorius (DP) confirmed that the Shopping Centre averaged approximately 900,000 feet per month, excluding commuters, which the meeting noted to be significant. BW asked whether Capital Land held figures for the peak commuter travel times, DP confirmed that they did and agreed to share these with the BCMA. DP also confirmed that Capital Land would be happy for the BCMA to quote the above figures to the media.</li> <li>25 Trains per day, which was expected to increase to 35 trains per day.</li> <li>Shunnon Tulsiram (ST) confirmed that the BRT C3 route to Pinetown would likely be operational by July 2017.</li> <li>Portion 151 had been transferred to Hlengwa/Zulu Investments in March 2016, who had now received permission to open a filling station with construction expected to begin early next year.</li> <li>The Chair explained that eTM had acquired the development rights of 6 properties within Bridge City: 5 in the town centre and 1 on the lower platform. It was the intention that the lower platform would be developed by eTM itself, with the five town centre sites to be used for the development of social housing.</li> </ul> <p>David Jollands (DJ) joined the meeting.</p> <ul style="list-style-type: none"> <li>Regarding Safety and Security, IL reported that there had been 9 crimes in the public</li> </ul>	DP



	<p>Board and that he would be Graeme’s replacement.</p> <p>Taking the above onto consideration the following Directors were noted as being eligible and available for election:</p> <ul style="list-style-type: none"> <li>• Brian Ive</li> <li>• Mtura Matshini</li> <li>• David Jollands</li> <li>• Anton Raubenheimer</li> <li>• Simphiwe Maphumlelo</li> <li>• Bongsi Gcaba</li> <li>• Nkosinathi Nhlagulela</li> </ul> <p>Yusuf Patel and Siyabonga Hlengwa were requested to join the Board as Directors and both agreed to be nominated.</p> <p>The meeting noted the Companies Act of 2008 required that Directors be individually elected, and as such he called for nominations of directors:</p> <ul style="list-style-type: none"> <li>• Brian Ive nominated by Iain Laing and seconded by Brian Wright</li> <li>• Mtura Matshini nominated by Iain Laing and seconded by Brian Wright</li> <li>• David Jollands nominated by Iain Laing and seconded by Brian Wright</li> <li>• Anton Raubenheimer nominated by Brian Ive and seconded by Brian Wright</li> <li>• Simphiwe Maphumlelo nominated by Brian Ive and seconded by Brian Wright</li> <li>• Bongsi Gcaba nominated by Brian Wright and seconded by Iain Laing</li> <li>• Nkosinathi Nhlagulela nominated by Brian Ive and seconded by Brian Wright</li> <li>• Yusuf Patel nominated by Brian Ive and seconded by Brian Wright</li> <li>• Siyabonga Hlengwa nominated by Brian Ive and seconded by Iain Laing</li> </ul> <p>There were no objections to the nominations, so the Chair moved that the nominees be elected to the Board until the next Annual General Meeting. <b><u>The motion was unanimously carried.</u></b></p> <p>IL undertook to prepare the appointment documentation.</p>	IL
<b>10.</b>	<b>General</b>	
	<p>The Chair asked whether there was any other business to be dealt with under general and the following items were raised by Yusuf Patel (YP):</p>	
a.)	<p>Boulevard Road Closure: The road closures as a result of the construction of the IRPTN have had a severe impact on trade for the businesses on Portion 122. It was therefore requested that the BCMA consider offering levy reductions for the affected period to those properties affected.</p>	
b.)	<p>Traffic congestion behind Spar: It was noted that Spar had been using public road to offload goods, which was causing major congestion and litter issues on the roads. It was agreed that the creation of a one-way system could offer a solution, but that as an interim measure Metro Police could be asked to be more vigilant and proactive in their fining system.</p>	
c.)	<p>Use of local labour: It was noted that the use of local labour came at an additional expense and sometimes with destructive outcomes. It was therefore suggested that the restrictions on the use of local labour be relaxed.</p>	
d.)	<p>Security: The perception of safety and security within Bridge City remained an issue, but it was acknowledged that this would change over time.</p>	

e.)	Parking: It was believed that the parking requirements properties within Bride City were excessively high for a commuter based facility. The Chair commented that the minimum requirement for parking bays had been considerably reduced already at Bridge City, however owners could still make special request to eTM to have the requirement further reduced.	
f.)	Residential Property: YP commented that floor spaces above ground level was unable to attract tenants due to very high rentals, which are required to cover the high building costs at Bridge City.	
g.)	Separation of BRT Foot traffic: The meeting noted that there was an initiative being considered whereby the shopping centre, the train station terminal and the new site for the BRT would be separated. This would allow for foot traffic between the two and therefore potentially creating greater trade opportunities for those trading outside of the Shopping Centre.	
h.)	Creation of a Community: It was requested that THD consider lowering the levies/rates for the addition of certain amenities to the area, such as a crèche. He added that this would allow for the sense of community to develop and therefore attract a sustainable community. The Chair commented that there was an opportunity for new developments to apply for a rates rebate, which ST confirmed to be the case.	
i.)	Submission of Development Plans to eTM: YP commented that the submission of plans to council was found to be a very onerous process. YP suggested that THD also consider offering incentives to attract new developers, especially during these initial phases.	
	Chair proposed that the above items be dealt with outside of this meeting, which was agreed.  In addition, ST agreed that a formal report of the above would be tabled for the next Effingham JV meeting. ST believed that a special case could be built on the above observations and undertook to arrange a representative from eTM to meet with YP to better understand the issues.	BI  ST
<b>11.</b>	<b>Meeting Closure</b>	
	There being no further business the Chair thanked the meeting for their attendance and declared the meeting closed at 15h20.	
	Read and confirmed this _____ day of _____ 2017  _____ Chairman	

Bridge City Management Association (RF) NPC  
(Registration number 2007/027692/08)  
Annual financial statements  
for the year ended 28 February 2017  
Issued 08 September 2017



# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## General Information

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Directors</b>	B D Ive M Matshini DT Jollands AE Raubenheimer MG Gcaba NW Nhlangulela SD Hlengwa SM Maphumulo Y Patel SO Mthembu
<b>Registered office</b>	305 Umhlanga Rocks Drive La Lucia 4051
<b>Business address</b>	305 Umhlanga Rocks Drive La Lucia 4051
<b>Postal address</b>	P.O. Box 415 La Lucia 4159
<b>Bankers</b>	Standard Bank of South Africa Limited
<b>Auditor's</b>	Stuart Edwards & Company Chartered Accountants (S.A.) Registered Auditor
<b>Company registration number</b>	2007/027692/08

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Index

---

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

<b>Index</b>	<b>Page</b>
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Annual Financial Statements	12 - 13

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

Detailed Income Statement	14
---------------------------	----

### **Level of assurance**

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

### **Published**

08 September 2017

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Directors' Responsibilities and Approval

---

The directors are required by the Companies Act of South Africa, 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 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 auditor's is 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 Association and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 Association 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 Association 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 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 Association's cash flow forecast for the year to 28 February 2018 and, in the light of this review and the current financial position, they are satisfied that the Association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the Association's annual financial statements. The annual financial statements have been examined by the Association's external auditor's and their report is presented on page 4.

The annual financial statements set out on pages 6 to 14, which have been prepared on the going concern basis, were approved by the board on 08 September 2017 and were signed on its behalf by:

---

Director

---

Director



# STUART EDWARDS & COMPANY

CHARTERED ACCOUNTANTS (SOUTH AFRICA)

## Independent Auditor's Report

---

To the members of Bridge City Management Association NPC

### Opinion

We have audited the Annual Financial Statements of Bridge City Management Association (RF) NPC set out on pages 7 to 13, which comprise the Statement of Financial Position as at 28 February 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and 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 Bridge City Management Association (RF) NPC as at 28 February 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 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 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 Directors' Report as required by the Companies Act of South Africa, 2008, which we obtained prior to the date of this report. 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.

### 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 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.



# **STUART EDWARDS & COMPANY**

CHARTERED ACCOUNTANTS (SOUTH AFRICA)

## **Independent Auditor's Report**

---

### **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.

**08 September 2017**

---

**Stuart Edwards & Company**  
**Chartered Accountants (S.A.)**  
**Registered Auditor**

**349 Vause Road**  
**Overport**  
**Durban**  
**4001**

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Directors' Report

---

The directors have pleasure in submitting their report on the annual financial statements of Bridge City Management Association (RF) NPC for the year ended 28 February 2017.

### 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 of South Africa, 2008. The accounting policies have been applied consistently compared to the prior year.

The purpose of the Association is to advance and protect the interests of the members, being the owners of immovable property in the Bridge City Management Association, and to provide, promote and maintain essential services, amenities and activities within the Association.

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

The surplus of the association was R 1 034 198 (2016: surplus R 532 480), of which R 1 034 198 (2016: R 1 208 399) was transferred to the maintenance reserve.

### 2. Directors

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

<b>Directors</b>	<b>Changes</b>
B D Ive	
S Tulsiram	Resigned 19 October 2016
M Matshini	
G F Phillips	Resigned 19 October 2016
DT Jollands	
AE Raubenheimer	
MG Gcaba	
D Pretorius	Resigned 17 August 2016
NW Nhlangulela	Appointed 18 May 2016
SD Hlengwa	Appointed 19 October 2016
SM Maphumulo	Appointed 19 October 2016
Y Patel	Appointed 19 October 2016
SO Mthembu	Appointed 14 February 2017

### 3. 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.

### 4. Auditors

Stuart Edwards & Company continued in office as auditors for the company for 2017.

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Financial Position as at 28 February 2017

Figures in Rand	Notes	2017	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	13 341	-
<b>Current Assets</b>			
Trade and other receivables	3	406 335	88 475
Cash and cash equivalents	4	3 008 006	2 147 913
		<b>3 414 341</b>	<b>2 236 388</b>
<b>Total Assets</b>		<b>3 427 682</b>	<b>2 236 388</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		2 685 933	1 651 735
Retained income		532 480	532 480
		<b>3 218 413</b>	<b>2 184 215</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	127 024	23 018
Current tax payable		82 245	29 155
		<b>209 269</b>	<b>52 173</b>
<b>Total Equity and Liabilities</b>		<b>3 427 682</b>	<b>2 236 388</b>

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Comprehensive Income

Figures in Rand	Notes	2017	2016
Revenue	6	5 412 932	4 462 833
Other income	7	-	10 000
Operating expenses		(4 325 644)	(3 913 782)
<b>Operating surplus</b>		<b>1 087 288</b>	<b>559 051</b>
<b>Surplus before taxation</b>		<b>1 087 288</b>	<b>559 051</b>
Taxation	8	(53 090)	(26 571)
<b>Surplus for the year</b>		<b>1 034 198</b>	<b>532 480</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1 034 198</b>	<b>532 480</b>



# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Changes in Equity

Figures in Rand	Reserve	Retained income	Total equity
<b>Balance at 01 March 2015</b>	<b>443 336</b>	<b>1 208 399</b>	<b>1 651 735</b>
Profit for the year	-	532 480	532 480
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>532 480</b>	<b>532 480</b>
Transfer to reserve from retained earnings	1 208 399	(1 208 399)	-
<b>Total changes</b>	<b>1 208 399</b>	<b>(1 208 399)</b>	<b>-</b>
<b>Balance at 01 March 2016</b>	<b>1 651 735</b>	<b>532 480</b>	<b>2 184 215</b>
Profit for the year	-	1 034 198	1 034 198
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1 034 198</b>	<b>1 034 198</b>
Transfer to reserve from retained earnings	1 034 198	(1 034 198)	-
<b>Balance at 28 February 2017</b>	<b>2 685 933</b>	<b>532 480</b>	<b>3 218 413</b>

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Statement of Cash Flows

Figures in Rand	Notes	2017	2016
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	1 908 010	2 123 172
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(13 719)	-
<b>Cash flows from financing activities</b>			
Transfer to reserve from retained income		(1 034 198)	(1 208 399)
<b>Total cash movement for the year</b>		<b>860 093</b>	<b>914 773</b>
Cash at the beginning of the year		2 147 913	1 233 140
<b>Total cash at end of the year</b>	4	<b>3 008 006</b>	<b>2 147 913</b>

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Accounting Policies

---

### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, 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.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

---

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

---

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

#### 1.2 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.

#### 1.3 Revenue

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

#### 1.4 Financial instruments

Financial instruments are recognised on the balance sheet include cash and short term deposits, trade and other receivables and other payables.

#### 1.5 Reserve

The designated reserve component of levies collected during the financial year is identified and taken to a maintenance reserve which is intended to cover renewals and replacements to all common property that may become necessary.

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Notes to the Annual Financial Statements

Figures in Rand 2017 2016

### 2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	13 719	(378)	13 341	-	-	-

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
IT equipment	-	13 719	(378)	13 341

### 3. Trade and other receivables

Trade receivables	406 335	88 475
-------------------	---------	--------

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 830	1 830
Bank balances	2 037 610	1 682 434
Short-term deposits	1 568 566	763 649
Development guarantees received and refundable	(600 000)	(300 000)
	<b>3 008 006</b>	<b>2 147 913</b>

### 5. Trade and other payables

Trade payables	92 520	-
VAT	15 504	5 418
Accrued audit fees	19 000	17 600
	<b>127 024</b>	<b>23 018</b>

### 6. Revenue

Levies from members	5 173 324	4 308 708
Interest received	239 608	154 125
	<b>5 412 932</b>	<b>4 462 833</b>

### 7. Other income

Recoveries	-	10 000
------------	---	--------

### 8. Taxation

#### Major components of the tax expense

##### Current

Local income tax - current period	53 090	29 155
Local income tax - recognised in current tax for prior periods	-	(2 584)
	<b>53 090</b>	<b>26 571</b>

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Notes to the Annual Financial Statements

Figures in Rand	2017	2016
<b>9. Auditor's remuneration</b>		
Fees	19 000	17 600
Tax and secretarial services	3 319	6 544
	<b>22 319</b>	<b>24 144</b>
<b>10. Cash generated from operations</b>		
Surplus before taxation	1 087 288	559 051
<b>Adjustments for:</b>		
Depreciation and amortisation	378	-
Transfer to reserve from retained income	1 034 198	1 208 399
Other non-cash items	-	1
<b>Changes in working capital:</b>		
Trade and other receivables	(317 860)	382 328
Trade and other payables	104 006	(26 607)
	<b>1 908 010</b>	<b>2 123 172</b>

### 11. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

# Bridge City Management Association (RF) NPC

(Registration number 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2017

## Detailed Income Statement

Figures in Rand	Notes	2017	2016
<b>Revenue</b>			
Levies from members		5 173 324	4 308 708
Interest received		239 608	154 125
	6	<b>5 412 932</b>	<b>4 462 833</b>
<b>Other income</b>			
Recoveries		-	10 000
<b>Operating expenses</b>			
Accounts administration fees		37 392	35 168
Administration and management fees		926 747	827 731
Advertising		1 725	-
Auditors remuneration	9	22 319	24 144
Bad debts		10 000	-
Bank charges		2 653	2 375
Cleaning		31 468	36 998
Computer expenses		26 687	17 085
Consulting fees		-	27 960
Depreciation, amortisation and impairments		378	-
Entertainment		11 494	7 623
Insurance		17 925	12 656
Legal expenses		-	39 856
Printing and stationery		1 227	1 545
Repairs and maintenance		467 272	400 691
Security		2 624 674	2 474 700
Telephone and fax		25 140	5 250
Website		118 543	-
		<b>4 325 644</b>	<b>3 913 782</b>
<b>Surplus before taxation</b>			
Taxation	8	(53 090)	(26 571)
<b>Surplus for the year</b>			
		<b>1 034 198</b>	<b>532 480</b>