

BRIDGE CITY MANAGEMENT ASSOCIATION (RF) NON-PROFIT COMPANY

Registration No. 2007/027692/08



BRIDGE CITY
MANAGEMENT ASSOCIATION

Annual Report

For the year ended 28 February 2023



Bridge City Management Association (RF) NPC
Registration No. 2007/027692/08

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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 Garlicke & Bousfield, Office Estate, 7 Torsvale Cres, Somerset Park, uMhlanga, as well as via Microsoft Teams on 27 August 2022 at 10h00 for the following purposes:

1. To receive and adopt the audited annual financial statements for the year ended 28 February 2023 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 Memorandum of Incorporation.
The Board shall comprise not less than **four (4) no more than ten (10) directors during the Development period, four (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 16 August 2023 via email to Hloniphani@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. A Directors Nomination form is enclosed for this purpose.
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 Chair Bridge City Management Association via email to Hloniphani@urbanmgt.co.za by no later than the 16 August 2023.

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 25 August 2023

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 should be delivered to Bridge City Management Association by 16 August 2023:
By email to Hloniphani@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 25 August 2023.

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

Signed at: this..... day of.....2023

Signature:

FOR AND BEHALF OF:

Proxy forms should be delivered to Bridge City Management Association by 16 August 2023:

By email to Hloniphani@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 three (3) members, with one (1) member from the Developer during the Development Period.

4. To adopt the Minutes of the Annual General Meeting held on 25 August 2022.

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 2023, 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: Simphiwe Maphumulo, Mtura Matshini, Jimmy Mthethwa, Trevor Naicker and Kevin Matthews. The following directors will be available for re-election: Simphiwe Maphumulo, Mtura Matshini, Jimmy Mthethwa, Trevor Naicker and Kevin Matthews.

10. General

11. Close of Meeting

By order of the Board



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

Registration No. 2007/027692/08

Minutes of the Bridge City AGM held at Dr Pixley Ka Isaka Seme Memorial Hospital and via Microsoft Teams Meeting on 25 August 2022 at 10h00

Directors:

Name	Initial	Representing	Present	Apologies
Simphiwe Maphumulo (Chair)	SMap	Garlicke & Bousfield	In attendance	
Mtura Matshini	MM	Tongaat Hulett Properties (THP)	In attendance	
Bongi Gcaba	BG	KZN Department of Health		Apologies
Dr. Jimmy Mthethwa	MT	KZN Department of Health	In attendance	
Trevor Naicker	TN	Capital Land	In attendance	
Kevin Matthews	KM	Mpact		Apologies

By Invitation:

Name	Initial	Representing	Present	Apologies
Fabian Naidoo	FN	Stuart Edwards and Co.	In attendance	
Mickey d Argent	MdA	Stuart Edwards and Co.	In attendance	
Brian Wright	BW	Bridge City MA	In attendance	
Maxine Schilz	MS	Bridge City MA	In attendance	
Joanne Barnard	JB	Bridge City MA	In attendance	
Nwabisa Mkhize	NM	Bridge City MA	In attendance	
Hloniphani Mpanza	HM	Bridge City MA	In attendance	
Cherrie Francis	CF	Bridge City MA	In attendance	

AGM 1/22	Welcome and Introductions	Action
	The Chair welcomed all to the Annual General Meeting of Members of the Bridge City Management Association (BCMA) (RF) NPC.	
AGM 2/22	Apologies	
	Apologies were recorded as listed above.	
AGM 3/22	Quorum	
	Attendees confirmed having received due notice of the meeting.	
	The meeting noted that quorum required for the Annual General Meeting was 15% of voting rights entitled to vote, personally present, or by its duly authorised representative subject to a minimum of 3 members with 1 member from the Developer during the Development period. With these members being present and notice being properly given, the Chair declared the meeting duly constituted.	
AGM 4/22	Introductions of the Board and the Management Team	

	<p>The Chair introduced the meeting to the Directors and Management Team:</p> <ul style="list-style-type: none"> • Simphiwe Marcus Maphumulo Garlicke & Bousfield • Mbongiseni Godswill Gcaba KZN Department of Health • Dr Jimmy Mthethwa KZN Department of Health • Mtura Matshini Tongaat Hulett Properties • Trevor Naicker Capital Land • Kevin Matthews Mpact <p>The Chair further introduced Brian Wright, Nwabisa Mkhize, Maxine Schilz, Hloniphani Mpanza, Joanne Barnard and Cherrie Francis of the BCMA's Management Team, noting that Fabian Naidoo and Mickey D Argent were in attendance as representatives of the Auditors, Stuart Edwards & Company.</p>	
AGM 5/22	To adopt the Minutes of the Annual General Meeting held on 31 August 2021	
	<p>The Minutes of the Annual General Meeting held on <u>31 August 2021</u> had been circulated to attendees before the meeting. It was noted that there were no changes to the minutes and were subsequently <u>proposed by Mtura Matshini (MM) and seconded by Simphiwe Maphumulo (SMap). The minutes were therefore approved and adopted.</u></p>	
AGM 6/22	Matters Arising from Previous Minutes	
	<p>The meeting noted the Action Log as circulated ahead of the meeting. All actions were taken as completed.</p>	
AGM 7/22	Chairman's Report	
	<p>The meeting noted the Chairman's Report, as circulated ahead of the meeting, which was taken as read and by exception.</p>	
AGM 8/22	Resolution 1 – To receive and adopt the annual financial statements for the year ended <u>28 February 2022</u>, which incorporates the Chairman's report to members, and the report of the independent auditors.	
	<p>The meeting noted that the Annual Financial Statements were approved by the Board ahead of the AGM. The Auditors in attendance invited comments on the AFS of which there were none, therefore the Chair called for a proposer and seconder for the AFS to be approved and adopted.</p> <p><u>As proposed by Dr Jimmy Mthethwa (JM) and seconded by MM, the motion was put to the meeting and unanimously carried.</u></p>	
AGM 9/22	Resolution 2: To re-appoint Stuart Edwards & Co as the auditors of the Company.	
	<p>The Chair proposed the re-appointment of Stuart Edwards & Company as the auditors of the Company, motion was put to the meeting and <u>was unanimously carried.</u></p>	
AGM 10/22	Resolution 3: To elect directors for the ensuing year	
	<p>The Chair explained that all Directors would resign at this Annual General Meeting. It was noted that the Tongaat Hulett Properties (THP) appointed Directors were automatically re-elected: Mtura Matshini (MM) and Simphiwe Marcus Maphumulo (SMap) were directors re-appointed by virtue of their role.</p> <p>In addition, the following non-THP directors were available for re-election:</p>	

	<ul style="list-style-type: none"> • Dr. Jimmy Mthethwa - KZN Department of Health • Trevor Naicker - Capital Land • Kevin Matthews - Mpact <p>The Chair noted the resignation of Bongzi Gcaba from the Board and thanked Bongzi for his valued service and contribution to the BCMA Board over the years.</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"> • Mtura Matshini – nominated by Tongaat Hulett Properties, seconded by Simphiwe Maphumulo. • Simphiwe Maphumulo – nominated by Tongaat Hulett Properties, seconded by Mtura Matshini. • Trevor Naicker – nominated by Simphiwe Maphumulo and seconded by Mtura Matshini. • Kevin Matthews – nominated by Mtura Matshini and seconded by Simphiwe Maphumulo. • Dr. Jimmy Mthethwa – nominated by Simphiwe Maphumulo and seconded by Mtura Matshini. <p>There were no objections to the nominations, the Chair moved that the nominees be elected to the Board until the next Annual General Meeting. <u>The motion was unanimously carried.</u></p>	CF
AGM 11/22	General	
	None.	
AGM 12/22	Meeting Closure	
	<p>There being no further business the Chair thanked the members for their attendance and gave special thanks to the UrbanMGT Management Team for their continued efforts over the years and congratulated the Team on the renewal of their Professional Management Agreement with the Precinct.</p> <p>The meeting was declared closed at 11h20.</p>	
	<p>Read and confirmed this _____ day of _____ 2022.</p> <p>_____</p> <p>Chair</p>	

Bridge City Management Association (RF) NPC

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Summary of Actions coming out of meetings:

AGM action items – 25 August 2022

	Date of meeting:	Minute no.	Action:	By whom	Status
1.	25/08/2022	AGM10/22	Resolution 3: To elect directors for the ensuing year <ul style="list-style-type: none">• Resignation of Director – CF to attend to the resignation of Bongsi Gcaba.	CF	Done

Bridge City Management Association (RF) NPC
(Registration number 2007/027692/08)
Annual Financial Statements
for the year ended 28 February 2023
Issued 24 July 2023

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Management association
Directors	SM Maphumulo M Matshini JM Mthethwa KA Matthews T Naicker
Registered office	1st Floor Bridge City Medical Centre 8 Nogwaja Road Bridge City 4360
Business address	1st Floor Bridge City Medical Centre 8 Nogwaja Road Bridge City 4360
Postal address	P O Box 415 La Lucia 4051
Bankers	Standard Bank of South Africa Limited
Auditors	Stuart Edwards & Company Chartered Accountants (SA) Registered Auditor 349 Vause Road Overport Durban 4001
Company registration number	2007/027692/08

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

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

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

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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

24 July 2023

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

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 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 Association and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of 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 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 29 February 2024 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 auditors 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 auditors and their report is presented on pages 5 to 6.

The annual financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 24 July 2023 and were signed on its behalf by:

Approval of annual financial statements

Director

Director

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

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 2023.

1. Nature of business

Bridge City Management Association (RF) NPC was incorporated and operates in South Africa.

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.

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, 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the association 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
MG Gcaba	Resigned 25 August 2022
SM Maphumulo	
M Matshini	
JM Mthethwa	
KA Matthews	
T Naicker	

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 28 February 2023 the company's investment in property, plant and equipment amounted to R235 119 (2022:R1 175 585), of which R- (2022: R-) was added in the current year through additions.

5. 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.

6. Auditors

Stuart Edwards & Company continued in office as auditors for the company for 2023.

7. 2022 KwaZulu-Natal floods

In April and May 2022 the province of Kwa-Zulu Natal experienced heavy rains that caused flooding and significant damage to property and infrastructure across the province. This resulted in a national state of disaster being declared. There were no reports of flooding to members, thus no damages to the precinct infrastructure and no impact to the revenue.



STUART EDWARDS & COMPANY

CHARTERED ACCOUNTANTS (SOUTH AFRICA)

Independent Auditor's Report

To the Members of Bridge City Management Association (RF) NPC

Opinion

We have audited the annual financial statements of Bridge City Management Association (RF) NPC (the company) set out on pages 7 to 15, which comprise the statement of financial position as at 28 February 2023, 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 Bridge City Management Association (RF) NPC as at 28 February 2023, 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, 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and We do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Bridge City Management Association (RF) NPC annual financial statements for the year ended 28 February 2023", which includes the Directors' Report as required by the Companies Act of South Africa, 2008 and the supplementary information as set out on page 16. 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.



STUART EDWARDS & COMPANY

CHARTERED ACCOUNTANTS (SOUTH AFRICA)

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, 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

24 July 2023

Stuart Edwards & Company
W.S. Richards-Edwards
Chartered Accountants (SA)
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 2023

Statement of Financial Position as at 28 February 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	235 119	1 175 585
Current Assets			
Trade and other receivables	3	1 723 679	3 011 427
Current tax receivable		7 384	6 931
Cash and cash equivalents	4	5 570 252	5 129 410
		7 301 315	8 147 768
Total Assets		7 536 434	9 323 353
Equity and Liabilities			
Equity			
Reserves		5 081 694	5 000 948
Retained income		1 966 182	4 193 944
		7 047 876	9 194 892
Liabilities			
Current Liabilities			
Trade and other payables	5	488 558	128 461
Total Equity and Liabilities		7 536 434	9 323 353

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022
Revenue	6	8 472 025	7 859 050
Other income	7	228 674	720 866
Operating expenses	8	(10 749 813)	(7 442 623)
Operating (deficit)/surplus		(2 049 114)	1 137 293
(Deficit)/surplus before taxation		(2 049 114)	1 137 293
Taxation	10	(97 902)	(101 158)
(Deficit)/surplus for the year		(2 147 016)	1 036 135
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(2 147 016)	1 036 135

Bridge City Management Association (RF) NPC

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Annual Financial Statements for the year ended 28 February 2023

Statement of Changes in Equity

Figures in Rand	Reserve	Retained income	Total equity
Balance at 01 March 2021	3 666 431	4 492 326	8 158 757
Surplus for the year	-	1 036 135	1 036 135
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1 036 135	1 036 135
Transfer to maintenance reserve from income	1 334 517	(1 334 517)	-
Total changes	1 334 517	(1 334 517)	-
Balance at 01 March 2022	5 000 948	4 193 944	9 194 892
Deficit for the year	-	(2 147 016)	(2 147 016)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(2 147 016)	(2 147 016)
Transfer to maintenance reserve from income	80 746	(80 746)	-
Balance at 28 February 2023	5 081 694	1 966 182	7 047 876

Bridge City Management Association (RF) NPC

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Annual Financial Statements for the year ended 28 February 2023

Statement of Cash Flows

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash generated from operations	11	619 943	2 817 723
Tax paid	12	(98 355)	(103 586)
Net cash from operating activities		521 588	2 714 137
Cash flows from financing activities			
Transfer to reserve		(80 746)	(1 334 517)
Total cash movement for the year		440 842	1 379 620
Cash at the beginning of the year		5 129 410	3 749 790
Total cash at end of the year	4	5 570 252	5 129 410

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

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

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

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
Security and surveillance equipment	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Bridge City Management Association (RF) NPC

(Registration number: 2007/027692/08)

Annual Financial Statements for the year ended 28 February 2023

Accounting Policies

1.2 Financial instruments

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 profit or loss.

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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

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

Tax expenses

The association utilises the exemptions contained in section 10(1)(e)(i)(cc) of the Income Tax Act in determining the taxes payable on its levy and other income.

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.

1.5 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.

1.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.7 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.

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Notes to the Annual Financial Statements

Figures in Rand 2023 2022

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	13 719	(13 717)	2	13 719	(13 717)	2
Security and surveillance equipment	4 702 333	(4 467 216)	235 117	4 702 333	(3 526 750)	1 175 583
Total	4 716 052	(4 480 933)	235 119	4 716 052	(3 540 467)	1 175 585

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Closing balance
IT equipment	2	-	2
Security and surveillance equipment	1 175 583	(940 466)	235 117
	1 175 585	(940 466)	235 119

Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
IT equipment	2	-	2
Security and surveillance equipment	2 116 049	(940 466)	1 175 583
	2 116 051	(940 466)	1 175 585

3. Trade and other receivables

Trade receivables	4 674 393	2 999 692
Provision for bad debts	(2 962 449)	-
Deposits	11 735	11 735
	1 723 679	3 011 427

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 893 898	2 734 069
Short-term deposits	3 876 354	3 795 341
Development guarantees received and refundable	(1 200 000)	(1 400 000)
	5 570 252	5 129 410

5. Trade and other payables

Trade payables	431 163	-
VAT	30 395	103 211
Accrued audit fees	27 000	25 250
	488 558	128 461

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Notes to the Annual Financial Statements

Figures in Rand	2023	2022
6. Revenue		
Levies from members	8 072 376	7 447 772
Interest received	399 649	411 278
	8 472 025	7 859 050
7. Other income		
Recoveries	228 674	720 866
8. Operating expenses		
Operating expenses include the following expenses:		
Operating lease charges		
Premises		
• Contractual amounts	31 152	89 904
Depreciation and amortisation	940 466	940 466
9. Auditor's remuneration		
Fees	27 000	25 250
Tax and secretarial services	2 055	5 470
	29 055	30 720
10. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	97 902	101 158
The association is only liable for taxation on interest received less an annual exemption of R50 000.		
11. Cash generated from operations		
(Deficit)/surplus before taxation	(2 049 114)	1 137 293
Adjustments for:		
Depreciation and amortisation	940 466	940 466
Transfer to reserve from retained income	80 746	1 334 517
Other non-cash items	(1)	2
Changes in working capital:		
Trade and other receivables	1 287 749	(639 657)
Trade and other payables	360 097	45 102
	619 943	2 817 723
12. Tax paid		
Balance at beginning of the year	6 931	4 503
Current tax for the year recognised in loss	(97 902)	(101 158)
Balance at end of the year	(7 384)	(6 931)
	(98 355)	(103 586)

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Notes to the Annual Financial Statements

Figures in Rand

2023

2022

13. Capital commitments and contingent liabilities

There are no capital commitments or contingent liabilities at year end (2022: R Nil).

14. Directors' and prescribed officer's remuneration

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

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Detailed Income Statement

Figures in Rand	Notes	2023	2022
Revenue			
Levies from members		8 072 376	7 447 772
Interest received		399 649	411 278
	6	8 472 025	7 859 050
Other income			
Recoveries		228 674	720 866
Operating expenses			
Accounts administration fees		57 192	53 454
Administration and management fees		2 003 828	1 894 341
Assessment rates & municipal charges		3 390	6 125
Auditors remuneration	9	29 055	30 720
Bank charges		2 242	2 262
Cleaning		6 807	5 284
Computer expenses		60 978	50 357
Consulting and professional fees		4 944	-
Consumables		-	2 867
Depreciation, amortisation and impairments		940 466	940 466
Design review fees		70 350	9 000
Entertainment		2 842	681
Insurance		79 561	75 577
Lease rentals on operating lease		31 152	89 904
Legal expenses		117 608	38 408
Levies		4 640	7 480
Municipal expenses		4 218	62 632
Printing and stationery		40 330	37 260
Provision for bad debts		2 582 365	-
Repairs and maintenance		1 303 960	989 744
Secretarial fees		7 920	3 030
Security		3 164 911	2 907 001
Telephone and fax		54 306	68 654
Website		176 748	167 376
		10 749 813	7 442 623
(Deficit)/surplus before taxation		(2 049 114)	1 137 293
Taxation	10	(97 902)	(101 158)
(Deficit)/surplus for the year		(2 147 016)	1 036 135