

Nagrik SA Financial Services Co-Operative Limited

(Registration number 2013/015732/24)

Annual Financial Statements
for the year ended 29 February 2020

Sapfin Solutions Pty Ltd
Financial Accountants

Nagrik SA Financial Services Co-Operative Limited

(Registration number: 2013/015732/24)

Annual Financial Statements for the year ended 29 February 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Co-operative financial institution
Directors	Kalpak Arvindbhai Maniar Himal Ramjee Hitesh Dilipkumar Adhia Sanjay Govind Bandish Baboolal Gokal Ajaykumar Chhaganlal Mandalia Ashokkumar Manilal Mehta Ashok Mathurbhai Karia Himanshu Jaysukhlal Mehta
Registered office	22 Bilbo Street Eldoglen East, Eldoraigne Centurion Gauteng 0157
Bankers	Standard Bank of South Africa Limited
Practitioners	Sapfin Solutions Pty Ltd Suite 101 Laudium Plaza Tangerine Street Laudium 0037 P O Box 13200 Laudium 0037
Company registration number	2013/015732/24
Level of assurance	These annual financial statements have not been audited or independently reviewed.

Nagrik SA Financial Services Co-Operative Limited

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

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Level of assurance

These annual financial statements have not been audited or independently reviewed.

Published

1 July 2020

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2021 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the board on 1 July 2020 and were signed on its behalf by:

Approval of annual financial statements



Director

Nagrik SA Financial Services Co-Operative Limited

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Annual Financial Statements for the year ended 29 February 2020

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Nagrik SA Financial Services Co-Operative Limited and its associates for the year ended 29 February 2020.

1. Nature of business

Nagrik SA Financial Services Co-Operative Limited was incorporated in South Africa with interests in the banking industry. The company operates in South Africa.

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

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

3. Directors

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

Directors

Kalpak Arvindbhai Maniar
Himal Ramjee
Hitesh Dilipkumar Adhia
Sanjay Govind
Bandish Baboolal Gokal
Ajaykumar Chhaganlal Mandalia
Ashokkumar Manilal Mehta
Ashok Mathurbhai Karia
Himanshu Jaysukhlal Mehta



SAPFIN

Reg No : 2013/121743/07
PR No : 929719E
Directors - S.Ahmed (CA)SA , P. Gandhi

Sapfin Solutions (Pty) Ltd

Reg No : 2013/121743/07
PR No : 929719E Suite 101, Laudium Plaza,
Cnr Tangerine Street & 6th Avenue, Laudium 0037
P O Box 13200, Laudium 0037
Tel : 012 374 2191, Fax : 012 374 2594
Email : info@sapfin.co.za

Practitioner's Compilation Report

To Nagrik SA Financial Services Co-Operative Limited

We have compiled the annual financial statements of Nagrik SA Financial Services Co-Operative Limited, as set out on pages 6 - 13, based on the information you have provided. These annual financial statements comprise the statement of financial position of Nagrik SA Financial Services Co-Operative Limited as at 29 February 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Shamshoodin Ahmed
Partner
Sapfin Solutions Pty Ltd

1 July 2020
Laudium

Nagrik SA Financial Services Co-Operative Limited

(Registration number: 2013/015732/24)

Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Position as at 29 February 2020

	Note(s)	2020 R	2019 R
Assets			
Non-Current Assets			
Other financial assets	4	1,904,042	2,841,746
Current Assets			
Trade and other receivables		-	2,200
Cash and cash equivalents		1,153,044	222,739
		1,153,044	224,939
Total Assets		3,057,086	3,066,685
Equity and Liabilities			
Equity			
Share capital	5	986,700	1,131,500
Retained income		(73,689)	(57,675)
		913,011	1,073,825
Liabilities			
Non-Current Liabilities			
Loans from shareholders	3	291,906	305,522
Other financial liabilities	6	1,736,544	1,590,850
		2,028,450	1,896,372
Current Liabilities			
Trade and other payables		115,625	96,488
Total Liabilities		2,144,075	1,992,860
Total Equity and Liabilities		3,057,086	3,066,685

Nagrik SA Financial Services Co-Operative Limited

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Annual Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Income

	Note(s)	2020 R	2019 R
Revenue		328,337	341,672
Other income		2,194	27,400
Operating expenses		(243,212)	(255,278)
Operating profit		87,319	113,794
Investment revenue		13,661	7,494
Finance costs		(112,830)	(104,030)
(Loss) profit before taxation		(11,850)	17,258
Taxation	7	(4,164)	-
(Loss) profit for the year		(16,014)	17,258
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(16,014)	17,258

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Annual Financial Statements for the year ended 29 February 2020

Statement of Changes in Equity

	Share capital R	Other NDR R	Retained income R	Total equity R
Balance at 1 March 2018	1,131,200	250,000	(74,933)	1,306,267
Profit for the year	-	-	17,258	17,258
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	17,258	17,258
Issue of shares	300	-	-	300
Other	-	(250,000)	-	(250,000)
Total changes	300	(250,000)	-	(249,700)
Balance at 1 March 2019	1,131,500	-	(57,675)	1,073,825
Loss for the year	-	-	(16,014)	(16,014)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(16,014)	(16,014)
Share Capital	(144,800)	-	-	(144,800)
Total changes	(144,800)	-	-	(144,800)
Balance at 29 February 2020	986,700	-	(73,689)	913,011
Note(s)	5			

Nagrik SA Financial Services Co-Operative Limited

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Annual Financial Statements for the year ended 29 February 2020

Statement of Cash Flows

	Note(s)	2020 R	2019 R
Cash flows from operating activities			
Cash receipts from customers		328,337	104,331
Cash paid to suppliers and employees		(219,681)	(38,564)
Cash generated from operations	8	108,656	65,767
Interest income		13,661	7,494
Finance costs		(112,830)	(104,030)
Tax paid		(4,164)	-
Net cash from operating activities		5,323	(30,769)
Cash flows from investing activities			
Sale of property, plant and equipment	2	-	8,250
Sale of financial assets		937,704	(62,346)
Net cash from investing activities		937,704	(54,096)
Cash flows from financing activities			
Proceeds on share issue	5	-	300
Reduction of share capital or buy back of shares	5	(144,800)	-
Repayment of other financial liabilities		145,694	214,656
Repayment of shareholders loan		(13,616)	3,455
Net cash from financing activities		(12,722)	218,411
Total cash movement for the year		930,305	133,546
Cash at the beginning of the year		222,739	89,193
Total cash at end of the year		1,153,044	222,739

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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.

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
Furniture and fixtures	Straight line	6 Years
Office equipment	Straight line	5 Years
IT equipment	Straight line	3 Years
Signage	Straight line	5 Years

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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Annual Financial Statements for the year ended 29 February 2020

Accounting Policies

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.5 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.7 Borrowing costs

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

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Notes to the Annual Financial Statements

	2020 R	2019 R
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2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	8,600	(8,600)	-	-	-	-
Office equipment	550	(550)	-	550	(550)	-
IT equipment	11,767	(11,767)	-	11,767	(11,767)	-
Signage	9,206	(9,206)	-	9,206	(9,206)	-
Total	30,123	(30,123)	-	21,523	(21,523)	-

Reconciliation of property, plant and equipment - 2019

	Opening balance	Disposals	Depreciation	Closing balance
Furniture and fixtures	7,166	(6,450)	(716)	-
Signage	3,069	-	(3,069)	-
	10,235	(6,450)	(3,785)	-

3. Loans to (from) shareholders

Members' saving deposits	(291,906)	(305,522)
The above deposits are unsecured, bear no interest, and have no fixed terms of repayment. The above deposits represent the minimum balance to be held by members.		

4. Other financial assets

At amortised cost

Loans and receivables	1,942,900	2,899,740
The above loans are secured, bear interest at rates between 11% and 14% per annum, and have varying dates of repayment.		
Impairment	1,942,900 (38,858)	2,899,740 (57,994)
	1,904,042	2,841,746

A provision of 2% of the outstanding balance of the other financial assets at year end have been provided for.

Non-current assets

At amortised cost	1,904,042	2,841,746
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5. Share capital

Issued

Ordinary	986,700	1,131,500
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Nagrik SA Financial Services Co-Operative Limited

(Registration number: 2013/015732/24)

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Notes to the Annual Financial Statements

	2020 R	2019 R
6. Other financial liabilities		
At amortised cost		
Loans - Various terms and recurring deposits	1,736,544	1,590,850
The above loans are from various members who have and bear interest between 5% and 6.5% per annum. The above loans are repayable at the request of members provided that the Co-operative has funds available.		
Non-current liabilities		
At amortised cost	1,736,544	1,590,850
7. Taxation		
No provision has been made for 2020 tax as the company has an assessed loss brought forward. The estimated tax loss available for set off against future taxable income is R 126,119 (2019: R 114,269).		
8. Cash generated from operations		
(Loss) profit before taxation	(11,850)	17,258
Adjustments for:		
Depreciation and amortisation	-	3,785
Profit on sale of assets	-	(1,800)
Interest received	(13,661)	(7,494)
Finance costs	112,830	104,030
Changes in working capital:		
Trade and other receivables	2,200	-
Trade and other payables	19,137	(50,012)
	108,656	65,767

9. Directors' remuneration

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

Nagrik SA Financial Services Co-Operative Limited

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Annual Financial Statements for the year ended 29 February 2020

Statement of Financial Performance

	Note(s)	2020 R	2019 R
Revenue			
Interest received		328,337	341,672
Other income			
Fees earned		2,194	25,600
Interest received		13,661	7,494
Gains on disposal of assets		-	1,800
		15,855	34,894
Operating expenses			
Accounting fees		(9,200)	(8,550)
Administration and management fees		(179,687)	(181,740)
Bank charges		(25,435)	(9,644)
Computer expenses		(14,620)	(1,911)
Depreciation, amortisation and impairments		-	(3,785)
Entertainment		-	(3,275)
Meeting costs		(5,861)	(6,175)
CBDA banking platform fees		(1,250)	-
Provision for delinquent loans		-	(1,272)
Fines and penalties		(1)	-
Lease rentals on operating lease		-	(20,000)
Municipal expenses		-	(6,028)
Printing and stationery		(719)	(1,457)
Repairs and maintenance		(350)	(1,700)
Subscriptions		-	(1,750)
Telephone and fax		(4,636)	(7,170)
Travel - local		(1,453)	(821)
		(243,212)	(255,278)
Operating profit		100,980	121,288
Finance costs		(112,830)	(104,030)
(Loss) profit before taxation		(11,850)	17,258
Taxation	7	(4,164)	-
(Loss) profit for the year		(16,014)	17,258

Nagrik SA Financial Services Co-Operative Limited

(Taxpayer reference number)

(Registration number: 2013/015732/24)

Annual Financial Statements for the year ended 29 February 2020

Tax Computation

	2020 R
Net loss per income statement	(11,850)
Imputed net income from CFC	-
Calculated tax loss for the year	(11,850)
Assessed loss brought forward	(114,269)
Assessed loss for 2020 - carried forward	(126,119)
Tax thereon @ 28% in the Rand	-
Reconciliation of tax balance	
Tax owing/(prepaid) for the current year:	