

**AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT**

**REG. NO: 2004/007225/08**

**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2012**

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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements set out on pages 3 to 8 have been approved by the Directors:

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**LOW AND SCHREIBER**  
**CHARTERED ACCOUNTANTS (S A)**

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*Barrie William Low, B.Com M.Phil (Tax Law)*

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Airport Industria City Improvement District

### **Report on the Financial Statements**

We have audited the Annual Financial Statements of Airport Industria City Improvement District, which comprise the balance sheet as at 30 June 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 3 to 8.

### **Directors' Responsibility for the Financial Statements**

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of the Company as at 30 June 2012, and its financial performance and its cash flows for the year then ended in accordance with the Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities and in the manner required by the Companies Act of South Africa.

LOW AND SCHREIBER  
REGISTERED AUDITORS, CAPE TOWN  
30 AUGUST 2012

# **AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT**

## **REPORT OF THE DIRECTORS**

To the Members

### NATURE OF BUSINESS

The Company represents and protects the interests of landowners and tenants operating in Airport Industria, concentrating particularly on security, maintenance and related issues.

### FINANCIAL POSITION

The state of the Company's affairs is adequately reflected in the Annual Financial Statements. No material fact or circumstance has occurred between the accounting date and the date of this Report.

### CAPITAL STRUCTURE

The Company is registered as a not for profit company and has no share capital and no part of its income or assets may be distributed to Members. All reserves are therefore non-distributable.

### STATEMENT OF RESPONSIBILITY

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Financial Statements and related information. The Auditors are responsible to report on the fair presentation of the Financial Statements. The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice and in the manner required by the Companies Act.

The Directors are also responsible for the Company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the Financial Statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The Financial Statements have been prepared on the going concern basis, since the Directors have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

### DIRECTORS

J S Jackson  
E D B Laurensen  
D N McMurray  
D A Morillion

# AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT

## BALANCE SHEET

At 30 June 2012

	Note	2012 R	2011 R
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
		966,096	797,637
Accounts Receivable		1,789	1,789
Cash Reserves		964,307	795,848
<b>TOTAL ASSETS</b>		<u>966,096</u>	<u>797,637</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
		940,490	783,226
Non-Distributable Reserves	2	940,490	783,226
<b>CURRENT LIABILITIES</b>			
		25,606	14,411
Accounts Payable	3	25,606	14,411
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>966,096</u>	<u>797,637</u>

# AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT

## INCOME STATEMENT

For the year ended 30 June 2012

	2012 R	2011 R
<b>INCOME</b>	1,956,838	1,700,177
Bad Debts Reserve Refunded	145,983	96,392
Interest Received	40,255	16,785
Levies Received	1,770,600	1,587,000
<b>EXPENDITURE</b>	1,799,574	1,490,096
Accounting and Audit Fees	7,000	6,000
Accounting and Audit Fees – Previous Year Overprovision	(500)	-
Bank Charges	1,891	1,401
Computer Expenses	1,311	2,105
Improvement Services	288,638	126,825
Insurance	2,440	2,440
Meeting Expenses	10,244	10,901
Miscellaneous	-	395
Rental	2,722	-
Salaries	289,988	284,539
Security Services	1,166,683	1,027,288
Stationery, Postage and Printing	5,665	5,982
Telephone	13,313	13,518
Travelling	10,179	8,702
<b>NET INCOME FOR THE YEAR</b>	157,264	210,081
<b>TRANSFERRED TO NON-DISTRIBUTABLE RESERVE</b>	(157,264)	(210,081)
	<u>-</u>	<u>-</u>

## AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS

30 June 2012

#### 1. BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with the Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, consistent with the previous year.

2. NON-DISTRIBUTABLE RESERVE	2012	2011
	R	R
Opening Balance	783,226	573,145
Transferred from Income Statement	157,264	210,081
Closing Balance	<u>940,490</u>	<u>783,226</u>

#### 3. ACCOUNTS PAYABLE

VAT	1,597	6,925
SARS	3,711	-
Audit Fees	7,000	6,000
Sundry Suppliers	13,298	1,486
	<u>25,606</u>	<u>14,411</u>

#### 4. TAXATION

No provision has been made for taxation as the Company is registered in terms of Section 21 of the Companies Act, 1973 and it is anticipated that it will be exempt from taxation in terms of section 10 (1) (cC) of the Income Tax Act.

## AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT

### CASH FLOW STATEMENT

For the year ended 30 June 2012

	Note	2012 R	2011 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated by Operations	1	128,204	207,591
Interest Received		40,255	16,785
Net Cash inflow from Operating Activities		<u>168,459</u>	<u>224,376</u>
<b>NET CASH FLOW</b>		168,459	224,376
<b>CASH AND CASH EQUIVALENTS</b> at beginning of the year		795,848	571,472
<b>CASH AND CASH EQUIVALENTS</b> at end of the year		<u><u>964,307</u></u>	<u><u>795,848</u></u>

# AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT

## NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2012

	2012 R	2011 R
<b>1. CASH GENERATED BY OPERATIONS</b>		
Net Profit before Taxation	157,264	210,081
Adjustment for:		
Interest Received	(40,255)	(16,785)
Operating Profit before Working Capital Changes	<u>117,009</u>	<u>193,296</u>
Working Capital Changes	11,195	14,295
Decrease in Accounts Receivable	-	15,000
Increase/(Decrease) in Accounts Payable	11,195	(705)
Cash generated by Operations	<u>128,204</u>	<u>207,591</u>