

LOW AND SCHREIBER
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INDEPENDENT AUDITORS' REPORT

To the Members of Airport Industria City Improvement District NPC

Report on the Financial Statements

We have audited the Annual Financial Statements of Airport Industria City Improvement District NPC, which comprise the balance sheet as at 30 June 2017, 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 International Financial Reporting Standards 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 2017, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the Companies Act of South Africa.

Low and Schreiber

LOW AND SCHREIBER
REGISTERED AUDITORS, CAPE TOWN
26 JULY 2017

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

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 in terms of the Companies Act 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 International financial Reporting Standards for Small and Medium-Sized Entities 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 Laurenson (until 26th March 2017)

D N McMurray

D A Morillion

The passing of E D B Laurenson, on 26th March 2017, is recorded with regret.

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

BALANCE SHEET

At 30 June 2017

	Note	2017 R	2016 R
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	2	44,388	34,024
CURRENT ASSETS			
Accounts Receivable		789	789
Cash Reserves		1,952,389	1,345,110
Sundry Debtors		-	691
TOTAL ASSETS		<u>1,997,566</u>	<u>1,380,614</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Non-Distributable Reserves	3	1,965,782	1,350,865
CURRENT LIABILITIES			
Accounts Payable	4	31,784	29,749
TOTAL EQUITY AND LIABILITIES		<u>1,997,566</u>	<u>1,380,614</u>

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC**INCOME STATEMENT**

For the year ended 30 June 2017

	2017 R	2016 R
INCOME	3,636,213	3,380,148
Bad Debts Reserve Refunded	254,403	336,740
Interest Received	105,850	64,808
Levies Received	3,275,960	2,978,600
EXPENDITURE	3,021,296	2,789,549
Accounting and Audit Fees	11,000	10,000
Bank Charges	1,636	1,631
Computer Expenses	-	1,623
Depreciation	16,411	5,954
Improvement Services	663,673	594,888
Insurance	8,999	5,699
Meeting Expenses	5,292	5,287
Miscellaneous	1,154	5,629
Rental	5,500	5,000
Salaries	418,109	386,149
Security Services	1,851,944	1,727,998
Staff Welfare	3,336	5,120
Stationery, Postage and Printing	3,007	4,010
Telephone	17,010	16,042
Travelling	14,225	14,519
NET INCOME FOR THE YEAR	614,917	590,599
TRANSFERRED TO NON-DISTRIBUTABLE RESERVE	(614,917)	(590,599)
	-	-

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

NOTES TO THE FINANCIAL STATEMENTS

30 June 2017

1. BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities. The Trailer is depreciated at 10% per annum, the Airconditioner at 25% per annum and the Thermal Units at 33.33% per annum.

2. FIXED ASSETS

	Cost R	Accum Depr R	2017 Net Book Value R	2016 Net Book Value R
Airconditioner	7,603	3,482	4,121	6,653
Trailer	47,083	24,716	22,367	27,371
Thermal Units	26,775	8,875	17,900	-
	<u>81,461</u>	<u>37,073</u>	<u>44,388</u>	<u>34,024</u>

3. NON-DISTRIBUTABLE RESERVE

	2017 R	2016 R
Opening Balance	1,350,865	760,266
Transferred from Income Statement	614,917	590,599
Closing Balance	<u>1,965,782</u>	<u>1,350,865</u>

4. ACCOUNTS PAYABLE

VAT	9,822	9,004
Audit Fees	11,000	10,000
Sundry Suppliers	10,962	10,745
	<u>31,784</u>	<u>29,749</u>

5. TAXATION

No provision has been made for taxation as the Company is registered as a Public Benefit Organisation and is exempt from taxation.

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC**CASH FLOW STATEMENT**

For the year ended 30 June 2017

	Note	2017 R	2016 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by Operations	1	528,204	547,517
Interest Received		105,850	64,808
Net Cash inflow from Operating Activities		<u>634,054</u>	<u>612,325</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Fixed Assets		(26,775)	(7,603)
Net Cash outflow from Investing Activities		<u>(26,775)</u>	<u>(7,603)</u>
NET CASH FLOW		607,279	604,722
CASH AND CASH EQUIVALENTS at beginning of the year		1,345,110	740,388
CASH AND CASH EQUIVALENTS at end of the year		<u>1,952,389</u>	<u>1,345,110</u>

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2017

	2017 R	2016 R
1. CASH GENERATED BY OPERATIONS		
Net Profit before Taxation	614,917	590,599
Adjustment for:		
Interest Received	(105,850)	(64,808)
Depreciation	16,411	5,954
Operating Profit before Working Capital Changes	<u>525,478</u>	<u>531,745</u>
Working Capital Changes	2,726	15,772
Change in Accounts Receivable	691	(691)
Change in Accounts Payable	2,035	16,463
Cash generated by Operations	<u><u>528,204</u></u>	<u><u>547,517</u></u>