

**AIRPORT INDUSTRIA CITY IMPROVEMENT
DISTRICT NPC**

REG NO : 2004/007225/08

ANNUAL FINANCIAL STATEMENTS

30 JUNE 2018

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (SA)

AIRPORT INDUSTRIAL CITY IMPROVEMENT DISTRICT NPC

REG. NO : 2004/00/7225/08


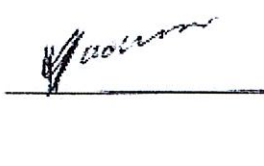
ANNUAL FINANCIAL STATEMENTS

30 JUNE 2018

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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 and are signed on their behalf by :

LOW AND SCHREIBER
CHARTERED ACCOUNTANTS (S A)

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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 2018, 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 2018, 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
20 JULY 2018

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

D N McMurray

D A Morillion

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC**BALANCE SHEET**

At 30 June 2018

	Note	2018 R	2017 R
ASSETS			
NON-CURRENT ASSETS		823,806	44,388
Fixed Assets	2	823,806	44,388
CURRENT ASSETS		2,208,123	1,953,178
Accounts Receivable		789	789
Cash Reserves		2,145,142	1,952,389
Sundry Debtors		62,192	-
TOTAL ASSETS		<u>3,031,929</u>	<u>1,997,566</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		2,682,317	1,965,782
Non-Distributable Reserves	3	2,682,317	1,965,782
CURRENT LIABILITIES		349,612	31,784
Accounts Payable	4	349,612	31,784
TOTAL EQUITY AND LIABILITIES		<u>3,031,929</u>	<u>1,997,566</u>

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

For the year ended 30 June 2018

	2018 R	2017 R
INCOME	3,936,056	3,636,213
Bad Debts Reserve Refunded	186,782	254,403
Interest Received	146,218	105,850
Levies Received	3,603,056	3,275,960
EXPENDITURE	3,219,521	3,021,296
Accounting and Audit Fees	12,100	11,000
Bank Charges	1,655	1,636
Computer Expenses	10,700	-
Depreciation	15,533	16,411
Improvement Services	662,139	663,673
Insurance	8,219	8,999
Meeting Expenses	7,717	5,292
Miscellaneous	66	1,154
Rental	5,500	5,500
Salaries	451,391	418,109
Security Services	2,006,544	1,851,944
Staff Welfare	4,099	3,336
Stationery, Postage and Printing	2,216	3,007
Telephone	17,650	17,010
Travelling	13,992	14,225
NET INCOME FOR THE YEAR	716,535	614,917
TRANSFERRED TO NON-DISTRIBUTABLE RESERVE	(716,535)	(614,917)
	-	-

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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, the Thermal Units at 33.33% per annum and the Security Wall at 10% per annum.

2. FIXED ASSETS

	Cost R	Accum Depr R	2018 Net Book Value R	2017 Net Book Value R
Airconditioner	7,603	5,382	2,221	4,121
Security Wall	794,951	-	794,951	-
Trailer	47,083	29,424	17,659	22,367
Thermal Units	26,775	17,800	8,975	17,900
	<u>876,412</u>	<u>52,606</u>	<u>823,806</u>	<u>44,388</u>

3. NON-DISTRIBUTABLE RESERVE

	2018 R	2017 R
Opening Balance	1,965,782	1,350,865
Transferred from Income Statement	716,535	614,917
Closing Balance	<u>2,682,317</u>	<u>1,965,782</u>

4. ACCOUNTS PAYABLE

VAT	-	9,822
Audit Fees	12,100	11,000
Sundry Suppliers and Petty Cash	12,940	10,962
Security Wall Contractor	324,572	-
	<u>349,612</u>	<u>31,784</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 2018

	Note	2018 R	2017 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by Operations	1	841,486	528,204
Interest Received		146,218	105,850
Net Cash inflow from Operating Activities		<u>987,704</u>	<u>634,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Fixed Assets		(794,951)	(26,775)
Net Cash outflow from Investing Activities		<u>(794,951)</u>	<u>(26,775)</u>
NET CASH FLOW		192,753	607,279
CASH AND CASH EQUIVALENTS at beginning of the year		1,952,389	1,345,110
CASH AND CASH EQUIVALENTS at end of the year		<u>2,145,142</u>	<u>1,952,389</u>

AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

NOTES TO THE CASH FLOW STATEMENT

For the year ended 30 June 2018

	2018 R	2017 R
1. CASH GENERATED BY OPERATIONS		
Net Profit before Taxation	716,535	614,917
Adjustment for:		
Interest Received	(146,218)	(105,850)
Depreciation	15,533	16,411
Operating Profit before Working Capital Changes	<u>585,850</u>	<u>525,478</u>
Working Capital Changes	255,636	2,726
Change in Accounts Receivable	(62,192)	691
Change in Accounts Payable	317,828	2,035
Cash generated by Operations	<u><u>841,486</u></u>	<u><u>528,204</u></u>