

**AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC**

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

**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2022**

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**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

The Annual Financial Statements set out on pages 4 to 9 have been approved by the Directors and are signed on their behalf by:

Two handwritten signatures are shown, each written over a horizontal line. The signature on the left is more stylized and cursive, while the one on the right is more angular and sharp.

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

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*William Wallace Low, B.Com*

*Anthony Michael Schreiber, B.Com*

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

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Airport Industria City Improvement District NPC

### **Opinion**

We have audited the annual financial statements of the company set out on pages 4 to 9, which comprise the statement of financial position as at 30 June 2022, statement of comprehensive income and statement of cash flows for the year then ended, and 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 the company as at 30 June 2022, 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.

### **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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Statements for the year ended 30 June 2022, which includes the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. 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 on the other information obtained prior to the date of this auditor's report, 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.

## **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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the owners 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.



**LOW AND SCHREIBER**  
**REGISTERED AUDITORS, CAPE TOWN**

Per: A M SCHREIBER  
REGISTERED AUDITOR

29 JULY 2022  
CAPE TOWN

## **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

A J Healey

G J Magee

G L De La Porte (appointed 11/11/2021)

C W Von During (appointed 11/11/2021)

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

At 30 June 2022

	Note	2022 R	2021 R
<b>ASSETS</b>			
NON-CURRENT ASSETS		1,819,783	1,594,303
Fixed Assets	2	1,819,783	1,594,303
CURRENT ASSETS		4,573,678	3,974,636
Accounts Receivable		789	789
Cash Reserves		4,572,889	3,973,847
TOTAL ASSETS		<u>6,393,461</u>	<u>5,568,939</u>
<b>EQUITY AND LIABILITIES</b>			
CAPITAL AND RESERVES		6,341,331	5,527,122
Non-Distributable Reserves	3	6,341,331	5,527,122
CURRENT LIABILITIES		52,130	41,817
Accounts Payable	4	52,130	41,817
TOTAL EQUITY AND LIABILITIES		<u>6,393,461</u>	<u>5,568,939</u>

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

For the year ended 30 June 2022

	2022 R	2021 R
<b>INCOME</b>	5,529,410	5,025,522
Retention Refund	349,877	-
Interest Received	189,487	129,737
Services Rendered	4,990,046	4,895,785
<b>EXPENDITURE</b>	4,715,201	4,021,705
Accounting and Audit Fees	17,600	16,000
Bank Charges	2,336	2,015
Computer Expenses	5,719	3,600
Depreciation	133,071	129,794
Improvement Services	996,822	764,694
Insurance	13,361	8,613
Meeting Expenses	18,011	12,065
Miscellaneous	3,528	-
Rental	6,000	6,880
Roadmarking	152,703	-
Salaries	597,893	563,694
Security Services	2,717,003	2,480,433
Staff Welfare	5,462	5,094
Stationery, Postage and Printing	7,495	2,790
Telephone	21,387	17,577
Travelling	16,810	8,456
<b>NET INCOME FOR THE YEAR</b>	814,209	1,003,817
<b>TRANSFERRED TO NON-DISTRIBUTABLE RESERVE</b>	(814,209)	(1,008,817)
	-	-

## AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC

### NOTES TO THE FINANCIAL STATEMENTS

30 June 2022

#### 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 Air conditioner at 25% per annum, the Computer Equipment and Thermal Units at 33.33% per annum and the Security Wall at 6.67 % per annum.

#### 2. FIXED ASSETS

			2022	2021
	Cost	Accum	Net Book	Net Book
	R	Depr	Value	Value
		R	R	R
Airconditioner	7,603	7,603	-	-
Security Wall	2,220,558	409,673	1,810,885	1,590,768
Trailer	47,083	47,083	-	3,535
Thermal Units	26,775	26,775	-	-
Computer Equipment	13,348	4,450	8,898	-
	<u>2,315,367</u>	<u>495,584</u>	<u>1,819,783</u>	<u>1,594,303</u>

#### 3. NON-DISTRIBUTABLE RESERVE

	2022	2021
	R	R
Opening Balance	5,527,122	4,523,305
Transferred from Income Statement	814,209	1,003,817
Closing Balance	<u>6,341,331</u>	<u>5,527,122</u>

#### 4. ACCOUNTS PAYABLE

VAT	19,120	18,954
Audit Fees	17,600	13,806
Sundry Suppliers	15,410	9,057
	<u>52,130</u>	<u>41,817</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 2022

	Note	2022 R	2021 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated by Operations	1	768,106	801,661
Interest Received		189,487	129,737
Net Cash inflow from Operating Activities		<u>957,593</u>	<u>931,398</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Fixed Assets		(358,551)	(96,234)
Net Cash outflow from Investing Activities		<u>(358,551)</u>	<u>(96,234)</u>
<b>NET CASH FLOW</b>		599,042	835,164
<b>CASH AND CASH EQUIVALENTS</b> at beginning of the year		3,973,847	3,138,683
<b>CASH AND CASH EQUIVALENTS</b> at end of the year		<u>4,572,889</u>	<u>3,973,847</u>



**AIRPORT INDUSTRIA CITY IMPROVEMENT DISTRICT NPC****NOTES TO THE CASH FLOW STATEMENT**

For the year ended 30 June 2022

	2022 R	2021 R
<b>1. CASH GENERATED BY OPERATIONS</b>		
Net Profit before Taxation	814,209	1,003,817
Adjustment for:		
Interest Received	(189,487)	(129,737)
Depreciation	133,071	129,794
Operating Profit before Working Capital Changes	<u>757,793</u>	<u>1,003,874</u>
Working Capital Changes	10,313	(202,213)
Change in Accounts Receivable	-	-
Change in Accounts Payable	10,313	(202,213)
Cash generated by Operations	<u>768,106</u>	<u>801,661</u>