

**ORANJEKLOOF CITY IMPROVEMENT
DISTRICT (NPC)
YEAR ENDED 30 JUNE 2019**

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Enhancing and supplementing municipal services provided by the City of Cape Town within the Oranje-Kloof Area
Directors	Bernd Michael Schultz Brett Edward Shaw Christiaan Ludolph Fick Deon Pieter De Wet Leon Herman Fortes
Registered office	Concertino House 106 Kloof Street CAPE TOWN 8001
Business address	1 Somerset Road Prestwich Memorial St Andrew Square GREEN POINT 8005
Postal address	P.O. Box 10291 Mill Street 8010
Bankers	Absa Bank Limited
Auditors	MKD Chartered Accountants (S.A.)
Company registration number	2002/000611/08
Tax reference number	9436/239/14/0
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: Simon Wood
Issued	26 August 2019

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

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Level of assurance

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

Simon Wood

Published

26 August 2019

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external Auditor is engaged to express an independent opinion on the financial statements.

The 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 Directors set 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 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 30 June 2020 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 external Auditor is responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external Auditor and the report is presented on pages 4 - 5.

The financial statements set out on pages 6 to 16, which have been prepared on the going concern basis, were approved by the Directors on 26 August 2019:



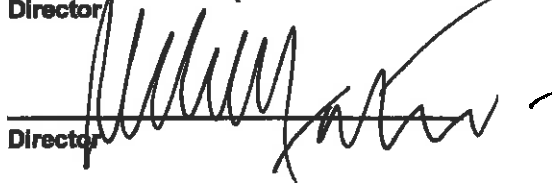
Director



Director



Director



Director

Director

CAPE TOWN

26 August 2019



Independent Auditor's Report

To the Directors of Oranjekloof City Improvement District (NPC)

Opinion

We have audited the financial statements of Oranjekloof City Improvement District (NPC) set out on pages 7 to 14, which comprise the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oranjekloof City Improvement District (NPC) as at 30 June 2019, 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 71 of 2008.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the financial statements and our Auditor's Report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Partner:

Stuart Charles Mackay-Davidson
B.Com. (Hons) I.S., CA (S.A.)

Associate Consultants:

Raymond Klitzner Professional Accountant (S.A.)
Ronald David Bywater CA (S.A.)
Cindy-Lou Forster B.Sc (Info.Proc), B.Compt (Hons), CA (S.A.)

Assisted by:

Marcelle Fisher-Jeffes B.Compt., Professional Accountant (S.A.)
Tania Reid B.Com. (Hons), CA (S.A.)
Demetrios Papadatos B.Compt.

Independent Auditor's Report

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 financial statements.

As part of an audit in accordance with the 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 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 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 financial statements, including the disclosures, and whether the 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.



MKD Chartered Accountants (S.A.)
S C Mackay-Davidson

26 August 2019

Concertino House
106 Kloof Street
CAPE TOWN
8001

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Directors' Report

The Directors have pleasure in submitting their report on the financial statements of Oranjekloof City Improvement District (NPC) for the year ended 30 June 2019.

1. Nature of business

Oranjekloof City Improvement District (NPC) was incorporated in South Africa and its primary objective is enhancing and supplementing municipal services provided by the City of Cape Town within the Oranje-Kloof Area. The Company operates in South Africa.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the 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 financial statements.

3. Directors

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

Name

Bernd Michael Schultz
Brett Edward Shaw
Christiaan Ludolph Fick
Deon Pieter De Wet
Leon Herman Fortes

There have been no changes to the Directorate for the year under review.

4. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the Company or in the policy regarding their use.

5. Events after the reporting period

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Auditor

MKD Chartered Accountants (S.A.) continued in office as Auditor for the Company for 2019.

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	1.1;1.3;2	10,608	14,408
Current Assets			
Trade and other receivables			11,638
Cash and cash equivalents	3	1,884,284	1,773,877
		1,884,284	1,785,515
Total Assets		1,894,892	1,799,923
Equity and Liabilities			
Equity			
Establishment surplus		35,510	35,510
Accumulated surplus		1,802,072	1,702,153
		1,837,582	1,737,663
Liabilities			
Current Liabilities			
Trade and other payables	1.2;4	57,310	62,260
Total Equity and Liabilities		1,894,892	1,799,923

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Statement of Comprehensive Income

Figures in Rand	Notes	2019	2018
Revenue	1.4;5	5,729,790	5,276,509
Other income	6	231,998	440,193
Operating expenses		(5,954,968)	(4,967,687)
Operating profit		6,820	749,015
Investment revenue		93,099	55,542
Surplus for the year		99,919	804,557
Other comprehensive income		-	-
Total comprehensive surplus for the year		99,919	804,557

Oranjekloof City Improvement District (NPC)

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Financial Statements for the year ended 30 June 2019

Statement of Changes in Equity

Figures in Rand	Establishment surplus	Accumulated surplus	Total equity
Balance at 01 July 2017	35,510	897,596	933,106
Surplus for the year	-	804,557	804,557
Balance at 01 July 2018	35,510	1,702,153	1,737,663
Surplus for the year	-	99,919	99,919
Balance at 30 June 2019	35,510	1,802,072	1,837,582

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Statement of Cash Flows

Figures in Rand	Notes	2019	2018
Cash flows from operating activities			
Cash generated from operations	9	17,308	725,295
Interest received		93,099	55,542
Net cash from operating activities		110,407	780,837
Total cash movement for the year		110,407	780,837
Cash at beginning of the year		1,773,877	993,041
Total cash at end of the year	3	1,884,284	1,773,878

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous year.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Average useful life
Trailer	10 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

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

Debt instruments, as defined in 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 so, an impairment loss is recognised.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.3 Impairment of assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired.

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Impairment of assets (continued)

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.

1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services provided in the normal course of business, net of trade discounts, volume rebates and Value-Added Tax.

Revenue comprises a City Improvement District Levy received from the City of Cape Town.

The City of Cape Town retains 3% of turnover for probable bad debts and therefore turnover is recognised at 97% of the invoiced amount.

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Trailer	38,000	(27,392)	10,608	38,000	(23,592)	14,408

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Total
Trailer	14,408	(3,800)	10,608

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Total
Trailer	18,208	(3,800)	14,408

A register containing the information required by Regulation 25(3) of the Companies Regulations 2011 is available for inspection at the registered office of the Company.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,884,284	1,773,877
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4. Trade and other payables

Provision: Accounting Fees	10,266	13,866
Provision: Audit Fees	34,221	48,394
Provision: SARS PAYE	12,250	-
Value-Added Tax	573	-
	<u>57,310</u>	<u>62,260</u>

5. Revenue

Rendering of services	5,729,790	5,276,509
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6. Other income

Retention refund	231,998	440,193
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7. Taxation

No provision has been made for S.A. Normal Taxation, as the Company is exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act of 1962.

8. Auditor's remuneration

Fees	34,206	43,200
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Oranjekloof City Improvement District (NPC)

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Financial Statements for the year ended 30 June 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
9. Cash generated from operations		
Surplus for the year	99,919	804,557
Adjustments for:		
Depreciation of fixed asset	3,800	3,800
Interest received	(93,099)	(55,542)
Changes in working capital:		
Trade and other receivables	11,638	(11,638)
Trade and other payables	(4,950)	(15,882)
	<u>17,308</u>	<u>725,295</u>

10. Directors' remuneration

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

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Detailed Income Statement

Figures in Rand	2019	2018
Revenue	5,729,790	5,276,509
Other income		
Retention refund	231,998	440,193
Interest received	93,099	55,542
	325,097	495,735
Expenses (Refer to page 16)	(5,954,968)	(4,967,687)
Surplus for the year	99,919	804,557

Oranjekloof City Improvement District (NPC)

(Registration number 2002/000611/08)

Financial Statements for the year ended 30 June 2019

Detailed Income Statement

Figures in Rand	2019	2018
Operating expenses		
Accounting fees	36,000	36,000
Administration fees	797,277	601,665
Advertising	159,027	145,189
Auditor's remuneration	34,206	43,200
Bank charges	5,808	5,708
Cleaning	627,420	590,456
Computer expenses	9,067	19,250
Depreciation of fixed asset	3,800	3,800
Donations	-	5,750
Entertainment	500	600
Insurance	5,067	5,017
Meeting/AGM expenses	12,438	12,163
Printing and stationery	1,200	520
Security	3,926,489	3,403,487
Social responsibility and initiatives	126,718	94,882
Street upgrades	209,951	-
	5,954,968	4,967,687