

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)
(REGISTRATION NUMBER 2013/068856/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

(REGISTRATION NUMBER 2013/068856/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Public administration
Directors	KA Gouwsventer M Baschiera HE Botha J Du Toit LM Chanterie
Registered office	Unit 2 Hydro Park 2 Hydro Street Stikland Industrial Bellville 7530
Business address	Unit 2 Hydro Park 2 Hydro Street Stikland Industrial Bellville 7530
Postal address	PO Box 734 Melkosstrand 7437
Bankers	Standard Bank
Auditor's	C2M Chartered Accountants Incorporated Chartered Accountants (S.A.) Registered Auditors
Company registration number	2013/068856/08
Tax reference number	9194/67/11/87
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: MD Dreyer Professional Accountant (S.A.)
Issued	01 August 2016

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

The annual 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.

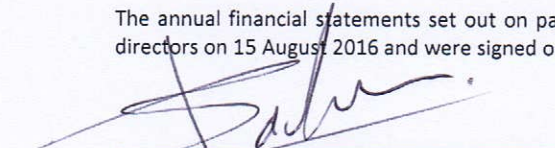
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for 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 annual 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 2017 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's are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor's and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the directors on 15 August 2016 and were signed on its behalf by:



M Baschieka

HE Botha

Bellville

15 August 2016

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Stikland Industrial City Improvement District (NPC)

We have audited the annual financial statements of Stikland Industrial City Improvement District (NPC), as set out on pages 8 to 16, which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual 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 company'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 annual 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 Stikland Industrial City Improvement District (NPC) as at 30 June 2016, 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.

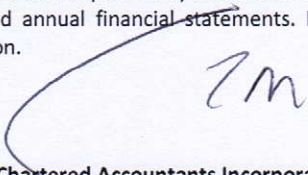


Supplementary information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 17 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required by Companies Act, 71 of 2008

As part of our audit of the annual financial statements for the year ended 30 June 2016, we have read the directors' report for the purpose of identifying whether there are material inconsistencies between that report and the audited annual financial statements. The directors' report is the responsibility of the directors. Based on reading that report we have not identified material inconsistencies between it and the audited annual financial statements. However, we have not audited the directors' report and accordingly do not express an opinion thereon.

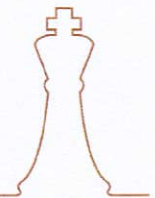


C2M Chartered Accountants Incorporated
Registered Auditors

15 August 2016

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
Bellville
7530

A Nel
Chartered Accountant (S.A.)
Registered Auditor
Director



STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

(REGISTRATION NUMBER 2013/068856/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Stikland Industrial City Improvement District (NPC) for the year ended 30 June 2016.

1. Incorporation

The company was incorporated on 29 July 2014 and obtained its certificate to commence business on the same day.

2. Nature of business

Stikland Industrial City Improvement District (NPC) was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

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

4. Directors

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

Directors

KA Gouwsventer

M Baschiera

HE Botha

J Du Toit

LM Chanterie

There have been no changes to the directorate for the period under review.

5. 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.

6. 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.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

8. Auditors

C2M Chartered Accountants Incorporated continued in office as auditors for the company for 2016.

At the AGM, the shareholders will be requested to reappoint C2M Chartered Accountants Incorporated as the independent external auditors of the company and to confirm Mr A Nel as the designated lead audit partner for the 2017 financial year.

9. Secretary

The company secretary is C2M Financial Services (Pty) Ltd.

10. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 15 August 2016. No authority was given to anyone to amend the financial statements after the date of issue.

11. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	2016 R	2015 R
Assets		
Non-Current Assets		
Property, plant and equipment	380,124	205,697
Current Assets		
Trade and other receivables	288,725	31,447
Cash and cash equivalents	483,337	615,516
	772,062	646,963
Total Assets	1,152,186	852,660
Equity and Liabilities		
Equity		
Reserves	1,152,186	852,660
Total Equity and Liabilities	1,152,186	852,660

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)
 (REGISTRATION NUMBER 2013/068856/08)
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2016 R	2015 R
Revenue	2,809,869	2,563,818
Other income	-	77,007
Operating expenses	(2,510,343)	(2,230,853)
Operating profit	299,526	409,972
Profit for the year	299,526	409,972
Other comprehensive income	-	-
Total comprehensive income for the year	299,526	409,972

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)
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STATEMENT OF CHANGES IN EQUITY

	Other NDR	Retained income	Total equity
	R	R	R
Balance at 01 July 2014	442,688	-	442,688
Profit for the year	-	409,972	409,972
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	409,972	409,972
Transfer to capital reserves	409,972	(409,972)	-
Total contributions by and distributions to owners of company recognised directly in equity	409,972	(409,972)	-
Balance at 01 July 2015	852,660	-	852,660
Profit for the year	-	299,526	299,526
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	299,526	299,526
Transfer to capital reserve	299,526	(299,526)	-
Total contributions by and distributions to owners of company recognised directly in equity	299,526	(299,526)	-
Balance at 30 June 2016	1,152,186	-	1,152,186

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CASH FLOWS

	2016 R	2015 R
Cash flows from operating activities		
Cash generated from operations	203,025	382,918
Cash flows from investing activities		
Purchase of property, plant and equipment	(335,204)	(209,183)
Total cash movement for the year	(132,179)	173,735
Cash at the beginning of the year	615,516	441,781
Total cash at end of the year	483,337	615,516

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

(REGISTRATION NUMBER 2013/068856/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

ACCOUNTING POLICIES

1. Presentation of annual financial statements

The annual 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 annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

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	Depreciation method	Average useful life
CCTV Cameras	Straight line	5 Years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

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.

ACCOUNTING POLICIES

1.3 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

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of 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 there is objective evidence, the recoverable amount is estimated and compared with the 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.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Impairment of assets

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

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.

ACCOUNTING POLICIES

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.7 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2016 R			2015 R		
2. Property, plant and equipment						
	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
CCTV Cameras	544,387	(164,263)	380,124	209,183	(3,486)	205,697

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
CCTV Cameras	205,697	335,204	(160,777)	380,124

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
CCTV Cameras	-	209,183	(3,486)	205,697

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. Trade and other receivables

Accrued income	266,938	-
Deposits	5,000	5,000
Prepayments	6,018	-
VAT	10,769	26,447
	288,725	31,447

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	483,337	615,516
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5. Revenue

Levies received	2,809,869	2,563,818
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6. Other income

Retention levies	-	77,007
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7. Taxation

No provision has been made for 2016 tax as the company is exempt from income tax under section 10(1)(cA).

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2016 R	2015 R
8. Auditor's remuneration		
Fees	11,500	13,352
Secretarial services	2,450	1,100
Taxation fees	2,200	-
	16,150	14,452
9. Cash generated from operations		
Profit before taxation	299,526	409,972
Adjustments for:		
Depreciation and amortisation	160,777	3,486
Other non-cash items	2	-
Changes in working capital:		
Trade and other receivables	(257,280)	(19,903)
Trade and other payables	-	(10,637)
	203,025	382,918

10. Directors' remuneration

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

11. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

STIKLAND INDUSTRIAL CITY IMPROVEMENT DISTRICT (NPC)

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DETAILED INCOME STATEMENT

	2016 R	2015 R
Revenue		
Levies received	2,809,869	2,563,818
Other income		
Retention levies	-	77,007
Operating expenses		
Accounting fees	(8,760)	(6,300)
Advertising	(5,353)	-
Auditors remuneration	(16,150)	(14,452)
Bank charges	(1,961)	(1,808)
Cleaning	(301,288)	-
Conferences & meetings	(5,107)	(992)
Depreciation, amortisation and impairments	(160,777)	(3,486)
Entertainment	-	(1,980)
Lease rentals on operating lease	(64,875)	(68,404)
Management fees	(526,800)	(760,990)
Operating costs	(6,872)	(46,691)
Security	(1,412,400)	(1,325,750)
	(2,510,343)	(2,230,853)
Profit for the year	299,526	409,972