



**Cape Town Central City Improvement District**

Registration number (1999/009132/08)

Annual Financial Statements for the year ended  
30 June 2023

# Cape Town Central City Improvement District NPC

(Registration number: 1999/009132/08)

Annual Financial Statements for the year ended 30 June 2023

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	The company provides additional security, cleansing, maintenance services, marketing and social development in the Cape Town City area
<b>Directors</b>	R Kane (Chairperson) DS Stoll R van Wyk T Capstick-Dale NK Ramasar G Elliott JD Leibman P Raimondo M Bauer S Clingham S Lambert M Clark T Harris J Millar
<b>Registered office</b>	13th Floor 1 Thibault Square Cnr Long St & Hans Strijdom Ave Cape Town 8001
<b>Postal address</b>	PO Box 7517 Roggebaai South Africa 8012
<b>Auditors</b>	BDO South Africa Inc. Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	1999/009132/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The annual financial statements were independently compiled by: Metis Advisory Services Proprietary Limited A Pangarker CA(SA)

# Cape Town Central City Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2023

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## Independent Auditor's Report

To the Members of  
Cape Town Central City Improvement District NPC

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### Opinion

We have audited the financial statements of Cape Town Central City Improvement District NPC (the company) set out on pages 7 to 19, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Cape Town Central City Improvement District NPC as at 30 June 2023, 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 of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 document titled "Cape Town Central City Improvement District NPC Annual Financial Statements for the year ended 30 June 2023", which includes the Directors' Report as required by the Companies Act of South Africa and the detailed income statement. The 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.

### 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 *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 directors determine is necessary to enable the preparation of the 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 ISAs 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 ISAs, 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.



BDO South Africa Incorporated  
Registered Auditors

Ian Scott  
Partner  
Registered Auditor

29 August 2023

119-123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001

# Cape Town Central City Improvement District NPC

(Registration number: 1999/009132/08)

Annual Financial Statements for the year ended 30 June 2023

## Directors' Responsibilities and Approval

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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 auditors are 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 board of 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 2024 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 auditors 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 auditors and their report is presented on pages 3 - 4.

The annual financial statements set out on pages 6 - 21, which have been prepared on the going concern basis, were approved by the board of directors on 28 August 2023 and were signed on its behalf by:

Approval of annual financial statements

  
T Capstick-Dale

  
G Elliott

# Cape Town Central City Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2023

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Cape Town Central City Improvement District NPC for the year ended 30 June 2023.

### 1. Business activities

The company provides additional security, cleansing, maintenance services, communications and social development in the Cape Town City area.

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

### 2. Review of financial results and activities

The annual 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.

During the year under review the company operated independently of any shared services. The main business and operations of the company during the year under review has continued as in the past year and we have nothing further to report thereon. The financial statements adequately reflect the results of the operations of the company for the year under review and no further explanations are considered necessary.

### 3. Directors

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

Directors	Changes
R Kane (Chairperson)	
DS Stoll	
R van Wyk	
T Capstick-Dale	
NK Ramasar	
L Robinson	Resigned 10 October 2022
G Elliott	
JD Leibman	
P Raimondo	
M Bauer	
S Clingham	
S Lambert	
M Clark	Appointed 18 November 2022
T Harris	Appointed 18 November 2022
J Millar	Appointed 18 November 2022

### 4. Events after the reporting period

There have been no facts or circumstances of a material nature that have occurred between the reporting date and the date of this report that have a material impact on the financial position of the company at the reporting date.

### 5. 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 undisclosed, material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

# Cape Town Central City Improvement District NPC

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## Statement of Comprehensive Income

Figures in Rand	Notes	2023	2022
Revenue	2	92 195 844	86 276 801
Other income	3	479 273	181 190
Expenditure		(92 767 662)	(80 545 818)
<b>(Deficit) surplus from operations</b>	4	<b>(92 545)</b>	<b>5 912 173</b>
Finance income	5	2 672 601	1 726 029
Finance costs		(4 945)	(3 001)
<b>Surplus before taxation</b>		<b>2 575 111</b>	<b>7 635 201</b>
Taxation	6	(706 263)	-
<b>Surplus for the year</b>		<b>1 868 848</b>	<b>7 635 201</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1 868 848</b>	<b>7 635 201</b>



# Cape Town Central City Improvement District NPC

(Registration number: 1999/009132/08)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Position as at 30 June 2023

Figures in Rand	Notes	2023	2022
<b>Assets</b>			
Non-Current Assets			
Plant and equipment	7	2 096 542	1 717 202
Current Assets			
Trade and other receivables	8	368 875	2 405
Cash and cash equivalents	9	44 354 464	43 391 571
		<b>44 723 339</b>	<b>43 393 976</b>
<b>Total Assets</b>		<b>46 819 881</b>	<b>45 111 178</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Project funded reserve		8 364 977	2 849 376
Working capital contingency reserve		24 600 034	22 950 071
Accumulated surplus		11 012 701	16 309 417
		<b>43 977 712</b>	<b>42 108 864</b>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	10	2 135 906	3 002 314
Current tax payable		706 263	-
		<b>2 842 169</b>	<b>3 002 314</b>
<b>Total Equity and Liabilities</b>		<b>46 819 881</b>	<b>45 111 178</b>

# Cape Town Central City Improvement District NPC

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## Statement of Changes in Equity

Figures in Rand	Project funded reserve	Working capital contingency reserve	Accumulated surplus	Total equity
<b>Balance at 01 July 2021</b>	<b>651 200</b>	<b>21 637 455</b>	<b>12 185 008</b>	<b>34 473 663</b>
Surplus for the year	-	-	7 635 201	7 635 201
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>7 635 201</b>	<b>7 635 201</b>
Transfer between reserves	2 198 176	1 312 616	(3 510 792)	-
<b>Total changes</b>	<b>2 198 176</b>	<b>1 312 616</b>	<b>(3 510 792)</b>	<b>-</b>
<b>Balance at 01 July 2022</b>	<b>2 849 376</b>	<b>22 950 071</b>	<b>16 309 417</b>	<b>42 108 864</b>
Surplus for the year	-	-	1 868 848	1 868 848
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1 868 848</b>	<b>1 868 848</b>
Transfer between reserves	5 515 601	1 649 963	(7 165 564)	-
<b>Total changes</b>	<b>5 515 601</b>	<b>1 649 963</b>	<b>(7 165 564)</b>	<b>-</b>
<b>Balance at 30 June 2023</b>	<b>8 364 977</b>	<b>24 600 034</b>	<b>11 012 701</b>	<b>43 977 712</b>

# Cape Town Central City Improvement District NPC

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## Statement of Cash Flows

Figures in Rand	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	11	(703 386)	7 704 200
Finance income		2 672 601	1 726 029
Finance costs		(4 945)	(3 001)
<b>Net cash from operating activities</b>		<b>1 964 270</b>	<b>9 427 228</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	7	(1 063 877)	(735 708)
Proceeds from sale of plant and equipment	7	62 500	69 783
<b>Net cash to investing activities</b>		<b>(1 001 377)</b>	<b>(665 925)</b>
<b>Total cash movement for the year</b>		<b>962 893</b>	<b>8 761 303</b>
Cash at the beginning of the year		43 391 571	34 630 268
<b>Total cash at end of the year</b>	9	<b>44 354 464</b>	<b>43 391 571</b>

# Cape Town Central City Improvement District NPC

(Registration number: 1999/009132/08)

Annual Financial Statements for the year ended 30 June 2023

## Accounting Policies

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### General information

Cape Town Central City Improvement District NPC (the "Company") is a company domiciled in South Africa. The address of the Company's registered office is 1 Thibault Square, cnr Long St & Hans Strijdom Ave, Cape Town.

### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis 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 unless otherwise stated, 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, except for the policy on tax which is applicable to the 2023 financial year following a reclassification of the tax-exempt status of the company.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 1.2 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

##### Subsequent costs

The company recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense when incurred.

##### Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

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Item	Depreciation method	Average useful life
Body-worn cameras	Straight line	3 years
Computer hardware	Straight line	3 years
Computer software	Straight line	2 years
Containers	Straight line	10 years
Digital screens	Straight line	6 years
Fittings	Straight line	3 years
Furniture	Straight line	6 years
Leasehold improvements	Straight line	shorter of lease term and useful life
Leasehold improvements - Company Gardens	Straight line	2 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years

Residual values, if significant, are reassessed annually.

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# Cape Town Central City Improvement District NPC

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## Accounting Policies

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### 1.3 Financial instruments

#### Measurement

##### Non-derivative financial instruments

Non-derivative financial instruments comprise receivables, cash and cash equivalents and payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the company becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses. Subsequent to initial recognition these instruments are measured as set out below.

##### Trade and other receivables

Trade and other receivables originated by the company are stated at amortised cost less allowance for doubtful debts.

##### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand which are available for use by the company unless otherwise stated. Subsequent to initial recognition cash and cash equivalents are measured at amortised cost.

It is policy that 3 months cash reserves are held to mitigate any unforeseen circumstances.

##### Trade and other payables

Payables are recognised at amortised cost.

### 1.4 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

# Cape Town Central City Improvement District NPC

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## Accounting Policies

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### 1.5 Impairment

The carrying amounts of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

#### Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### Reversals of impairments

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 1.6 Revenue

Revenue comprises revenue income from ratepayers which is collected by the City of Cape Town on the entity's behalf, net of retention revenue retained.

### 1.7 Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

### 1.8 Other income

Other income includes surplus on sale of plant and equipment and sundry income.

# Cape Town Central City Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>2. Revenue</b>		
PEP Project	1 071 705	453 985
Additional Rates Received	91 124 139	85 768 767
Additional Rates Retention Received	-	54 049
	<u>92 195 844</u>	<u>86 276 801</u>
<b>3. Other income</b>		
Surplus on sale of plant and equipment	62 500	69 783
Sundry income	416 773	111 407
	<u>479 273</u>	<u>181 190</u>
<b>4. (Deficit) surplus from operations</b>		
(Deficit) surplus from operations for the year is stated after accounting for the following:		
Surplus on sale of plant and equipment	62 500	69 783
Depreciation on plant and equipment	684 537	523 997
Salaries	12 663 330	12 163 244
Operating lease payments - equipment and premises	718 955	723 444
Security	52 034 965	47 281 862
Social services	7 265 619	6 620 590
Cleaning	12 137 071	7 963 017
Communications	3 126 407	2 986 795
	<u>2 672 601</u>	<u>1 726 029</u>
<b>5. Finance income</b>		
<b>Interest income</b>		
Interest received on bank balance	2 672 601	1 726 029

# Cape Town Central City Improvement District NPC

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>6. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current taxation</b>		
South African normal tax - current year	706 263	-
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting surplus and tax expense.		
Accounting surplus	2 575 111	7 635 201
Tax at the applicable tax rate of 27% (2022: 28%)	695 280	2 137 856
<b>Tax effect of adjustments on taxable income</b>		
<b>Gross receipts and accruals not subject to income tax under s10(1)(e)(i)(cc)</b>		
Revenue: Additional Rates Received	(24 603 517)	-
Non-taxable receipts	(401 889)	-
Receipt of capital nature	(16 875)	-
	<u>(25 022 281)</u>	<u>-</u>
<b>Deductions / exemptions</b>		
s11(a) deductions - Expenditure	25 047 269	-
s11(a) deductions - Finance costs	1 335	-
s10(1)(e)(i)(cc) Basic exemption	(13 500)	-
s10(1)(e)(i)(cc) Allowable deductions	(1 840)	-
Exemption in terms of section 10(1)(cN) of the Income Tax Act	-	(2 137 856)
	<u>25 033 264</u>	<u>(2 137 856)</u>
	<u>706 263</u>	<u>-</u>
Finance income	2 672 601	-
Less: Allowable expenditure	(56 813)	-
<b>Net taxable income</b>	<b>2 615 788</b>	<b>-</b>
<b>Tax at 27%</b>	<b>706 263</b>	<b>-</b>

On 14 February 2022, SARS issued notification to the Cape Town CCID that it has reclassified the tax-exempt status of the Company to be assessed under section 10(1)(e)(i)(cc) of the Income Tax Act. Previously, the Company was an approved Public Benefit Organisation in terms of section 30 of the Income Tax Act and was exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.



# Cape Town Central City Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

Figures in Rand 2023 2022

### 7. Plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Body-worn cameras	529 609	(328 833)	200 776	405 080	(182 891)	222 189
Computer hardware	787 355	(572 142)	215 213	753 380	(457 804)	295 576
Computer software	42 891	(42 891)	-	42 891	(42 891)	-
Containers	494 289	(240 318)	253 971	494 289	(190 889)	303 400
Digital screens	306 955	(125 132)	181 823	306 955	(73 973)	232 982
Fittings	90 857	(90 857)	-	90 857	(90 857)	-
Furniture	368 231	(353 498)	14 733	360 549	(348 352)	12 197
Leasehold improvements	896 452	(827 556)	68 896	896 452	(804 398)	92 054
Leasehold improvements - Company Gardens	47 896	(47 896)	-	47 896	(47 896)	-
Motor vehicles	2 419 173	(1 284 499)	1 134 674	1 686 881	(1 137 064)	549 817
Office equipment	174 045	(147 589)	26 456	149 825	(140 838)	8 987
<b>Total</b>	<b>6 157 753</b>	<b>(4 061 211)</b>	<b>2 096 542</b>	<b>5 235 055</b>	<b>(3 517 853)</b>	<b>1 717 202</b>

#### Reconciliation of plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Body-worn cameras	222 189	124 529	(145 942)	200 776
Computer hardware	295 576	33 975	(114 338)	215 213
Containers	303 400	-	(49 429)	253 971
Digital screens	232 982	-	(51 159)	181 823
Furniture	12 197	7 682	(5 146)	14 733
Leasehold improvements	92 054	-	(23 158)	68 896
Motor vehicles	549 817	873 471	(288 614)	1 134 674
Office equipment	8 987	24 220	(6 751)	26 456
	<b>1 717 202</b>	<b>1 063 877</b>	<b>(684 537)</b>	<b>2 096 542</b>

#### Reconciliation of plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Body-worn cameras	357 216	-	(135 027)	222 189
Computer hardware	40 970	297 516	(42 910)	295 576
Containers	352 829	-	(49 429)	303 400
Digital screens	180 846	101 880	(49 744)	232 982
Furniture	18 993	-	(6 796)	12 197
Leasehold improvements	37 486	75 220	(20 652)	92 054
Leasehold property	8 471	-	(8 471)	-
Motor vehicles	491 228	261 092	(202 503)	549 817
Office equipment	17 452	-	(8 465)	8 987
	<b>1 505 491</b>	<b>735 708</b>	<b>(523 997)</b>	<b>1 717 202</b>

Motor vehicles with a nil book value were traded in for R62,500 during the year.

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## Notes to the Annual Financial Statements

Figures in Rand	2023	2022
<b>8. Trade and other receivables</b>		
Trade receivables	185 575	-
Prepayments	7 193	-
Other receivables	172 500	-
Staff loans	3 607	2 405
	<b>368 875</b>	<b>2 405</b>
<p>The Company receives revenue income from the City of Cape Town ("the City"), which the City collects from ratepayers. In terms of the agreement, the City retains a reserve of 3% of all payments due to the CID. This reserve covers any short fall which may be suffered by the City as a result of non-payment or short payment of the CID revenue by property owners. The 3% retention revenue is only recognised as income once received. The retention revenue is not recognised in accounts receivable.</p>		
<b>9. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash management	39 162 125	37 289 549
Operational	5 192 339	6 102 022
	<b>44 354 464</b>	<b>43 391 571</b>
<b>10. Trade and other payables</b>		
Accruals	856 397	1 913 073
Other payables	1 214 333	1 006 384
Value Added Tax (VAT) payable	65 176	82 857
	<b>2 135 906</b>	<b>3 002 314</b>
<b>11. Cash (used in) / generated from operations</b>		
Surplus before taxation	2 575 111	7 635 201
<b>Adjustments for:</b>		
Depreciation	684 537	523 997
Surplus on sale of plant and equipment	(62 500)	(69 783)
Finance income	(2 672 601)	(1 726 029)
Finance costs	4 945	3 001
<b>Changes in working capital:</b>		
Trade and other receivables	(366 470)	99 592
Trade and other payables	(866 408)	1 238 221
	<b>(703 386)</b>	<b>7 704 200</b>
<b>12. Operating lease commitments</b>		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	800 907	745 264
- in second to fifth year inclusive	872 959	1 640 794
	<b>1 673 866</b>	<b>2 386 058</b>

CCID leases premises and equipment under operating leases. The lease agreements for the majority of the premises and equipment utilised are for the minimum annual payments under non-cancellable operating leases.

The Rentals escalation for the premises and equipment is 6% and 10% per annum respectively. The commencement dates for the premises and equipment rentals are 1 August 2021 and 1 September 2021 respectively.

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Annual Financial Statements for the year ended 30 June 2023

## Notes to the Annual Financial Statements

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### 13. Contingencies

#### Non-taxable remuneration classification error

A bona fide inadvertent error occurred in the payroll set up during the 2016 - 2018 financial years, which resulted in taxable remuneration being classified as non-taxable. The error gave rise to an employees' tax liability which has been calculated and provided for in the financial statements for the year ended 30 June 2020. SARS has indicated that a 200% Understatement Penalty (USP) may be raised and allowed the company the opportunity to provide reasons as to why the penalty should not be raised accordingly. If raised at 200%, the penalty will total R179 830.42 and interest calculated on the total tax debt will amount to R88 458.73. The interest calculated only pertains to the period up until the date of the submission to SARS at the end of February 2020. The directors have made use of the opportunity to present reasons to SARS and believe that the circumstances do not warrant such a severe USP. The directors are confident that SARS will not raise the USP at 200%. Due to the amount of the USP not being considered material by the directors, interest on the total outstanding liability cannot be measured reliably and is therefore not provided for in the annual financial statements. As of 30 June 2023, SARS has acknowledged our submission, but has not provided any further response on the matter to date.

#### Tax exemption review

On 14 February 2022, SARS issued notification to the Cape Town CCID that it has reclassified the tax-exempt status of the Company to be assessed under section 10(1)(e)(i)(cc) of the Income Tax Act. Previously, the Company was an approved Public Benefit Organisation in terms of section 30 of the Income Tax Act and was exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act. The reclassification took effect from 1 July 2022.

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## Notes to the Annual Financial Statements

Figures in Rand 2023 2022

### 14. Related parties

#### Relationships

City of Cape Town By agreement with property owners in central Cape Town, the CCID recovers additional rates through the City of Cape Town's billing system. The City transfers these additional rates to the CCID who perform additional services including security, cleansing, maintenance, marketing and social development services.

Thibault Investments Proprietary Limited The Cape Town CCID entered into lease agreement for office premises initially in 2015. The lease agreement was extended and became a related party on 1 August 2021 when the lease premises were transferred to Thibault Investments Proprietary Limited. Grant Elliot is both a director of Thibault Investments Proprietary Limited and the Cape Town CCID. The decision to contract with Thibault Investments Proprietary Limited for the leased premises was approved unanimously by the Cape Town CCID board. In the interest of good governance Grant Elliot recused himself from any discussions as well as the decision-making process in this regard.

#### Transactions with related parties

##### Material related party transactions

##### Amounts received from the City of Cape Town

Revenue services rendered	91 124 139	85 768 767
Revenue retention refunded	-	54 049

##### Amounts paid to (received from) the City of Cape Town

EPWP Auxiliary Law Enforcement Officers	-	(296 334)
Learner Law Enforcement Officers	1 866 445	1 104 650
Traffic Wardens	438 961	733 711
Other sundry amounts	2 878	-

##### Amounts paid to Thibault Investments Proprietary Limited

Lease rentals on operating lease	838 927	725 219
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### 15. Directors' remuneration

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

### 16. Going concern

As at 30 June 2023 and up to the date of signing these financial statements, no events or conditions have occurred that would impact the entity's ability to continue as a going concern.

### 17. Events after the reporting period

There have been no facts or circumstances of a material nature that have occurred between the reporting date and the date of this report that have a material impact on the financial position of the company at the reporting date.

# Cape Town Central City Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2023

## Detailed Income Statement

Figures in Rand	Notes	2023	2022
<b>Revenue</b>			
Additional Rates Received		91 124 139	85 768 767
Additional Rates Retention Received		-	54 049
PEP Project		1 071 705	453 985
	2	<u>92 195 844</u>	<u>86 276 801</u>
<b>Other income</b>			
Finance income	5	2 672 601	1 726 029
Surplus on sale of plant and equipment		62 500	69 783
Sundry income		416 773	111 407
		<u>3 151 874</u>	<u>1 907 219</u>
<b>Expenditure (Refer to page 21)</b>		<b>(92 767 662)</b>	<b>(80 545 818)</b>
<b>Operating surplus</b>	4	<u>2 580 056</u>	<u>7 638 202</u>
Finance costs		(4 945)	(3 001)
<b>Surplus before taxation</b>		<u>2 575 111</u>	<u>7 635 201</u>
Taxation	6	(706 263)	-
<b>Surplus for the year</b>		<u>1 868 848</u>	<u>7 635 201</u>

# Cape Town Central City Improvement District NPC

(Registration number: 1999/009132/08)

Annual Financial Statements for the year ended 30 June 2023

## Detailed Income Statement

Figures in Rand	Notes	2023	2022
<b>Expenditure</b>			
Auditor's remuneration		(124 300)	(106 450)
Bank charges		(34 613)	(31 213)
Cellphone and telephone costs		(172 601)	(140 443)
Cleaning		(12 137 071)	(7 963 017)
Communications		(3 126 407)	(2 986 795)
Computer expenses		(355 379)	(389 368)
Courier		(2 756)	(2 679)
Depreciation		(684 537)	(523 997)
Donations		(1 500)	-
Entertainment		(110 683)	(81 519)
Insurance		(217 444)	(166 649)
Lease rentals on operating lease		(838 640)	(799 857)
Legal fees		(934 065)	(171 342)
Licence fees		(6 488)	(6 283)
Office expenses		(36 391)	(30 946)
Personal protective materials for COVID-19		-	(10 780)
Printing and stationery		(132 318)	(89 935)
Professional fees		(476 937)	(316 811)
Project expenditure: PEP Project		(1 071 705)	(453 985)
Salaries		(12 663 330)	(12 163 244)
Security expenses		(52 034 965)	(47 281 862)
Social services		(7 265 619)	(6 620 590)
Staff costs		(100 578)	(126 011)
Subscriptions		(81 206)	(82 042)
Travel		(158 129)	-
		<b>(92 767 662)</b>	<b>(80 545 818)</b>

Cleaning: The number of contractual cleaners were increased in the current financial year as opposed to the prior year. In addition, there were several projects included in the current year spend, namely: (1) Public toilets; (2) Broom brigades (St Georges Mall and Adderley Street); and (3) Informal trader kiosk development.

Security expenses: The increase in the security expenses from 2022 to 2023 is as a result of the following: (1) Inflationary increase for services driven by statutory wage increase; (2) Additional deployment of contracted security officers; and (3) Increased deployment of Learner Law Enforcement Officers.