

CAPE TOWN CENTRAL CITY IMPROVEMENT DISTRICT

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 AUDITED:
(REGISTRATION NUMBER 1999/009132/08)

DIRECTORS' RESPONSIBILITY STATEMENT 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 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 2019 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 page 29.

The annual financial statements set out on pages 30 - 43, which have been prepared on the going concern basis, were approved by the board of directors on 27 August 2018 and were signed on its behalf by:



R Kane
Chairman (Authorised Director)



JM Rippon
Authorised Director

FINANCIALS

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

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 2018.

1. BUSINESS ACTIVITIES

The company provides additional security, cleansing, maintenance services, marketing 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2018 year end. On principle this standard has been applied retrospectively and the 2017 comparatives contained in these annual financial statements do not differ from those published in the annual financial statements published for the year ended 30 June 2017.

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

R Kane (Chairperson)
D Stoll
CEP Keefer
RN Harris
R van Wyk
T Capstick-Dale

NK Ramasar
J van Rooyen
L Robinson
G Elliot
JD Leibman
JM Rippon
HC Truter

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

BUSINESS ADDRESS

13th Floor
1 Thibault Square
Cnr Long St & Hans Strijdom Ave
Cape Town, 8001

POSTAL ADDRESS

PO Box 7517
Roggebaai
South Africa
8012

4. EVENTS AFTER THE REPORTING PERIOD

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report, which would have a material impact on the statement of financial position 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 material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPE TOWN CENTRAL CITY IMPROVEMENT DISTRICT NPC

OPINION

We have audited the financial statements of Cape Town Central City Improvement District set out on pages 30 to 41, which comprise the statement of financial position as at 30 June 2018, 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 as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (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 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.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on pages 42 to 43. 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 Standards 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 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 Cape Incorporated

FB Mohamed
Partner
Registered Auditor

6th Floor, BDO House
123 Hertzog Boulevard
Foreshore, Cape Town
8001

BDO Cape Inc.

Date: 28 August 2018

FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
Revenue	2	62 981 504	54 817 528
Other income	3	7 644	317 364
Expenditure		(58 563 645)	(52 732 659)
Surplus from operations	4	4 425 503	2 402 233
Finance income	5	1 739 283	1 320 048
Surplus for the year		6 164 786	3 722 281
Other comprehensive income for the year		-	-
Total comprehensive income for the year		6 164 786	3 722 281

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	2018 R	2017 R
ASSETS			
Non-Current Assets			
Plant and equipment	7	1 101 064	1 619 313
Current Assets			
Trade and other receivables	8	439 686	319 814
Cash and cash equivalents	9	28 158 873	20 908 305
		28 598 559	21 228 119
Total Assets		29 699 623	22 847 432
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus	10	27 341 807	21 177 021
LIABILITIES			
Non-Current Liabilities			
Operating lease obligation		-	117 832
Current Liabilities			
Trade and other payables	11	2 357 816	1 552 579
Total Liabilities		2 357 816	1 670 411
Total Equity and Liabilities		29 699 623	22 847 432

FINANCIALS

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated surplus R	Total equity R
Balance at 1 July 2016	17 454 740	17 454 740
Surplus for the year	3 722 281	3 722 281
Other comprehensive income	-	-
Total comprehensive income for the year	3 722 281	3 722 281
Balance at 1 July 2017	21 177 021	21 177 021
Surplus for the year	6 164 786	6 164 786
Other comprehensive income	-	-
Total comprehensive income for the year	6 164 786	6 164 786
Balance at 30 June 2018	27 341 807	27 341 807

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	5 549 618	2 743 474
Finance income		1 739 283	1 320 048
Net cash inflow from operating activities		7 288 901	4 063 522
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment	7	(38 333)	(436 016)
Proceeds from disposals of plant and equipment	7	-	150 000
Net cash outflow from investing activities		(38 333)	(286 016)
Net increase in cash and cash equivalents		7 250 568	3 777 506
Cash and cash equivalents at the beginning of the year		20 908 305	17 130 799
Cash and cash equivalents at the end of the year	9	28 158 873	20 908 305

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ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018

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.

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:

Item	Depreciation method	Average useful life
Computer hardware	Straight line	3 years
Computer software	Straight line	2 years
Fittings	Straight line	3 years
Furniture	Straight line	6 years
Leasehold improvements	Straight line	shorter of lease term and useful life
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years

Residual values, if significant, are reassessed annually.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018

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 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.

1.5 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.

1.6 FINANCE INCOME

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

1.7 OTHER INCOME

Other income includes management fee income and sundry income. Management fee income consists of various dedicated projects funded externally.

FINANCIALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
2. REVENUE		
ATM project	787 082	-
Public space management project	1 050 000	1 000 000
Revenue - services rendered	56 394 621	51 387 948
Retention of revenue refunded	4 316 505	1 631 359
Company Gardens project	433 296	277 341
Long Street association project	-	520 880
	62 981 504	54 817 528

3. OTHER INCOME

Profit on sale of plant and equipment	-	150 000
Sundry income	7 644	167 364
	7 644	317 364

4. SURPLUS FROM OPERATIONS

Surplus from operations for the year is stated after accounting for the following:

Depreciation on plant and equipment	556 582	556 014
Salaries	10 881 625	10 033 333
Operating lease payments - equipment and premises	347 860	678 576
Security expense	28 438 185	24 118 271
Social services	4 859 258	3 992 888
Cleaning	7 365 345	6 954 771
Marketing expense	2 283 100	2 737 871

5. FINANCE INCOME

Interest income		
Interest received on bank balance	1 739 283	1 320 048

NOTES TO THE FINANCIAL STATEMENTS...CONT

FOR THE YEAR ENDED 30 JUNE 2018

6. TAXATION

Provision has not been made for current taxation, or deferred taxation as the Company is an approved Public Benefit Organisation in terms of Section 30 of the Income Tax Act and is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act.

7. PLANT AND EQUIPMENT

	Cost R	Accumulated depreciation R	Carrying value R
2018			
Computer hardware	534 372	(482 693)	51 679
Computer software	48 100	(48 100)	-
Fittings	90 857	(67 429)	23 428
Furniture	335 164	(173 792)	161 372
Leasehold improvements	780 658	(503 937)	276 721
Motor vehicles	1 191 933	(674 017)	517 916
Office equipment	135 916	(65 968)	69 948
	3 117 000	(2 015 936)	1 101 064

2017

Computer hardware	534 372	(347 611)	186 761
Computer software	48 100	(47 934)	166
Fittings	54 759	(54 609)	150
Furniture	332 931	(118 087)	214 844
Leasehold improvements	780 658	(347 805)	432 853
Motor vehicles	1 191 933	(499 485)	692 448
Office equipment	135 916	(43 825)	92 091
	3 078 669	(1 459 356)	1 619 313

FINANCIALS

NOTES TO THE FINANCIAL STATEMENTS...CONT

FOR THE YEAR ENDED 30 JUNE 2018

7. PLANT AND EQUIPMENT (CONTINUED)

	Opening balance	Additions	Depreciation	Closing balance
	R	R	R	R
2018				
Computer hardware	186 761	-	(135 082)	51 679
Computer software	166	-	(166)	-
Fittings	150	36 099	(12 821)	23 428
Furniture	214 844	2 234	(55 706)	161 372
Leasehold improvements	432 853	-	(156 132)	276 721
Motor vehicles	692 448	-	(174 532)	517 916
Office equipment	92 091	-	(22 143)	69 948
	1 619 313	38 333	(556 582)	1 101 064

2017

Computer hardware	310 919	35 145	(159 303)	186 761
Computer software	2 166	-	(2 000)	166
Fittings	1 332	-	(1 182)	150
Furniture	263 963	6 050	(55 169)	214 844
Leasehold improvements	588 984	-	(156 131)	432 853
Motor vehicles	495 281	360 000	(162 833)	692 448
Office equipment	76 666	34 821	(19 396)	92 091
	1 739 311	436 016	(556 014)	1 619 313

Assets with book value of R0 was sold for R150 000 during the prior year.

NOTES TO THE FINANCIAL STATEMENTS...CONT

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	R	R
8. TRADE AND OTHER RECEIVABLES		
Trade receivables	-	12 972 907
Prepayments	102 475	134 917
VAT	202 803	-
Other receivables	134 408	184 897
Less: Allowance for doubtful debts	-	(12 972 907)
	439 686	319 814

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 City Improvement District (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.

9. CASH AND CASH EQUIVALENTS

Cash Management	27 117 803	19 931 073
Operational	1 041 070	977 232
	28 158 873	20 908 305

10. ACCUMULATED SURPLUS

The Board has followed a prudent approach in managing the reserves.

The reserves include the following:

Projects to be funded from reserves: law enforcement and traffic officers	R 2 881 283
Refund of revenue received from the City of Cape Town from the 3% retention	R 4 316 505
Three months working capital for contingencies	R 15 000 000

FINANCIALS

NOTES TO THE FINANCIAL STATEMENTS...CONT

FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
11. TRADE AND OTHER PAYABLES		
Accruals	52 320	153 401
Other payables	756 762	782 202
Project income received in advance	1 548 734	217 659
Tenant inducement allowance	-	246 481
Value Added Tax (VAT) payable	-	152 836
	2 357 816	1 552 579

12. CASH GENERATED FROM OPERATIONS

Profit before taxation	6 164 786	3 722 281
Adjustments for:		
Depreciation	556 582	556 014
Profit on sale of plant and equipment	-	(150 000)
Finance income	(1 739 283)	(1 320 048)
Movement in straight-lining lease obligation	(117 832)	3 711
Changes in working capital:		
Trade and other receivables	(119 872)	(220 070)
Trade and other payables	805 237	151 586
	5 549 618	2 743 474

NOTES TO THE FINANCIAL STATEMENTS...CONT

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	R	R
13. OPERATING LEASE COMMITMENTS		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	506 574	342 620
- in second to fifth year inclusive	546 979	757 524
	1 053 553	1 100 144

The company 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 7.5% and 0% per annum respectively.

14. RELATED PARTIES

Relationships

The services paid by council are the supplementary municipal services the CID is performing on behalf of the City. Council funds these services by way of an additional property rate charged to all property owners within the boundary of the CID.

Transactions with related parties

Material related party transactions

Amounts received from the City of Cape Town

Revenue services rendered	56 394 621	51 387 948
Revenue retention refunded	4 316 505	1 631 359

15. GOING CONCERN

As at 30 June 2018 and up to the date of signing these financials no events or conditions have occurred that would impact the entity's ability to continue as a going concern.

16. 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.

17. FIRST TIME ADOPTION OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR SMALL AND MEDIUM-SIZED ENTITIES

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2018 year end. On principle this standard has been applied retrospectively and the 2017 comparatives contained in these annual financial statements do not differ from those published in the annual financial statements published for the year ended 30 June 2017.

FINANCIALS

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
Revenue			
Revenue - services rendered		56 394 621	51 387 948
Retention of revenue refunded		4 316 505	1 631 359
ATM Project		787 082	-
Long Street Association Project		-	520 880
Public Space Management Project		1 050 000	1 000 000
Company Gardens Project		433 296	277 341
	2	62 981 504	54 817 528
Other income			
Finance income	5	1 739 283	1 320 048
Profit on sale of plant and equipment		-	150 000
Sundry income		7 644	167 364
		1 746 927	1 637 412
Expenditure (refer to page 43)		(58 563 645)	(52 732 659)
Surplus for the year		6 164 786	3 722 281

DETAILED INCOME STATEMENT...CONT

FOR THE YEAR ENDED 30 JUNE 2018

Expenditure	2018 R	2017 R
Auditor's remuneration	(94 312)	(87 273)
Bank charges	(36 926)	(33 871)
Cellphone costs	(181 358)	(171 488)
Cleaning	(7 365 345)	(6 954 771)
Communications	(2 283 100)	(2 737 871)
Computer expenses	(379 357)	(357 083)
Courier	(1 493)	(2 541)
Depreciation	(556 582)	(556 014)
Entertainment	(72 758)	(56 329)
Insurance	(129 481)	(119 567)
Lease rentals on operating lease	(347 860)	(678 576)
Legal fees	(68 549)	(173 927)
Licence fees	(4 509)	-
Office expenses	(23 522)	(38 325)
Printing and stationery	(128 823)	(118 627)
Professional fees	(61 995)	-
Project expenditure: ATM Project	(769 354)	-
Project expenditure: Company Gardens Project	(416 685)	(277 341)
Project expenditure: Long Street Association Project	-	(520 972)
Project expenditure: Public Space Management Project	(1 022 731)	(1 159 055)
Repairs and maintenance	(602)	-
Salaries	(10 881 625)	(10 033 333)
Security expenses	(28 438 185)	(24 118 271)
Social services	(4 859 258)	(3 992 888)
Staff costs	(154 338)	(205 774)
Subscriptions	(42 753)	(55 075)
Telephone and fax	(9 606)	(2 147)
Travel	(232 538)	(281 540)
	(58 563 645)	(52 732 659)