

CAPE TOWN CENTRAL CITY  
IMPROVEMENT DISTRICT NPC

# ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019 AUDITED:  
(REGISTRATION NUMBER 1999/009132/08)



# DIRECTORS' RESPONSIBILITY STATEMENT

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 2020 and, in the light of this review and the current financial position. They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

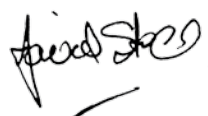
The external auditors are responsible for independently auditing and reporting on the company's annual financial statements.

The annual financial statements have been examined by the company's external auditors and their report is presented on page 24.

The annual financial statements set out on pages 25 - 39, which have been prepared on the going concern basis, were approved by the board of directors on 26 August 2019 and were signed on its behalf by:



**R Kane**  
Chairperson (Authorised Director)



**DS Stoll**  
Authorised Director

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF CAPE TOWN CENTRAL CITY IMPROVEMENT DISTRICT

### OPINION

We have audited the financial statements of Cape Town Central City Improvement District set out on pages 25 to 37, which comprise the statement of financial position as at 30 June 2019, 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 2019 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of 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 Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa and the supplementary information set out on pages 38 to 39. 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 South Africa Inc.*

#### **BDO South Africa Inc**

FB Mohamed  
Partner  
Registered Auditor

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

Date: 27 August 2019

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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 2019.

## 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 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

R Kane (Chairperson)	
DS Stoll	
CEP Keefer	
RN Harris	resigned 19 November 2018
R van Wyk	
T Capstick-Dale	
NK Ramasar	
J van Rooyen	
L Robinson	
G Elliott	
JD Leibman	
JM Rippon	resigned 19 November 2018
HC Truter	

## 4. EVENTS AFTER THE REPORTING PERIOD

There have been no facts or circumstances of a material nature that have occurred between the accounting date, 30 June 2019 and the date of this report, which would have a material impact on the statement of financial position at 30 June 2019.

## 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.

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
<b>Revenue</b>	2	<b>66 718 968</b>	62 981 504
Other income	3	<b>227 819</b>	7 644
Expenditure		<b>(65 014 984)</b>	(58 559 747)
<b>Surplus from operations</b>	4	<b>1 931 803</b>	4 429 401
Finance income	5	<b>2 147 972</b>	1 739 283
Finance costs		<b>(4 767)</b>	(3 898)
<b>Surplus for the year</b>		<b>4 075 008</b>	6 164 786
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>4 075 008</b>	<b>6 164 786</b>

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019 R	2018 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and equipment	7	1 786 839	1 101 064
<b>Current Assets</b>			
Trade and other receivables	8	409 941	439 686
Cash and cash equivalents	9	31 227 550	28 158 873
		31 637 491	28 598 559
<b>Total Assets</b>		<b>33 424 330</b>	<b>29 699 623</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Project funded reserve		8 644 082	–
Working capital contingency reserve		17 472 771	–
Accumulated surplus		5 299 962	27 341 807
		31 416 815	27 341 807
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	2 007 515	2 357 816
<b>Total Equity and Liabilities</b>		<b>33 424 330</b>	<b>29 699 623</b>

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Project funded reserve	Working capital contingency reserve	Accumulated surplus	Total equity
	R	R	R	R
<b>Balance at 1 July 2017</b>	–	–	<b>21 177 021</b>	21 177 021
Surplus for the year	–	–	<b>6 164 786</b>	6 164 786
Other comprehensive income	–	–	–	–
<b>Total comprehensive income for the year</b>			<b>6 164 786</b>	6 164 786
<b>Balance at 1 July 2018</b>	–	–	<b>27 341 807</b>	27 341 807
Surplus for the year	–	–	<b>4 075 008</b>	4 075 008
Other comprehensive income	–	–	–	–
<b>Total comprehensive income for the year</b>			<b>4 075 008</b>	4 075 008
Transfer between reserves	8 644 082	17 472 771	<b>(26 116 853)</b>	–
<b>Total Changes</b>	8 644 082	17 472 771	<b>(26 116 853)</b>	–
<b>Balance at 30 June 2019</b>	<b>8 644 082</b>	<b>17 472 771</b>	<b>5 299 962</b>	<b>31 416 815</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	11	1 707 644	5 553 516
Finance income		2 147 972	1 739 283
Finance costs		(4 767)	(3 898)
<b>Net cash inflow from operating activities</b>		<b>3 850 849</b>	<b>7 288 901</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of plant and equipment	7	(782 172)	(38 333)
<b>Total cash movement for the year</b>		<b>3 068 677</b>	<b>7 250 568</b>
Cash at the beginning of the year		28 158 873	20 908 305
<b>Total cash at end of the year</b>	9	<b>31 227 550</b>	<b>28 158 873</b>



# ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2019

## 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
Containers	Straight line	10 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 2019

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<b>2. REVENUE</b>		
ATM project	862 834	787 082
Public space management project	–	1 050 000
Revenue - services rendered	60 624 218	56 394 621
Retention of revenue refunded	5 123 273	4 316 505
Company Gardens project	108 643	433 296
	<b>66 718 968</b>	<b>62 981 504</b>

## 3. OTHER INCOME

Profit on sale of plant and equipment	173 428	–
Sundry income	54 391	7 644
	<b>227 819</b>	<b>7 644</b>

## 4. SURPLUS FROM OPERATIONS

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

Profit on sale of plant and equipment	173 428	–
Depreciation on plant and equipment	602 687	556 582
Salaries	11 927 446	10 881 625
Operating lease payments - equipment and premises	801 111	347 860
Security	32 676 379	28 434 287
Social services	5 877 650	4 859 258
Cleaning	8 059 592	7 365 345
Communications	2 254 018	2 283 100

## 5. FINANCE INCOME

Interest income

Interest received on bank balance	2 147 972	1 739 283
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# NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED 30 JUNE 2019

## 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
<b>2019</b>			
Computer hardware	582 790	(532 044)	50 746
Computer software	48 100	(48 100)	–
Fittings	90 857	(79 461)	11 396
Furniture	353 246	(231 411)	121 835
Leasehold improvements	780 658	(660 068)	120 590
Motor vehicles	1 535 784	(519 780)	1 016 004
Office equipment	145 907	(89 506)	56 401
Containers	453 489	(43 622)	409 867
	<b>3 990 831</b>	<b>(2 203 992)</b>	<b>1 786 839</b>

## 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
Containers	–	–	–
	<b>3 117 000</b>	<b>(2 015 936)</b>	<b>1 101 064</b>

# NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED 30 JUNE 2019

## 7. PLANT AND EQUIPMENT (CONTINUED)

	Opening balance R	Additions R	Scrapped R	Depreciation R	Closing balance R
<b>2019</b>					
Computer hardware	51 679	54 470	–	(55 403)	50 746
Fittings	23 428	–	–	(12 032)	11 396
Furniture	161 372	18 082	–	(57 619)	121 835
Leasehold improvements	276 721	–	–	(156 131)	120 590
Motor vehicles	517 916	759 000	(6 570)	(254 342)	1 016 004
Office equipment	69 948	9 991	–	(23 538)	56 401
Containers	–	453 489	–	(43 622)	409 867
	<b>1 101 064</b>	<b>1 295 032</b>	<b>(6 570)</b>	<b>(602 687)</b>	<b>1 786 839</b>

	Opening balance R	Additions R	Depreciation R	Closing balance R
<b>2018</b>				
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
	<b>1 619 313</b>	<b>38 333</b>	<b>(556 582)</b>	<b>1 101 064</b>

Assets with a book value of R6,570 were scrapped during the year.

Motor vehicles with a nil book value were traded in for R180,000 during the year.

A laptop with a nil book value was donated during the year.

# NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<b>8. TRADE AND OTHER RECEIVABLES</b>		
Prepayments	261 188	102 475
VAT	146 553	202 803
Other receivables	2 200	134 408
	<b>409 941</b>	<b>439 686</b>

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 and cash equivalents consist of:

Cash Management	30 380 907	27 117 803
Operational	846 643	1 041 070
	<b>31 227 550</b>	<b>28 158 873</b>

A guarantee of R50,000 has been in place since 19 May 2015 and serves as security to the landlord in relation to the CCID's leased office premises.

## 10. TRADE AND OTHER PAYABLES

Accruals	514 228	52 322
Other payables	916 030	756 760
Project income received in advance	577 257	1 548 734
	<b>2 007 515</b>	<b>2 357 816</b>

# NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Surplus for the year	4 075 008	6 164 786
<b>Adjustments for:</b>		
Depreciation	602 687	556 582
Profit on sale of plant and equipment	(173 428)	–
Finance income	(2 147 972)	(1 739 283)
Finance costs	4 767	3 898
Movement in straight-lining lease obligation	–	(117 832)
Reallocation of containers previously expensed	(332 859)	–
<b>Changes in working capital:</b>		
Trade and other receivables	29 745	(119 872)
Trade and other payables	(350 304)	805 237
	<b>1 707 644</b>	<b>5 553 516</b>

## 12. OPERATING LEASE COMMITMENTS

### Operating leases – as lessee (expense)

<b>Minimum lease payments due</b>		
Within one year	540 587	506 574
In second to fifth year inclusive	–	546 979
	<b>540 587</b>	<b>1 053 553</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 7.5% and 0% per annum respectively.

# NOTES TO THE FINANCIAL STATEMENTS CONT.

FOR THE YEAR ENDED 30 JUNE 2019

## 13. RELATED PARTIES

2019

2018

R

R

### 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	60 624 218	56 394 621
Revenue retention refunded	5 123 273	4 316 505

## 14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

The effects of the reclassification are as follows:

Profit or Loss		
Finance costs	–	3 898
Expenditure	–	(3 898)

## 15. GOING CONCERN

As at 30 June 2019 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.



# DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
<b>Revenue</b>			
Revenue - services rendered		60 624 218	56 394 621
Retention of revenue refunded		5 123 273	4 316 505
ATM Project		862 834	787 082
Public Space Management Project		–	1 050 000
Company Gardens Project		108 643	433 296
	2	<b>66 718 968</b>	<b>62 981 504</b>
<b>Other income</b>			
Finance income	5	<b>2 147 972</b>	1 739 283
Profit on sale of plant and equipment		<b>173 428</b>	–
Sundry income		<b>54 391</b>	7 644
		<b>2 375 791</b>	<b>1 746 927</b>
<b>Expenditure</b> (refer to page 39)			
		<b>(65 014 984)</b>	(58 559 747)
<b>Operating surplus</b>	4	<b>4 079 775</b>	6 168 684
Finance costs		<b>(4 767)</b>	(3 898)
<b>Surplus for the year</b>		<b>4 075 008</b>	6 164 786

# DETAILED INCOME STATEMENT CONT.

FOR THE YEAR ENDED 30 JUNE 2019

<b>Expenditure</b>	<b>2019</b>	<b>2018</b>
	<b>R</b>	<b>R</b>
Auditor's remuneration	<b>(88 268)</b>	(94 312)
Bank charges	<b>(32 764)</b>	(36 926)
Cellphone costs	<b>(169 685)</b>	(181 358)
Cleaning	<b>(8 059 592)</b>	(7 365 345)
Communications	<b>(2 254 018)</b>	(2 283 100)
Computer expenses	<b>(329 247)</b>	(379 357)
Courier	<b>(2 375)</b>	(1 493)
Depreciation	<b>(602 687)</b>	(556 582)
Entertainment	<b>(84 534)</b>	(72 758)
Insurance	<b>(145 954)</b>	(129 481)
Lease rentals on operating lease	<b>(801 111)</b>	(347 860)
Legal fees	<b>(8 931)</b>	(68 549)
Licence fees	<b>(4 965)</b>	(4 509)
Office expenses	<b>(38 475)</b>	(23 522)
Printing and stationery	<b>(122 611)</b>	(128 823)
Professional fees	<b>(78 027)</b>	(61 995)
Project expenditure: ATM Project	<b>(862 834)</b>	(769 354)
Project expenditure: Company Gardens Project	<b>(117 254)</b>	(416 685)
Project expenditure: Public Space Management Project	<b>(214 324)</b>	(1 022 731)
Repairs and maintenance	–	(602)
Salaries	<b>(11 927 446)</b>	(10 881 625)
Security expenses	<b>(32 676 379)</b>	(28 434 287)
Social services	<b>(5 877 650)</b>	(4 859 258)
Staff costs	<b>(205 576)</b>	(154 338)
Subscriptions	<b>(31 776)</b>	(42 753)
Telephone and fax	<b>(397)</b>	(9 606)
Transport and freight	<b>(183)</b>	–
Travel	<b>(277 921)</b>	(232 538)
	<b>(65 014 984)</b>	<b>(58 559 747)</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited.