EPPING CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2001/028149/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

EPPING CITY IMPROVEMENT DISTRICT NPC
(Registration number 2001/028149/08)
Annual Financial Statements for the year ended 30 June 2015

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	A community based business development project
DIRECTORS	A Sonday G P Smith H R Husselman J H Dammert K G Robson W T Wakefield
REGISTERED OFFICE	24 Gunners Circle Epping 1 7475
BUSINESS ADDRESS	24 Gunners Circle Epping 1 7475
POSTAL ADDRESS	PO Box 834 Eppingdust 7475
COMPANY REGISTRATION NUMBER	2001/028149/08
PREPARER	The annual financial statements were independently compiled by: H Adam CA(SA) Resource Evaluation Services & Management Proprietary Limited
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
AUDITORS	RSM Betty & Dickson (Cape Town)

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The reports and statements set out below comprise the annual financial statements presented to the members:

The following supplementary information does not form part of the annual financial statements and is unaudited:

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa 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 International Financial Reporting Standards and the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa 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 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 financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5 to 6.

EPPING CITY IMPROVEMENT DISTRICT NPC
(Registration number 2001/028149/08)
Annual Financial Statements for the year ended 30 June 2015

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The annual financial statements set out on pages 7 to 23, which have been prepared on the going concern basis, were approved by the board of directors and were signed on their behalf by:

A Sonday	**G P Smith**
H R Husselman	**J H Dammert**
K G Robson	**W T Wakefield**

31 AUGUST 2015
Date

RSM Betty & Dickson (Cape Town)
Chartered Accountants (SA)
15 Greenwich Grove, Station Road,
Rondebosch, Cape Town, 7700
PO Box 578, Rondebosch, 7701
Docex 7, Rondebosch
T: +27 21 686 7890 F: +27 21 686 7888
E: mail@ct.rsmbd.co.za
www.rsmbettyanddickson.co.za

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EPPING CITY IMPROVEMENT DISTRICT NPC

Report on the Financial Statements

We have audited the financial statements of Epping City Improvement District NPC, as set out on pages 8 to 23, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

RSM
Audit • Tax • Advisory

INDEPENDENT AUDITOR'S REPORT (continued)

Basis for Qualified Opinion

It is not feasible for the organisation to institute accounting controls over donations and sponsorships received prior to initial entry of the income in the accounting records. Accordingly it was impracticable for us to extend our examination for donations and sponsorships received beyond the receipts actually recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Epping City Improvement District NPC as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Supplementary information

Without further qualifying our opinion, we draw attention to the fact that supplementary information set out on page 24 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between that report and the audited financial statements. That report is the responsibility of the respective preparer. Based on reading that report, we have not identified material inconsistencies between it and the audited financial statements. However, we have not audited that report and accordingly do not express an opinion thereon.

RSM Betty & Dickson (C.T.)

RSM Betty & Dickson (Cape Town)
Registered Auditors

Per: A C Galloway CA(SA) RA
Partner

31 August 2015

Date
Cape Town

DIRECTORS' REPORT

The directors submit their report for the year ended 30 June 2015.

1. REVIEW OF ACTIVITIES

Main business and operations

The company is engaged in a community based business development project and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

2. GOING CONCERN

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

3. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

4. NON-CURRENT ASSETS

There were no major changes in the nature of the non-current assets of the company during the year nor to the policies relating to the use thereof.

5. DIRECTORS

The directors of the company during the year and to the date of this report are as follows:

Name
A Sonday
G P Smith
H R Husselman
J H Dammert
K G Robson
W T Wakefield

6. MANAGEMENT AGREEMENT

The business of the company is managed under an agreement with Just For You Business Support CC in which A M J Bartram, a key member of management, has a 100% interest.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

Figures in Rand	Note(s)	2015	2014
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	807 346	331 075
Other financial assets	4	110 434	-
		917 780	**331 075**
Current Assets			
Receivables	5	8 928	73 988
Cash and cash equivalents	6	3 631 433	2 639 525
		3 640 361	**2 713 513**
Total Assets		**4 558 141**	**3 044 588**
RESERVES AND LIABILITIES			
RESERVES			
Accumulated reserves		3 926 160	2 751 646
Allocated funds		401 016	291 492
		4 327 176	**3 043 138**
LIABILITIES			
Current Liabilities			
Payables	7	230 965	1 450
Total Reserves and Liabilities		**4 558 141**	**3 044 588**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2015	2014
Revenue	8	6 587 907	6 100 889
Retention fund		712 262	648 568
Sponsorship received		310 807	384 291
Surplus on disposal of assets		40 893	-
Operating expenses		(6 507 367)	(6 754 503)
Operating surplus	9	**1 144 502**	**379 245**
Investment income	10	139 536	109 779
Surplus before taxation		**1 284 038**	**489 024**
Taxation	11	-	57 500
Surplus for the year		**1 284 038**	**546 524**
Other comprehensive income		-	-
Total comprehensive surplus for the year		**1 284 038**	**546 524**

STATEMENT OF CHANGES IN RESERVES

Figures in Rand	Allocated funds	Accumulated reserves	Total
Balance at 01 July 2013	**235 048**	**2 261 566**	**2 496 614**
Total comprehensive surplus for the year	-	546 524	546 524
Transfer between reserves	56 444	(56 444)	-
Balance at 01 July 2014	**291 492**	**2 751 646**	**3 043 138**
Total comprehensive surplus for the year	-	1 284 038	1 284 038
Transfer between reserves	109 524	(109 524)	-
Balance at 30 June 2015	**401 016**	**3 926 160**	**4 327 176**

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts		7 676 036	7 348 581
Cash paid to suppliers and employees		(6 145 198)	(6 571 459)
Cash generated from operations	12	1 530 838	777 122
Interest income		139 536	109 779
Net cash from operating activities		**1 670 374**	**886 901**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(742 748)	(9 999)
Sale of property, plant and equipment		174 716	-
Net movement in other financial assets		(110 434)	-
Net cash from investing activities		**(678 466)**	**(9 999)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Total cash movement for the year		**991 908**	**876 902**
Cash and cash equivalents at the beginning of the year		2 639 525	1 762 623
Total cash and cash equivalents at the end of the year	6	**3 631 433**	**2 639 525**

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

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

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Management did not make any significant judgements in the process of applying the entity's accounting policies, nor did they make estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
Other equipment - Containers	6 years
Other equipment - Cameras	3 years
Trailer	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

ACCOUNTING POLICIES

1.2 Property, plant and equipment (continued)

The gain or deficit arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or deficit arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Interest is recognised, in surplus or deficit, using the effective interest method.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income. Dividends received on available-for-sale equity instruments are recognised in surplus or deficit as part of other income when the company's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

1.3 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative deficit - measured as the difference between the acquisition cost and current fair value, less any impairment deficit on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit.

Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable surplus (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable surplus (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.4 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period.

1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment deficit of assets carried at cost less any accumulated depreciation is recognised immediately in surplus or deficit.

An entity assesses at each reporting date whether there is any indication that an impairment deficit recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment deficit does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment deficit of assets carried at cost less accumulated depreciation is recognised immediately in surplus or deficit.

1.6 Government levies

Levies received from The City of Cape Town Municipality (the City) are recognised as revenue in the period in which the levy is received.

Levies comprise 97% of the City Improvement District (CID) levy charged as additional rates by the City.

The City retains 3% of the CID levy to cover bad debts and any unutilised portion is included in subsequent other income.

1.7 Borrowing costs

All borrowing costs are recognised as an expense in the period incurred as the company does not have assets which qualify for capitalisation of borrowing costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

The company has not adopted any standards and interpretations during the year that have had a material impact on the annual financial statements.

2.2 Standards and Interpretations early adopted

The company has chosen not to early adopt any new standards and interpretations.

2.3 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 July 2015 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	Unlikely there will be a material impact
• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Impact is currently being assessed

3. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	32 645	(24 293)	8 352	32 871	(21 807)	11 064
Motor vehicles	504 719	(20 230)	484 489	311 423	(168 650)	142 773
Office equipment	101 143	(59 278)	41 865	59 048	(46 520)	12 528
Other equipment - Containers	12 883	(12 883)	-	13 825	(13 444)	381
Other equipment - Cameras	917 179	(666 536)	250 643	712 294	(578 965)	133 329
Trailer	45 000	(23 003)	21 997	45 000	(14 000)	31 000
Total	**1 613 569**	**(806 223)**	**807 346**	**1 174 461**	**(843 386)**	**331 075**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	11 064	-	-	(2 712)	8 352
Motor vehicles	142 773	495 769	(133 823)	(20 230)	484 489
Office equipment	12 528	42 094	-	(12 757)	41 865
Other equipment - Containers	381	-	-	(381)	-
Other equipment - Cameras	133 329	204 885	-	(87 571)	250 643
Trailer	31 000	-	-	(9 003)	21 997
	331 075	**742 748**	**(133 823)**	**(132 654)**	**807 346**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014

4. OTHER FINANCIAL ASSETS

Available-for-sale		
Nedbank Private Wealth - Unquoted gilts	110 434	-

Fair value information

Available-for-sale financial assets are recognised at fair value, unless they are unlisted equity instruments and the fair value cannot be determined using other means, in which case they are measured at cost. Fair value information is not provided for these financial assets.

The following classes of available-for-sale financial assets are measured to fair value using quoted market prices:

- Class 1 e.g. unquoted gilts

Unquoted gilts are measured to fair value using market values as determined by Nedbank Private Wealth.

Fair value hierarchy of available-for-sale financial assets

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 2		
Unquoted gilts	110 434	-

5. RECEIVABLES

Prepayments	-	61 492
Value-added tax	8 928	12 496
	8 928	**73 988**

Fair value of receivables

There are no material differences between the fair values of receivables and their carrying amounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Bank balances	515 238	827 787
Short-term deposits	3 116 195	1 811 738
	3 631 433	**2 639 525**

Fair value of cash and cash equivalents

There is no material difference between the fair value of cash and cash equivalents and their carrying amounts.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings of the banks concerned, obtained from Fitch Ratings:

Credit rating		
National Short Term:F1+*	3 631 433	2 639 525

* F1 -Indicates the strongest capacity for timely payment of financial commitments relative to other issuers or obligations in the same country. Under the agency's National Rating scale, this rating is assigned to the lowest default risk relative to others in the same country. Where the liquidity profile is particularly strong, a "+" is added to the assigned rating.

7. PAYABLES

Payables	230 965	1 450

Fair value of payables

There are no material differences between the fair values of payables and their carrying amounts.

8. REVENUE

City Improvement District Levies	6 587 907	6 100 889

9. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following:

Cleaning	1 447 812	1 419 427
Depreciation on property, plant and equipment	132 654	219 291
Law enforcement, cameras and security	3 515 603	3 163 916
Management - administration fees	1 036 907	973 621
Projects - capital expenditure	8 203	581 942

10. INVESTMENT INCOME

Interest income		
Bank	139 536	109 779

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014

11. TAXATION

Major components of the tax expense

Deferred		
Originating and reversing temporary differences	-	(57 500)

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00 %	28.00 %
Exempt income	(183.28)%	(386.45)%
Allowances and provisions	- %	(32.50)%
Disallowable charges	150.61 %	357.84 %
Tax losses carried forward	4.67 %	21.35 %
	- %	**(11.76)%**

12. CASH GENERATED FROM OPERATIONS

Surplus before taxation	1 284 038	489 024
Adjustments for:		
Depreciation	132 654	219 291
Surplus on sale of assets	(40 893)	-
Interest received	(139 536)	(109 779)
Changes in working capital:		
Receivables	65 060	214 833
Payables	229 515	(36 247)
	1 530 838	**777 122**

13. CAPITAL PROJECTS

Due to certain constraints the following capital projects had not yet commenced prior to the financial year end. The projects have been approved by the board and the processes have commenced to achieve completion during the subsequent financial year.

Project	**Estimated costs to complete**
• Traffic island - Fisher Avenue	240 000
• Gunners footpath	164 000
• Licence-plate recognition camera system	480 000
• Static cameras on rail sidings	500 000
• Traffic islands - Bertie, Hewett and Goodenough Avenues	300 000
	1 684 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014

14. RELATED PARTIES

Relationships	
Entity controlled by member of management	Just For You Business Support Services CC
Members of key management	J H Dammert
	H R Husselman
	W T Wakefield
	A Sonday
	K G Robson
	G P Smith
	A Bartram

Related party transactions

	2015	2014
Expenses paid to Just For You Business Support Services CC		
- Management fee	1 036 907	973 621

15. DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2014: Nil).

16. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2015

	Loans and receivables	Available-for-sale
Other financial assets	-	110 434
Receivables	8 928	-
Cash and cash equivalents	3 631 433	-
	3 640 361	**110 434**

2014

	Loans and receivables	Available-for-sale
Receivables	73 988	-
Cash and cash equivalents	2 639 525	-
	2 713 513	**-**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2015	2014

17. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2015

	Financial liabilities at amortised cost
Payables	230 965

2014

	Financial liabilities at amortised cost
Payables	1 450

18. RISK MANAGEMENT

Capital risk management

The company manages it's accumulated funds as capital and seeks to hold funds in order to finance future projects in accordance with the company's objectives.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk, price risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board provides general principles for overall risk management, as well as guidance covering specific areas such as interest rate risk, credit risk, and investment of excess liquidity.

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Figures in Rand	2015	2014

18. RISK MANAGEMENT (continued)

Interest rate risk

The company's exposure to interest rate risk mainly concerns financial assets. These financial assets are floating rate and non-interest bearing.

The company's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on surplus or deficit for the year. The following table analyses the breakdown of financial assets exposed to interest rate by type of interest rate:

2015	Floating	Non-interest bearing
Cash and cash equivalents	3 631 433	-
Other financial assets	110 434	-
Receivables	-	8 928
	3 741 867	**8 928**

2014	Floating	Non-interest bearing
Cash and cash equivalents	2 639 525	-
Receivables	-	73 988
	2 639 525	**73 988**

Sensitivity Analysis

As the company does not have significant movements in interest rates, no sensitivity analysis has been performed as it would not provide meaningful information.

Credit risk

Credit risk consists mainly of unquoted gilts, cash deposits, cash equivalents and receivables. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2015	2014
Other financial assets	110 434	-
Receivables	8 928	73 988
Cash and cash equivalents	3 631 433	2 639 525

Figures in Rand	2015	2014

18. RISK MANAGEMENT (continued)

Price risk

The company is exposed to equity securities price risk because of investments held by the company and classified on the statement of financial position as available-for-sale through surplus or deficit. The company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

The table below summarises the impact of increases/decreases of the indexes on the company's post-tax surplus for the year and on equity. The analysis is based on the assumption that the equity indexes has increased/decreased by 10% with all other variables held constant and all the company's equity instruments moved according to the historical correlation with the index:

	Impact on post tax surplus in Rand	
Financial instrument	2015	2014
Unquoted gilts	7 952	-

Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

DETAILED STATEMENT OF INCOME AND EXPENDITURE

Figures in Rand	2015	2014
Revenue		
City Improvement District levies	6 587 907	6 100 889
Other income		
Gains on disposal of assets	40 893	-
Interest received	139 536	109 779
Retention fund	712 262	648 568
Sponsorship received	310 807	384 291
	1 203 498	**1 142 638**
Operating expenses		
Accounting fees	35 850	29 500
Auditor's remuneration	27 314	28 807
Bank charges	5 165	3 721
Cleaning	1 447 812	1 419 427
Computer expenses	-	4 807
Contingencies	44 844	36 042
Depreciation	132 654	219 291
General expenses	9 300	6 160
Insurance	68 585	59 053
Law enforcement, cameras and security	3 515 603	3 163 916
Management - administration fees	1 036 907	973 621
Marketing	8 952	17 258
Motor vehicle expenses - fuel	49 415	84 984
Motor vehicle expenses - insurance, tracking and licences	6 931	5 250
Motor vehicle expenses - maintenance and repairs	24 135	13 835
Printing and stationery	9 590	-
Project costs - road lines painting	-	8 250
Projects - cameras	-	34 006
Projects - capital expenditure	8 203	581 942
Repairs and maintenance	21 480	31 387
Secretarial fees	8 970	9 680
Street lighting project	22 977	-
Utilities	22 680	23 566
	6 507 367	**6 754 503**
Surplus before taxation	**1 284 038**	**489 024**
Taxation	-	(57 500)
Surplus for the year	**1 284 038**	**546 524**

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