

**VOORTREKKER ROAD CORRIDOR IMPROVEMENT DISTRICT NPC
(Registration number 1996/004458/08)
Annual Financial Statements
for the year ended 30 June 2017**

These annual financial statements were prepared by:
Roslyn Kruuse
Accountant

These annual financial statements have been audited in compliance with the applicable requirements of the
Companies Act 71 of 2008.

Issued: 29/08/2017

Voortrekker Road Corridor Improvement District NPC

(Registration number 1996/004458/08)

Annual Financial Statements for the year ended 30 June 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To provide over and above the services rendered by SAPS and COCT, security, cleansing and social development support within the Voortrekker Road Corridor Improvement District.
Directors	PJ Badenhorst GS Zevenster AM Bosman RG Smithdorf F Barnes L Modak JP Bester RM Barry S Pienaar
Registered office	1 Waterford Mews Century Boulevard Century City 7441
Business address	3A Bell Park Cnr Durban and De Lange Road Bellville 7530
Postal address	PO Box 902 Bellville Western Cape 7535
Bankers	ABSA
Auditors	Cecil Kilpin & Co. Chartered Accountants (S.A.) Registered Auditors
Secretary	PJ Badenhorst
Company registration number	1996/004458/08
VAT reference number	4790261210
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

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Independent Auditor's Report

To the member of Voortrekker Road Corridor Improvement District NPC

Opinion

We have audited the annual financial statements of Voortrekker Road Corridor Improvement District NPC set out on pages 8 to 16, which comprise the Statement of Financial Position as at 30 June 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Voortrekker Road Corridor Improvement District NPC as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual 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 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

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

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

PARTNERS: N NYBACK CA (SA), RA | M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA
TAX: E CONRADIE B.COMPT (HONS), PG.DIP (TAX) | CONSULTANT: A MINNÉ

1 Waterford Mews, Century Boulevard, Century City, 7441 PO Box 74, Century City, 7446 Docex 21, Century City
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Independent Auditor's Report

- Identify and assess the risks of material misstatement of the annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.



Cecil Kilpin & Co.
Chartered Accountants (S.A.)
Registered Auditors
Per Partner: S Schonegevel

Century City

Date: 29/08/2017

Voortrekker Road Corridor Improvement District NPC

(Registration number 1996/004458/08)

Annual Financial Statements for the year ended 30 June 2017

Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the annual financial statements of Voortrekker Road Corridor Improvement District NPC, comprising the statement of financial position at 30 June 2017, and the statement of comprehensive income, changes in reserves and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the director's report.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these annual financial statements. The directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Voortrekker Road Corridor Improvement District NPC, as identified in the first paragraph, were approved by the board of directors and are signed on its behalf by:



Director

Date: 29/08/2017



Director

DECLARATION BY COMPANY SECRETARY

In my capacity as a company secretary, I hereby confirm that to the best of my knowledge and in terms of the Companies Act, 2008, that for the year ended 30 June 2017, the company lodged with the Registrar of Companies all such returns as are required of a Company in terms of this Act and that all such returns are true, correct and up to date.



Date:

PJ Badenhorst
(Company Secretary)

Date: 29/08/2017

Voortrekker Road Corridor Improvement District NPC

(Registration number 1996/004458/08)

Annual Financial Statements for the year ended 30 June 2017

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Voortrekker Road Corridor Improvement District NPC (" VRCID ") for the year ended 30 June 2017.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The Voortrekker Road Corridor Improvement District NPC is engaged in providing over and above the services rendered by SAPS and City of Cape Town (" COCT "), security, cleansing and social development support within the Voortrekker Road Corridor Improvement District and operates principally in South Africa.

During the 2016 financial year the VRCID and the COCT concluded a property lease agreement whereby the VRCID manages certain public parking areas on behalf of the COCT. Subsequently the VRCID concluded a parking management agreement with Safe2Park Managed Services (Pty) Ltd ("S2P"). The nett income derived from these two agreements is to be utilized in support of the VRCID's principal activities.

This is the fifth year that the company operated as a Corridor Improvement District company.

The operating results and the state of affairs of the company are fully set out in the attached financial statements. It should be noted that both the agreements with the COCT and S2P regarding the management of certain public parking areas are currently being renegotiated with retro-active effect and that the outcome of these negotiations may have an effect on the company's operational results as reported in this financial report.

The special rating area is financed by additional property rates levied on all commercial properties by the city on the Improvement District's behalf, within the boundary of the Voortrekker Road Corridor Improvement District.

Net surplus of the company for the current period was R914,357. This surplus allocated to the company income streams as follows, City of Cape Town R573,702, parking management R144,103 and investment income R196,552..

2. Memorandum of Incorporation

The Board of the company (as authorised by the existing MOI of the company at that stage) considered and approved a new MOI for the company at a Board meeting held on 28 February 2017. The new MOI was registered with the CIPC on 6 June 2017 and is available for inspection by members.

3. Directors

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

Directors	Changes
PJ Badenhorst	
GS Zevenster	
AM Bosman	
RG Smithdorf	
F Barnes	
L Modak	
JP Bester	
RM Barry	
S Pienaar	Appointed 29 November 2016

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2017.

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Directors' Report

6. Secretary

The company secretary is PJ Badenhorst.

7. Reserves

These reserves are in accordance with COCT guidelines and it is not the directors intention to grow the reserves in excess of 3 months operational expenses.

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Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

	Note(s)	2017 R	2016 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	119,650	207,915
Current Assets			
Trade and other receivables		264	-
Cash and cash equivalents	3	3,263,271	2,799,772
Total Assets		3,263,535	2,799,772
		3,383,185	3,007,687
Equity and Liabilities			
Equity			
Retained income		3,331,686	2,417,329
Liabilities			
Current Liabilities			
Trade and other payables	4	51,499	590,358
Total Equity and Liabilities		3,383,185	3,007,687

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Statement of Comprehensive Income

	Note(s)	2017 R	2016 R
Revenue	5	15,627,133	14,279,350
Other income	6	1,192,000	783,310
Operating expenses		(16,101,328)	(14,048,105)
Surplus for the year		717,805	1,014,555
Investment revenue	7	196,552	96,514
Surplus for the year		914,357	1,111,069

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Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 July 2015	1,306,260	1,306,260
Surplus for the year	1,111,069	1,111,069
Balance at 01 July 2016	2,417,329	2,417,329
Surplus for the year	914,357	914,357
Balance at 30 June 2017	3,331,686	3,331,686

Note(s)

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Annual Financial Statements for the year ended 30 June 2017

Statement of Cash Flows

	Note(s)	2017 R	2016 R
Cash flows from operating activities			
Cash receipts from participants / special levy payers		15,127,133	14,446,040
Cash paid to suppliers and employees		(14,850,500)	(13,153,175)
Cash generated from operations	11	276,633	1,292,865
Interest income		196,552	96,514
Net cash from operating activities		473,185	1,389,379
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9,686)	(35,636)
Total cash movement for the year		463,499	1,353,743
Cash at the beginning of the year		2,799,772	1,446,029
Total cash at end of the year	3	3,263,271	2,799,772

Voortrekker Road Corridor Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, 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 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

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

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

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years
Security systems	Straight line	3 years

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in surplus or deficit.

1.2 Financial Instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.3 Tax

Tax expenses

No provision has been made for current tax, nor deferred taxation as the Company is exempt from income tax in terms of Section 10 (excluding S10 (1)(e)) of the Income Tax Act.

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.5 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.6 Revenue

Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable from sponsorships, donations and special levies, net of VAT

Support of the company objectives through non-monetary support and contributions are recognised in the annual report.

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

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Notes to the Annual Financial Statements

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
2. Property, plant and equipment						
Furniture and fixtures	24,249	(19,842)	4,407	24,249	(15,910)	8,339
Motor vehicles	372,588	(293,990)	78,598	372,588	(219,473)	153,115
Office equipment	38,598	(32,171)	6,427	38,598	(25,736)	12,862
IT equipment	102,729	(72,512)	30,217	93,042	(59,444)	33,598
Security System	8,668	(8,667)	1	8,668	(8,667)	1
Total	546,832	(427,182)	119,650	537,145	(329,230)	207,915
Reconciliation of property, plant and equipment - 2017						
	Opening balance	Additions	Depreciation	Total		
Furniture and fixtures	8,339	-	(3,932)	4,407		
Motor vehicles	153,115	-	(74,517)	78,598		
Office equipment	12,862	-	(6,435)	6,427		
IT equipment	33,598	9,686	(13,067)	30,217		
Security System	1	-	-	1		
	207,915	9,686	(97,951)	119,650		
Reconciliation of property, plant and equipment - 2016						
	Opening balance	Additions	Depreciation	Total		
Furniture and fixtures	12,272	-	(3,933)	8,339		
Motor vehicles	227,633	-	(74,518)	153,115		
Office equipment	19,296	-	(6,434)	12,862		
IT equipment	7,114	35,636	(9,152)	33,598		
Security System	1	-	-	1		
	266,316	35,636	(94,037)	207,915		
3. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Bank balances				3,263,271		2,799,772
4. Trade and other payables						
Amounts received in advance				-		500,000
VAT				33,723		43,970
Other payables				-		46,388
Accrued expense				17,776		-
				51,499		590,358
5. Revenue						
Revenue - SRA Rates				14,946,222		13,910,290
COCT - Retention Funds				680,911		369,060
				15,627,133		14,279,350

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Annual Financial Statements for the year ended 30 June 2017

Notes to the Annual Financial Statements

	2017 R	2016 R
6. Other income		
Monthly Parking Management Fee	682,700	420,000
Other income	509,300	363,310
	1,192,000	783,310
7. Investment revenue		
Interest revenue		
Bank	196,552	96,514
8. Auditor's remuneration		
Fees	20,900	16,350
9. Parking income: Management agreement with S2P		
<p>The company concluded a parking management agreement with S2P during the previous financial year. This agreement is currently being renegotiated with retro-active effect. Although in terms of the original agreement a total amount of R 2,416,680 was due to the company on 30 June 2017, only the actual funds received from S2P (R 682 700) is recognised as income in this set of financial statements.</p>		
10. Parking Management: Lease agreement with COCT		
<p>The company concluded a property lease agreement with the COCT during the previous financial year. This agreement is currently being renegotiated with retro-active effect. The original property lease agreement provides for the payment of rental, property rates and other property related fees and charges by the VRCID. Although a total amount of R1,736,640 was due to the COCT on 30 June 2017 in terms of the original agreement, only the actual amounts paid during the year (R 538 596) are recognised as operating expenses in this set of financial statements.</p>		
11. Cash generated from operations		
Profit before taxation	914,357	1,111,069
Adjustments for:		
Depreciation and amortisation	97,951	94,037
Interest received	(196,552)	(96,514)
Changes in working capital:		
Trade and other receivables	(264)	
Trade and other payables	(538,859)	184,273
	276,633	1,292,865

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Notes to the Annual Financial Statements

	2017 R	2016 R
12. Related parties		
Relationships		
Common Directors		
		Bubesi Investments 34 Proprietary Limited
		Radio Tygerber NPO
		Greater Tygerberg Partnership NPO
Related party balances and transactions with other related parties		
Related party balances		
Payment made by company to related parties with regards to the rent and services agreement		
Greater Tygerberg Partnership NPC	332,989	281,239
13. Directors' remuneration		
No emoluments were paid to the directors during the year.(2016: Nil)		

Voortrekker Road Corridor Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2017

Detailed Income Statement

	Note(s)	2017 R	2016 R
Revenue			
Revenue - SRA Rates		14,946,222	13,910,290
COCT - Retention Funds		680,911	369,060
	5	15,627,133	14,279,350
Other income			
Interest received	7	196,552	96,514
Other income		509,300	363,310
Parking Income	9	682,700	420,000
		1,388,552	879,824
Operating expenses			
Accounting fees		52,928	46,615
Advertising		238,023	95,464
Auditors remuneration	8	20,900	16,350
Bank charges		8,229	6,616
Cleaning		2,187,137	2,051,549
Computer expenses		12,311	16,322
Depreciation, amortisation and impairments		97,951	94,037
Employee costs		2,916,053	2,586,156
Environmental upgrading		53,768	39,135
Insurance		49,812	35,400
Law Enforcement		295,224	316,719
Office cleaning		33,663	-
Other expenses		114,133	107,078
Parking Management - Lease COCT	10	538,596	-
Petrol & oil		382,528	423,191
Printing and stationery		74,164	56,235
Professional Fees		-	14,000
Projects - Operations		71,092	90,000
Rent and Utilities		183,030	184,550
Repairs and maintenance		1,495	-
Security		8,448,453	7,686,631
Social upliftment		159,819	85,370
Telephone and fax		162,019	96,687
		16,101,328	14,048,105
Surplus for the year		914,357	1,111,069