Triangle Industrial City Improvement District NPC
(Registration number 2005/029020/08)
Financial statements
for the year ended 30 June 2018

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(Registration number: 2005/029020/08)
Financial Statements for the year ended 30 June 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Community based business development project
Directors	AG Meyer NR Jansen GI Horsburgh
Registered office	Shiraz House The Vineyards Office Estate 99 Jip de Jager Road Bellville 7530
Bankers	Standard Bank
Auditors	Haumann Rodger Bellville Incorporated Chartered Accountants (SA) Shiraz House The Vineyards Office Estate 99 Jip de Jager Road Bellville 7530
Secretary	DL Cameron
Company registration number	2005/029020/08
Tax reference number	9330/753/15/4
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: W Pienaar Chartered Accountants (SA)
Issued	21 August 2018

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Level of assurance

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

Preparer

W Pienaar
Chartered Accountants (SA)

Published

21 August 2018

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 4.

The financial statements set out on pages 8 to 15, which have been prepared on the going concern basis, were approved by the board of directors on _____ and were signed by:

AG Meyer

NR Jansen

GI Horsburgh

HAUMANN RODGER
chartered accountants

Haumann Rodger Bellville Inc. Reg 2008/008838/21
Shiraz House, The Vineyards Office Estates, 99 Jip De Jager Road, Bellville
PO Box 3759, Tyger Valley, 7536, info@haumann.co.za, Tel: 021 913 8152, Fax: 086 680 4020

JW Trytsman CA (SA) W Pienaar CA (SA)

Independent Auditor's Report

To the directors of Triangle Industrial City Improvement District NPC

Opinion

We have audited the financial statements of Triangle Industrial City Improvement District NPC set out on pages 8 to 15, which comprise the statement of financial position as at 30 June 2018, 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 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 Triangle Industrial City Improvement District NPC as at 30 June 2018, 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 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 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.

Independent Auditor's Report

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, 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 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 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:

- 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.

Haumann Rodger Bellville Incorporated
JW Trystman
Partner
Chartered Accountants (SA)

21 August 2018

Shiraz House
The Vineyards Office Estate
99 Jip de Jager Road
Bellville
7530

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Triangle Industrial City Improvement District NPC for the year ended 30 June 2018.

1. Incorporation

The company was incorporated on 18 August 2005 and obtained its certificate to commence business on the same day.

2. Nature of business

Triangle Industrial City Improvement District NPC was incorporated in South Africa with interests in the non-profit industry. The company operates in South Africa.

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

3. Review of financial results and activities

The 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.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Directors

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

PF Bauer	Resigned 20 November 2017
C Munro	Resigned 20 February 2018
ML Claassen	Resigned 15 February 2018
AG Meyer	
NR Jansen	
GI Horsburgh	
MP Boddy	Resigned 20 April 2018

Mr C Munro resigned as a non-executive director effective 20 February 2018. Mr PF Bauer resigned as a non-executive director effective 20 November 2017. Mr ML Claasen resigned as a non-executive director effective 15 February 2018. Mr MP Boddy resigned as a non-executive director effective 20 April 2018. The board of directors expressed their sincere appreciation to the outgoing directors for his contribution during his respective periods in office.

5. 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.

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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.

Directors' Report

7. Auditors

Haumann Rodger Bellville Incorporated continued in office as auditors for the company for 2018.

At the AGM, the shareholders will be requested to reappoint Haumann Rodger Bellville Incorporated as the independent external auditors of the company and to confirm Mr JW Trystman as the designated lead audit partner for the 2019 financial year.

8. Secretary

The company secretary is DL Cameron.

Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	920 333	1 005 430
Current Assets			
Trade and other receivables	3	25 953	12 686
Cash and cash equivalents	4	1 645 068	1 258 382
		1 671 021	**1 271 068**
Total Assets		**2 591 356**	**2 276 497**
Equity and Liabilities			
Equity			
Retained income		2 526 198	2 201 865
Liabilities			
Current Liabilities			
Trade and other payables	5	65 158	74 632
Total Equity and Liabilities		**2 591 356**	**2 276 497**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue			
Rendering of services		2 056 720	1 949 006
Other income			
Interest received		68 535	42 024
Other income		1 000	3 570
Retention fund		132 642	194 520
Waste		2 252	3 512
		204 429	**243 626**
Operating expenses			
Accounting fees		28 247	24 110
Advertising		9 345	-
Auditors remuneration	8	12 420	11 500
Bad debts		-	5 666
Bank charges		7 670	6 850
Camera monitoring expenses		26 910	21 000
Cleaning		303 730	286 395
Computer expenses		11 823	26 581
Depreciation, amortisation and impairments		115 446	110 860
Employee costs		323 868	304 082
Fines and penalties		445	-
Functions and meetings		16 533	15 945
Insurance		15 534	14 744
Metrorail maintenance		8 790	4 500
Motor vehicle expenses		117 676	122 767
Printing and stationery		3 097	4 298
Repairs and maintenance		17 022	14 141
Security		892 440	835 200
Social uplift		-	3 744
Staff welfare		981	2 852
Telephone and fax		23 506	21 639
Trailer expenses		246	213
Workmens compensation		1 087	1 259
		1 936 816	**1 838 346**
Profit for the year		**324 333**	**354 286**
Other comprehensive income		-	-
Total comprehensive income for the year		**324 333**	**354 286**

Triangle Industrial City Improvement District NPC

(Registration number: 2005/029020/08)
Financial Statements for the year ended 30 June 2018

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 July 2016	**1 847 579**	**1 847 579**
Profit for the year	354 286	354 286
Other comprehensive income	-	-
Total comprehensive income for the year	**354 286**	**354 286**
Balance at 01 July 2017	**2 201 865**	**2 201 865**
Profit for the year	324 333	324 333
Other comprehensive income	-	-
Total comprehensive income for the year	**324 333**	**324 333**
Balance at 30 June 2018	**2 526 198**	**2 526 198**

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash receipts from customers		2 043 453	2 150 608
Cash paid to suppliers and employees		(1 694 953)	(1 683 941)
Cash generated from operations	9	348 500	466 667
Interest income		68 535	42 024
Net cash from operating activities		**417 035**	**508 691**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(37 225)	(38 326)
Sale of property, plant and equipment	2	6 876	-
Net cash from investing activities		**(30 349)**	**(38 326)**
Total cash movement for the year		**386 686**	**470 365**
Cash at the beginning of the year		1 258 382	788 017
Total cash at end of the year	4	**1 645 068**	**1 258 382**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The 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 financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

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.

Cost includes 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.

The initial estimate of the costs of dismantling and removing an asset and restoring the site on which it is located is also included in the cost of property, plant and equipment, when such dismantling, removal and restoration is obligatory.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Boundry wall	Straight line	15 years
Computer equipment	Straight line	3 years
Trailers	Straight line	5 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Accounting Policies

1.2 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.3 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

Notes to the Financial Statements

Figures in Rand	2018	2017

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Boundry wall	1 186 861	(345 759)	841 102	1 158 640	(268 516)	890 124
IT equipment	33 400	(26 396)	7 004	24 395	(23 653)	742
Trailer	45 000	(45 000)	-	45 000	(36 000)	9 000
Camera equipment	132 307	(60 080)	72 227	139 183	(33 619)	105 564
Total	**1 397 568**	**(477 235)**	**920 333**	**1 367 218**	**(361 788)**	**1 005 430**

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Boundry wall	890 124	28 221	-	(77 243)	841 102
IT equipment	742	9 004	-	(2 742)	7 004
Trailer	9 000	-	-	(9 000)	-
Camera equipment	105 564	-	(6 876)	(26 461)	72 227
	1 005 430	**37 225**	**(6 876)**	**(115 446)**	**920 333**

3. Trade and other receivables

Deposits	1 400	1 400
Trade receivables	24 553	11 286
	25 953	**12 686**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1 644 568	1 257 882
Cash on hand	500	500
	1 645 068	**1 258 382**

5. Trade and other payables

Payroll accrual	-	3 971
Trade payables	39 279	47 839
VAT	25 879	22 822
	65 158	**74 632**

6. Revenue

Rendering of services	2 056 720	1 949 006

Notes to the Financial Statements

Figures in Rand	2018	2017

7. Other income

Other income	1 000	3 570
Retention fund	132 642	194 520
Waste	2 252	3 512
	135 894	**201 602**

As at 30 June 2018 the total retention held by the City of Cape Town amounted to R 63,609.90

8. Auditor's remuneration

Fees	12 420	11 500

9. Cash generated from operations

Profit before taxation	324 333	354 286
Adjustments for:		
Depreciation and amortisation	115 446	110 860
Interest received	(68 535)	(42 024)
Rounding of cashflow	(3)	(1)
Changes in working capital:		
Trade and other receivables	(13 267)	7 661
Trade and other payables	(9 474)	35 885
	348 500	**466 667**

10. Going concern

The 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.