

**Groote Schuur Community Improvement District Company
(Registration number 2010/001964/08)
Annual financial statements
for the year ended 30 June 2014**

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

Published 2014-08-28

Groote Schuur Community Improvement District Company

(Registration number 2010/001964/08)

Annual Financial Statements for the year ended 30 June 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Improving and uplifting of specific geographical areas identified by local government
Directors	N Fraser Andre Theys G Huntingford J Hobday Guy Lamb Shai Makgoba Alderman Owen Kinahan Emmanuel Wope T Davenport
Registered office	1 Waterford Mews Century Boulevard Century City 7441
Postal address	PO Box 34505 Groote Schuur 7937
Bankers	ABSA Bank
Auditors	Cecil Kilpin & Co Registered Auditors
Company registration number	2010/001964/08

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

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

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Independent Auditors Report

To the members of Groote Schuur Community Improvement District Company

We have audited the annual financial statements of Groote Schuur Community Improvement District Company, as set out on pages 6 to 13, which comprise the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity 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 Annual Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

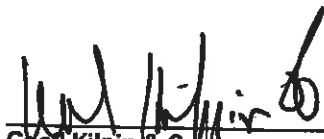
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Groote Schuur Community Improvement District Company as at 30 June 2014, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 14 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.


Cecil Kilpin & Co
Registered Auditors
Per Partner: S Schonegevel

Century City
Date: 2014-03-28

Groote Schuur Community Improvement District Company

(Registration number 2010/001964/08)

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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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

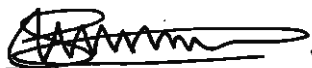
The directors have reviewed the company's cash flow forecast for the year to 30 June 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the board and signed on its behalf by:



Director



Director

Cape Town

Date: 28/08/14

Groote Schuur Community Improvement District Company

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Annual Financial Statements for the year ended 30 June 2014

Directors' Report

The directors submit their report for the year ended 30 June 2014.

1. Review of activities

Main business and operations

The company is engaged in improving and uplifting of specific geographic areas within the boundaries identified by the directors and approved by property owners in terms of the Special Rating Area By-Law of the City of Cape Town, 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.

Net surplus of the company was R 258,180 (2013: surplus R 35,538), after taxation of R - (2013: R -).

2. 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.

3. Directors

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

Name

N Fraser
Andre Theys
G Huntingford
J Hobday
Guy Lamb
Shai Makgoba
Alderman Owen Kinahan
Emmanuel Wope
T Davenport

4. Secretary

The secretary of the company is AHV Davies of:

Business address

Shell Court, 93 Main road
Mowbray
7708

5. Auditors

Cecil Kilpin & Co will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

6. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

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Annual Financial Statements for the year ended 30 June 2014

Statement of Financial Position as at 30 June 2014

	Note(s)	2014 R	2013 R
Assets			
Current Assets			
Trade and other receivables		31,870	21,679
Cash and cash equivalents	2	773,318	693,066
		805,188	714,745
Total Assets			
		805,188	714,745
Equity and Liabilities			
Equity			
Retained surplus		784,467	526,287
Liabilities			
Current Liabilities			
Trade and other payables	3	20,721	188,458
Total Equity and Liabilities			
		805,188	714,745

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Annual Financial Statements for the year ended 30 June 2014

Statement of Comprehensive Income

	Note(s)	2014 R	2013 R
Revenue			
Other income	4	4,364,227	4,136,255
Operating expenses		229,353	186,151
Operating surplus		(4,346,390)	(4,286,924)
Investment revenue		247,190	35,482
Surplus for the year	5	10,990	56
Other surplus		258,180	35,538
Total surplus for the year		258,180	35,538

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Statement of Changes in Equity

	Retained surplus	Total equity
	R	R
Balance at 01 July 2012	490,749	490,749
Surplus for the year	35,538	35,538
Other surplus	-	-
Total surplus for the year	35,538	35,538
Balance at 01 July 2013	526,287	526,287
Surplus for the year	258,180	258,180
Other surplus	-	-
Total surplus for the year	258,180	258,180
Balance at 30 June 2014	784,467	784,467

Note(s)

Groote Schuur Community Improvement District Company

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Annual Financial Statements for the year ended 30 June 2014

Statement of Cash Flows

	Note(s)	2014 R	2013 R
Cash flows from operating activities			
Cash receipts from customers		4,583,389	4,322,406
Cash paid to suppliers and employees		(4,514,127)	(4,045,323)
Cash generated from operations	8	69,262	277,083
Interest income		10,990	56
Net cash from operating activities		80,252	277,139
Total cash movement for the year			
Cash at the beginning of the year		693,066	415,927
Total cash at end of the year	2	773,318	693,066

Groote Schuur Community Improvement District Company

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Annual Financial Statements for the year ended 30 June 2014

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, 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, 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 includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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, which is as follows:

Item	Average useful life
Plant and machinery	5 years
Furniture and fixtures	6 years
Mobile Kiosks	5 years
IT equipment	3 years
Computer software	2 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

1.3 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense as they are incurred.

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Accounting Policies

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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 profit or loss.

1.5 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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

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Annual Financial Statements for the year ended 30 June 2014

Notes to the Annual Financial Statements

	2014 R	2013 R
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	773,318	693,066
3. Trade and other payables		
Trade payables	-	158,606
VAT	20,721	29,852
	20,721	188,458
4. Revenue		
Revenue	4,364,227	4,136,255
5. Investment revenue		
Interest revenue		
Bank	10,990	56
6. Taxation		
No provision has been made for 2014 tax as the company is exempt from Income Tax due to the company being a non-profit organisation incorporated under section 21.		
7. Auditors' remuneration		
Fees	11,350	11,250
8. Cash generated from operations		
Profit before taxation	258,180	35,538
Adjustments for:		
Interest received	(10,990)	(56)
Property, plant and equipment donated at net book value	-	203,465
Changes in working capital:		
Trade and other receivables	(10,191)	(21,679)
Trade and other payables	(167,737)	59,815
	69,262	277,083

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Notes to the Annual Financial Statements

		2014	2013
		R	R
9. Related parties			
Associated Company	Groote Schuur Management NPC		
Related party balances and transactions with entities with control, joint control or significant influence over the company			
Related party balances			
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Groote Schuur Management NPC		27,850	21,679
Related party transactions			
Administration fees paid to (received from) related parties			
Groote Schuur Management NPC		707,500	642,000

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Detailed Income Statement

	Note(s)	2014 R	2013 R
Revenue			
Revenue		4,364,227	4,136,255
Other income			
Donations received		-	32,688
Retention refund		229,353	153,463
Interest received	5	10,990	56
		240,343	186,207
Operating expenses			
Accounting fees		30,000	27,305
Administration and management fees		707,500	642,000
Auditors' remuneration	7	11,350	11,250
Bank charges		5,768	5,783
Cleaning		852,240	740,829
Contingencies and sundries		22,530	10,458
Donations		-	203,465
Minor assets		5,800	-
Printing and stationery		1,940	4,445
Promotions		155,887	188,115
Security		2,553,375	2,453,274
		4,346,390	4,286,924
Surplus for the year		258,180	35,538
Other surplus		-	-
Total surplus for the year		258,180	35,538