BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)
(Registration number 2005/036286/08)

AUDITED FINANCIAL STATEMENTS
for the year ended 30 June 2006

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

AUDITED FINANCIAL STATEMENTS
for the year ended 30 June 2006

COMPANY INFORMATION

Registration number:	2005/036286/08
Registered address:	Wimbledon Road Blackheath 7580
Postal address:	P.O. Box 226 Paarl 7620
Auditors:	PricewaterhouseCoopers Inc. PricewaterhouseCoopers Building Zomerlust Estate Berg River Boulevard Paarl 7646
Bankers:	Standard Bank Limited

CONTENTS

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

STATEMENT OF RESPONSIBILITY BY THE DIRECTORS
for the year ended 30 June 2006

The directors is responsible for the preparation, integrity and fair presentation of the financial statements of Blackhetah City Improvement District (Association Incorporated Under Section 21). The financial statements presented on pages 3 to 20 have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP), and include amounts based on judgements and estimates made by management.

The going concern basis has been adopted in preparing the financial statements. The directors has no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company.

The directors is also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of the assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the director to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers Incorporated, which was given unrestricted access to all financial records and related data, including minutes of all meetings of members and the board of directors. The director believes that all representations made to the independent auditors during their audit are valid and appropriate.

The financial statements and the supplementary schedules, as set out on pages 3 to 23, were approved by the directors and are signed by them:

____
DIRECTOR

____
Date
PAARL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

We have audited the annual financial statements of Blackheath City Improvement District (Association Incorporated Under Section 21) set out on pages 3 to 20 for the year ended 30 June 2006. These financial statements are the responsibility of the company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company at 30 June 2006, and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules, set out on pages 21 to 23, do not form part of the audited financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

PRICEWATERHOUSECOOPERS INC.
REGISTERED ACCOUNTANTS AND AUDITORS

Date
PAARL

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

REPORT OF THE DIRECTOR
for the year ended 30 June 2006

The director presents his annual report, which forms part of the audited financial statements of the company for the year ended 30 June 2006.

1. Nature of business

The company was established on 10/10/2005. The current business operations of the company are that of the improvement and promotion of the industrial area by providing and procuring the provision of services to and in the industrial area.

2. Financial results and dividends

The financial results of the company are set out in the attached financial statements.

No dividends were declared during the financial year.

3. Share capital

There are no issued share capital as the company is an association incorporated under section 21.

4. Directors and secretary

The present directors of the company is:

	Appointed
G Beukes	10/10/2005
DJ Bezuidenhout	10/10/2005
A Jeffery	10/10/2005
GA Kappers	10/10/2005
RA Louw	10/10/2005
GE Nelson	10/10/2005
JJ Stander	10/10/2005
PCH Van Noort	10/10/2005

The secretary of the company is PricewaterhouseCoopers Inc., whose business and postal address is:

Business:
Zomerlust Estate
Berg River Boulevard
Paarl
7646

Postal:
P O Box 226
Paarl
7620

5. Material events after year-end

No matter which is material to the financial affairs of the company has occurred between the balance sheet date and the date of approval of the financial statements.

6. Auditors

PricewaterhouseCoopers Inc. will continue in accordance with section 270 (2) of the Companies Act.

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

BALANCE SHEET
at 30 June 2006

	Notes	2006 R
ASSETS		
Non-current assets		
Furniture and equipment	5	4,001
		4,001
Current assets		
Trade and other receivables	6	148,995
Cash and cash equivalents	7	158,276
		307,271
Total assets		311,272
EQUITY		
Capital and reserves attributable to the equity holder of the Company		
Accumulated profit		273,299
Total equity		273,299
Current liabilities		
Trade and other payables	8	37,917
South African Revenue Services		56
Total liabilities		37,973
Total equity and liabilities		311,272

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

INCOME STATEMENT
for the year ended 30 June 2006

	Notes	2006 R
Income from services rendered	**9**	638,160
Other income	**10**	193
Administrative expenses		(364,998)
Operating profit	**11**	273,355
Profit before tax		273,355
Income tax expense	**13**	(56)
Profit for the year		273,299

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2006

	2006 R
ACCUMULATED PROFIT	
Beginning of year	-
Profit for the year	273,299
End of year	273,299
TOTAL EQUITY	273,299

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

CASH FLOW STATEMENT
for the year ended 30 June 2006

	Notes	2006 R
Cash flow from operating activities		
Cash generated from operations	**14**	168,364
Net cash generated from operating activities		168,364
Cash flow from investing activities		
Acquisition of furniture and equipment		(10,281)
Interest received		193
Net cash used in investing activities		(10,088)
Net increase in cash, cash equivalents and bank overdrafts		158,276
Cash, cash equivalents and bank overdrafts at end of year	7	158,276

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

1. GENERAL INFORMATION

The current business operations of the company are that of improvement and promotion of the industrial area by providing and procuring the provision of services to and in the industrial area.

The company is an unlisted association incorporated under section 21, incorporated and domiciled in South Africa. The address of its registered office is Wimbledon Road, Blackheath.

2. ACCOUNTING POLICY

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Blackheath City Improvement District have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP).

The preparation of financial statements in conformity with SA GAAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Interpretations and amendments to published standards effective in 2006

Certain new accounting standards, amendments and IFRIC interpretations have been published that are mandatory for accounting periods beginning on or after 1 January 2006 or later periods but which the company has not early adopted. The assessment of the impact of these new standards and interpretations is set out below:

(i) IFRS 7 (AC 144), Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007).

2. ACCOUNTING POLICY (continued)

2.1 Basis of preparation (continued)

IFRS 7 (AC 144) introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 (AC101) introduces disclosures about the level of an entity's capital and how it manages capital.

(ii) IFRIC 4 (AC 437) - Determining whether an Arrangement Contains a Lease (effective from 1 January 2006).

IFRIC 4 (AC 437) applies to situations where an entity enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset (eg. an item of property, plant or equipment) in return for a payment or series of payments. The IFRIC proposes that these contracts be treated as leases in accordance with IAS 17 (AC 105).

Management have determined that the following new accounting standards, amendments and IFRIC interpretations will not have an effect on the financial results or financial statements of the company.

		Effective date
(iii)	IAS 19 (AC 116) (Amendment) - Employee Benefits - Amendment December 2004	01/01/2006
(iv)	IAS 21 (AC 112) (Amendment) - Net Investment in a Foreign Operation - December 2005	01/01/2006
(v)	IAS 39 (AC 133) and IFRS 4 (AC 141) Amendments - Financial Guarantee Contracts (August 2005)	01/01/2006
(vi)	IAS 39 (AC 133) (Amendment) - Cash Flow Hedge Accounting of Forecast Intragroup Transactions - Amendment April 2005	01/01/2006

2. ACCOUNTING POLICY (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments (continued)

(vii)	IAS 39 (AC 133) (Amendment) - The Fair Value Option - Amendment June 2005	01/01/2006
(viii)	IFRS 6 (AC 143) (Amendment) - Exploration for and Evaluation of Mineral Resources (June 2005)	01/01/2006
(ix)	IFRIC Interpretation 5 (AC 438) - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	01/01/2006
(x)	IFRIC Interpretation 6 (AC 439) - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	01/12/2005
(xi)	IFRIC Interpretation 7 (AC 440) - Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	01/03/2006
(xii)	IFRIC Interpretation 8 (AC 441) - Scope of IFRS 2	01/05/2006
(xiii)	IFRIC Interpretation 9 (AC 442) - Reassessment of Embedded derivatives - March 2006	01/06/2006

2.2 Furniture and equipment

Furniture and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2. ACCOUNTING POLICY (continued)

2.2 Furniture and equipment (continued)

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Office furniture	- 6 years
Office equipment	- 6 years
Computer equipment	- 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.4 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2. ACCOUNTING POLICY (continued)

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown seperately on the face of the balance sheet.

2.6 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.7 Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets through profit and loss

This category has two sub-categories: 'financial assets held for trading', and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

2. ACCOUNTING POLICY (continued)

2.7 Financial assets (continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Current loans and receivables are classified as 'trade and other receivables' in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expected in the income statement.

Regular purchases and sales of investments are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expected in the income statement. Investments 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. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the income statement within 'other gains/(losses) – net' in the period in which they arise.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the company's right to receive payments is established.

2. ACCOUNTING POLICY (continued)

2.7 Financial assets (continued)

(c) Available-for-sale financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. 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 that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 2.4.

2.8 Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. ACCOUNTING POLICY (continued)

2.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.10 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.11 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for levy income for the delivering of services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the company. Revenue is recognised as follows:

(a) Levy income for the delivery of services

Levy income for the delivery of services are recognised in advance when the company commits to the delivering of the service.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

(a) Market risk

(i) Price risk

The company is not exposed to significant price and commodity price risk.

(b) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. The company has policies that limit the amount of credit exposure to any financial institution.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company aims to maintain flexibility in funding by keeping committed credit lines available.

(d) Cash flow and fair value interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates. The company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the company is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant and equipment

Property, plant and equipment is depreciated over the useful lives of the assets taking into consideration any residual values at the end of the useful lives. The residual values and useful lives of the assets are based on the industry knowledge of management.

4.2 Critical judgements in applying the entity's accounting policies

Management did not make any critical judgements in applying the entity's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

5. FURNITURE AND EQUIPMENT

	Office Furniture R	Office Equipment R	Computer Equipment R	Total R
2006				
Book value 1 July 2005	-	-	-	-
Purchases	1,121	1,500	7,660	10,281
Depreciation	(1,120)	(1,499)	(3,661)	(6,280)
Book value 30 June 2006	1	1	3,999	4,001
Cost price	1,121	1,500	7,660	10,281
Accumulated depreciation	(1,120)	(1,499)	(3,661)	(6,280)
Book value 30 June 2006	1	1	3,999	4,001

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

	2006 R
6. TRADE AND OTHER RECEIVABLES	
Trade receivables	148,995
7. CASH AND CASH EQUIVALENTS	
Cash at bank	107,850
Cash on hand	233
Notice deposit	50,193
	158,276
For the purpose of the cash flow statement the year-end cash and cash equivalents comprise the following:	
Cash at bank	107,850
Cash on hand	233
Notice deposit	50,193
	158,276
8. TRADE AND OTHER PAYABLES	
South African Revenue Services - VAT	24,611
Trade payables	13,306
	37,917
9. INCOME FROM SERVICES RENDERED	
Income from services rendered consists of invoiced levy income net of Value Added Tax and discounts.	
Levy income	638,160
10. OTHER INCOME	
Interest received	193

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

	2006 R
11. OPERATING PROFIT	
The following items have been debited in arriving at operating profit:	
Depreciation	6,280
Rent paid	3,342
Audit fees	3,000
12. EMPLOYEE BENEFIT EXPENSE	
Salaries and wages	106,745
Workmen's compensation	413
	107,158
13. INCOME TAX EXPENSE	
SA Normal Tax	
Current tax	56
Tax reconciliation	
Profit before tax	273,355
Tax calculated at a tax rate of 29%:	79,273
Exempt income in terms of section 10(1)(e)(iii)	(185,066)
Exempt expenditure incurred in generating exempt income (sect23(f))	105,849
	56
14. RECONCILIATION OF PROFIT BEFORE TAX AND CASH GENERATED FROM OPERATIONS	
Profit before tax	273,355
Adjusted for:	
Interest received	(193)
Depreciation	6,280
Movement in current assets and liabilities	
Increase in creditors	37,917
Increase in debtors	(148,995)
	168,364

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

(This schedule has been prepared solely for the information of management and does not form part of the audited financial statements for the year ended 30 June 2006.)

SCHEDULE 1: DETAILED INCOME STATEMENT
for the year ended 30 June 2006

	2006 R
INCOME	
Levy income	638,160
OTHER INCOME	
Interest received	193
Total income	638,353
Less: EXPENSES	364,998
Audit fees	3,000
Bank charges	1,126
Cleaning	30,760
Depreciation	6,280
Entertainment	400
Legal expenses	1,125
Marketing	2,908
Office expenses	2,583
Postage	1,648
Printing & stationery	3,245
Regional services council levy	58
Rent paid	3,342
Repairs & maintenance	1,000
Salaries & wages	106,745
Security	199,483
Telephone	882
Workmans compensation	413
Profit for the year	273,355

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

(These schedules have been prepared solely for the information of management and does not form part of the audited financial statements for the year ended 30 June 2006.)

SCHEDULE 2: STATEMENT OF FIXED ASSETS AND DEPRECIATION
for the year ended 30 June 2006

		Book value 01/07/2005 R	Additions R	Depreciation R	Cost price R	Accumulated Depreciation R	Book value 30/06/2006 R
OFFICE FURNITURE - 6 YEARS							
Filing cabinet	(08/05)	-	1,120.62	1,119.62	1,120.62	1,119.62	1.00
		-	1,120.62	1,119.62	1,120.62	1,119.62	1.00
OFFICE EQUIPMENT - 6 YEARS							
Canon digital camera	(08/05)	-	1,499.94	1,498.94	1,499.94	1,498.94	1.00
		-	1,499.94	1,498.94	1,499.94	1,498.94	1.00
COMPUTER EQUIPMENT - 3 YEARS							
Prodline celeron 2.4 Ghz computer	(07/05)	-	5,995.00	1,998.00	5,995.00	1,998.00	3,997.00
60 Gb Hard drive	(06/06)	-	768.75	767.75	768.75	767.75	1.00
Windows XP pro software	(06/06)	-	896.49	895.49	896.49	895.49	1.00
		-	7,660.24	3,661.24	7,660.24	3,661.24	3,999.00
		-	10,280.80	6,279.80	10,280.80	6,279.80	4,001.00

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)
(Reference number: 9297/979/15/6)

(This schedule has been prepared solely for the information of management and does not form part of the audited financial statements for the year ended 30 June 2006.)

TAX CALCULATION
for the year ended 30 June 2006

	EXEMPT R	TAXABLE R	TOTAL R
Levies received	638,160	-	638,160
Interest received	-	193	193
	638,160	193	638,353
less: Income exempt in terms of section 10(1)(e)(iii)	(638,160)	-	(638,160)
	-	193	193
less: Expenditure	-	-	-
Per Income Statement	364,998	-	364,998
less: Expenditure incurred in generating exempt income (sect 23(f))	(364,998)	-	(364,998)
Taxable income	-	193	193
Tax thereon @ 29%			55.97