BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

AUDITED FINANCIAL STATEMENTS
For the year ended 30 June 2007

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

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PRICEWATERHOUSECOOPERS

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BLACKHEATH CITY IMPROVEMENT DISTRICT (ASSOCIATION INCORPORATED UNDER SECTION 21)

Report on the financial statements

We have audited the annual financial statements of Blackheath City Improvement District (Association Incorporated Under Section 21), which comprise the director's report, the balance sheet as at 30 June 2007, the income statement, the statement of changes in equity, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 22.

Director's Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 30 June 2007, and of their financial performance and their 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that the supplementary schedules, set out on pages 23 to 25, 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.

PricewaterhouseCoopers Inc
Director: TS Bruwer
Registered Auditor
Paarl

29/08/2007
Date

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

REPORT OF THE DIRECTOR
for the year ended 30 June 2007

The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 30 June 2007.

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 is 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 / (Resigned)
G Beukes	10/10/2005
DJ Bezuidenhout	(25/10/2006)
A Jeffery	10/10/2005
GA Kappers	10/10/2005
RA Louw	10/10/2005
GE Nelson	10/10/2005
JJ Stander	(25/10/2006)
PCH Van Noort	10/10/2005
GM Noonan	25/10/2006
TC Denton	25/10/2006

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 2007

	Notes	2007 R	2006 R
ASSETS			
Non-current assets			
Furniture and equipment	5	12 975	4 001
Current assets			
Trade and other receivables	6	1 332	148 995
Cash and cash equivalents	7	201 523	158 276
		202 855	307 271
Total assets		215 830	311 272
EQUITY			
Capital and reserves attributable to the equity holder of the Company			
Accumulated profit		193 805	273 299
Total equity		193 805	273 299
Current liabilities			
Trade and other payables	8	18 286	37 917
South African Revenue Services		3 739	56
Total liabilities		22 025	37 973
Total equity and liabilities		215 830	311 272

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

INCOME STATEMENT
for the year ended 30 June 2007

	Notes	2007 R	2006 R
Income from levies	**9**	638 158	638 160
Other income	**10**	14 785	193
Administrative expenses		(728 698)	(364 998)
Operating (loss)/profit	**11**	(75 755)	273 355
Income tax expense	**13**	(3 739)	(56)
(Loss)/Profit for the year		(79 494)	273 299

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2007

	2007 R	2006 R
ACCUMULATED PROFIT		
Beginning of year	273 299	-
(Loss)/Profit for the year	(79 494)	273 299
End of year	193 805	273 299
TOTAL EQUITY	193 805	273 299

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

CASH FLOW STATEMENT
for the year ended 30 June 2007

	Notes	2007 R	2006 R
Cash flow from operating activities			
Cash generated from operations	**14**	43 094	168 364
Taxation paid		(56)	-
Net cash generated from operating activities		43 038	168 364
Cash flow from investing activities			
Acquisition of furniture and equipment		(14 374)	(10 281)
Disposal of furniture and equipment		1 999	-
Interest received		12 584	193
Net cash generated/(used) in investing activities		209	(10 088)
Net increase in cash, cash equivalents and bank overdrafts		43 247	158 276
Cash, cash equivalents and bank overdrafts at beginning of the year		158 276	-
Cash, cash equivalents and bank overdrafts at end of year	**7**	201 523	158 276

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

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 General Accepted Accounting Practice (SA GAAP). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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.

(a) *The following standards, amendments and interpretations is mandatory for accounting periods beginning on or after 1 January 2006, but is not relevant tot the company's operations:*

(i) IAS 19 (Amendment), Employee benefits

(ii) IAS 21 (AC 112) (Amendment) - Net Investment in a Foreign Operation

(iii) IAS 39 (AC 133) (Amendment) - Cash Flow Hedge Accounting of Forecast Intragroup Transactions

(iv) IAS 39 (AC 133) (Amendment) - The Fair Value Option

(v) IAS 39 and IFRS 4 (Amendment) - Financial Guarantee Contracts

2. ACCOUNTING POLICY (continued)

2.1 Basis of preparation (continued)

(vi) IFRS 1 (Amendment), First Time Adoption of International Financial Reporting Standards and IFRS 6 (AC 143) (Amendment) - Exploration for and Evaluation of Mineral Resources

(vii) IFRS 6, Exploration for and Evaluation of Mineral Resources

(viii) IFRIC 4, Determining whether an Arrangement contains a Lease

(ix) IFRIC 5 (AC 438), Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

(x) IFRIC 6 - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment

(xi) IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies

(b) *Interpretations of existing standards which is not yet effective nor relevant to the company's operations:*

(i) IFRIC 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1 May 2006). IFRIC 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Group will apply IFRIC 8 from 1 March 2007, but it is not expected to have any impact on the company's accounts.

(ii) IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Company will apply IFRIC 10 from 1 March 2007, but it is not expected to have any impact on the Company's accounts.

2. ACCOUNTING POLICY (continued)

2.1 Basis of preparation (continued)

(iii)

IFRIC 9, Reassessment of embedded derivatives (effective for annual periods beginning on or after 1 June 2006). IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As none of the company's has changed the terms of the contracts, IFRIC 9 is not relevant to the Company's operations.

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.

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. ACCOUNTING POLICY (continued)

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.

2.5 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 separately on the face of the balance sheet.

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.

2. ACCOUNTING POLICY (continued)

2.7 Financial assets (continued)

(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.

(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.

2. ACCOUNTING POLICY (continued)

2.7 Financial assets (continued)

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

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.

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.

2. ACCOUNTING POLICY (continued)

2.8 Provisions (continued)

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.

2.9 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.

3.2 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.

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Fair value estimation (continued)

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 2007

5. FURNITURE AND EQUIPMENT

	Office Furniture R	Office Equipment R	Computer Equipment R	Total R
2007				
Book value 1 July 2006	1	1	3 999	4 001
Purchases	-	1 404	12 970	14 374
Sales	-	-	(1 999)	
Depreciation	-	(1 403)	(1 998)	(3 401)
Book value 30 June 2007	1	2	12 972	14 974
Cost price	1 121	2 903	14 635	18 659
Accumulated depreciation	(1 120)	(2 901)	(1 663)	(5 684)
Book value 30 June 2007	1	2	12 972	12 975

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 R	2006 R

6. TRADE AND OTHER RECEIVABLES

	2007 R	2006 R
Trade receivables	-	148 995
South African Revenue Services - VAT	1 332	-
	1 332	148 995

7. CASH AND CASH EQUIVALENTS

	2007 R	2006 R
Cash at bank	37 607	107 850
Cash on hand	1 139	233
Notice deposit	162 777	50 193
	201 523	158 276

For the purpose of the cash flow statement the year-end cash and cash equivalents comprise the following:

	2007 R	2006 R
Cash at bank	37 607	107 850
Cash on hand	1 139	233
Notice deposit	162 777	50 193
	201 523	158 276

8. TRADE AND OTHER PAYABLES

	2007 R	2006 R
South African Revenue Services - VAT	-	24 611
Trade payables	18 286	13 306
	18 286	37 917

9. INCOME FROM SERVICES RENDERED

Income from services rendered consists of invoiced levy income net of Value Added Tax and discounts.

	2007 R	2006 R
Levy income	638 158	638 160

10. OTHER INCOME

	2007 R	2006 R
Interest received	12 584	193
Donations	1 700	-
Profit on sale of fixed asset	501	-
	14 785	193

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 R	2006 R

11. OPERATING PROFIT

The following items have been debited in arriving at operating profit:

	2007 R	2006 R
Expense by nature		
Depreciation	3 401	6 280
Rent paid	3 900	3 342
Auditors remuneration		
- Audit services	3 500	3 000
- Other services	3 482	-
	14 283	12 622

12. EMPLOYEE BENEFIT EXPENSE

	2007 R	2006 R
Salaries and wages	268 292	106 745
Workmen's compensation	-	413
	268 292	107 158

13. INCOME TAX EXPENSE

SA Normal Tax

	2007 R	2006 R
Current tax	3 739	56

Tax reconciliation

	2007 R	2006 R
(Loss)/profit before tax	(75 755)	273 355
Tax calculated at a tax rate of 29%:	(21 969)	79 273
Exempt income in terms of section 10(1)(e)(iii)	(185 559)	(185 066)
Exempt expenditure incurred in generating exempt income (sect23(f))	211 267	105 849
	3 739	56

	2007 R	2006 R
14. RECONCILIATION OF PROFIT BEFORE TAX AND CASH GENERATED FROM OPERATIONS		
(Loss)/profit before tax	(75 755)	273 355
Adjusted for:		
Interest received	(12 584)	(193)
Depreciation	3 401	6 280
Movement in current assets and liabilities		
(Decrease)/increase in creditors	(19 631)	37 917
Decrease/(increase) in debtors	147 663	(148 995)
	43 094	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 2007.)

SCHEDULE 1: DETAILED INCOME STATEMENT
for the year ended 30 June 2007

	2007 R	2006 R
INCOME		
Levy income	638 158	638 160
OTHER INCOME		
Interest received	12 584	193
Profit on sale of fixed assets	501	-
Donations received	1 700	-
Total income	652 943	638 353
Less: EXPENSES	728 698	364 998
Auditors remuneration		
- Audit services	3 500	3 000
- Other services	3 482	-
Bank charges	2 583	1 126
Cleansing	214 782	30 760
Depreciation	3 401	6 280
Donations	1 750	-
Entertainment	4 294	400
Legal expenses	6 621	1 125
Marketing	16 225	2 908
Office expenses	959	2 583
Projects	34 421	-
Printing & stationery	5 292	3 245
Regional services council levy	68	58
Rent paid	3 900	3 342
Repairs & maintenance	-	1 000
Salaries & wages	268 292	106 745
Security	135 262	199 483
Telephone & postage	23 866	2 530
Workman's compensation	-	413
(Loss)/profit for the year	(75 755)	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 2007.)

SCHEDULE 2: STATEMENT OF FIXED ASSETS AND DEPRECIATION
for the year ended 30 June 2007

		Book value 01/07/2006 R	Additions/ (Sales) R	Depreciation R	Cost price R	Accumulated Depreciation R	Book value 30/06/2007 R
OFFICE FURNITURE - 6 YEARS							
Filing cabinet	(08/05)	1.00	-	-	1 120.62	1 119.62	1.00
OFFICE EQUIPMENT - 6 YEARS							
Canon digital camera	(08/05)	1.00	-	-	1 499.94	1 498.94	1.00
Kodak C310 camera	(02/07)	-	1 403.51	1 402.51	1 403.51	1 402.51	1.00
		1.00	1 403.51	1 402.51	2 903.45	2 901.45	2.00
COMPUTER EQUIPMENT - 3 YEARS							
Prodline celeron 2.4 Ghz computer	(07/05)	3 997.00	(1 999.00)	1 998.00	-	-	-
60 Gb Hard drive	(06/06)	1.00	-	-	768.75	767.75	1.00
Windows XP pro software	(06/06)	1.00	-	-	896.49	895.49	1.00
Acer travelmate rekenaar	(06/07)	-	10 950.00	-	10 950.00	-	10 950.00
Canon pixma MP530 Printer	(06/07)	-	2 020.00	-	2 020.00	-	2 020.00
		3 999.00	10 971.00	1 998.00	14 635.24	1 663.24	12 972.00
		4 001.00	12 374.51	3 400.51	18 659.31	5 684.31	12 975.00

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 2007.)

TAX CALCULATION
for the year ended 30 June 2007

	EXEMPT R	TAXABLE R	TOTAL R
Levies received	638 158	-	638 158
Interest received	-	12 584	12 584
Donations received	1 700	-	1 700
Profit on sale of fixed asset	-	501	501
	639 858	13 085	652 943
less: Income exempt in terms of section 10(1)(e)(iii)	(639 858)	-	(639 858)
	-	13 085	13 085
less: Expenditure	-	192	192
Per Income Statement	728 506	192	728 698
less: Expenditure incurred in generating exempt income (sect 23(f))	(728 506)	-	(728 506)
Taxable income	-	12 893	12 893
Tax thereon @ 29%			3 739.06