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

AUDITED FINANCIAL STATEMENTS
For the year ended 30 June 2008

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

AUDITED FINANCIAL STATEMENTS
For the year ended 30 June 2008

COMPANY INFORMATION

Registration number:	2005/036286/08
Registered address:	Macadams Business Park Range Road Blackheath 7580
Postal address:	P.O. Box 12 Blackheath 7581
Auditors:	PricewaterhouseCoopers Inc. PricewaterhouseCoopers Building Zomerlust Estate Berg River Boulevard Paarl 7646
Bankers:	Standard Bank Limited

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BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

STATEMENT OF RESPONSIBILITY BY THE DIRECTORS
for the year ended 30 June 2008

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Blackheath City Improvement District (Association Incorporated Under Section 21). The financial statements presented on pages 4 to 20 have been prepared in accordance with South African Statement of Generally Accepted Accounting Practice for Small and Medium sized Entities (SA GAAP for SMEs), 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 have 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 are 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 directors to indicate that any material breakdown in the functioning of these controls, procedures and systems 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 4 to 23, were approved by the directors and are signed by them:

DIRECTOR

DIRECTOR

25 August 2008
Date
PAARL

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 2008, 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 20.

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 Statement of Generally Accepted Accounting Practice for Small and Medium sized Entities, 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.

Basis of qualification

In common with similar organizations, it is not feasible for the company to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified opinion

Except for the limitations mentioned as above, the financial statements present fairly, in all material respects, the financial position of the company as of 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with South African Statement of Generally Accepted Accounting Practice for Small and Medium sized Entities, and in the manner required by the Companies Act of South Africa.

Emphasis of matter

Without further qualifying our opinion, we draw attention to the fact that the company suffered a loss to the amount of R106 312 for the year ended 30 June 2008 (2007: R79 494). These circumstances, lead to a material uncertainty about the company's capability to continue as a going concern.

Other matter

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.

PricewaterhouseCoopers Inc
Director: TS Bruwer
Registered Auditor

25/08/2008

Date
Paarl

REPORT OF THE DIRECTOR
for the year ended 30 June 2008

The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 30 June 2008.

1. Nature of business

The 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 (2007 - Rnil).

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	(25/01/2008)
A Jeffery	(30/08/2007)
GA Kappers	10/10/2005
RA Louw	10/10/2005
GE Nelson	10/10/2005
PCH Van Noort	10/10/2005
GM Noonan	25/10/2006
TC Denton	(26/06/2008)
R Ally	25/01/2008
AJ Smuts	26/06/2008

The secretary of the company is Brendan van der Merwe., whose business and postal address is:

Business:
Macadams Business Park
Range Road
Blackheath
7580

Postal:
P O Box 12
Blackheath
7581

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 2008

	Notes	2008 R	2007 R
ASSETS			
Non-current assets			
Furniture and equipment	5	10 627	12 975
Current assets			
Trade and other receivables	6	2 801	1 332
Cash and cash equivalents	7	147 346	201 523
		150 147	202 855
Total assets		160 774	215 830
EQUITY			
Capital and reserves attributable to the equity holder of the Company			
Accumulated surplus		87 493	193 805
Total equity		87 493	193 805
Current liabilities			
Trade and other payables	8	66 236	18 286
South African Revenue Services		7 045	3 739
Total liabilities		73 281	22 025
Total equity and liabilities		160 774	215 830

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

INCOME STATEMENT
for the year ended 30 June 2008

	Notes	2008 R	2007 R
Income from levies	9	770 820	638 158
Other income	10	29 730	14 785
Administrative expenses		(903 502)	(728 698)
Operating surplus/(loss)	11	(102 952)	(75 755)
Income tax expense	13	(3 360)	(3 739)
Surplus/(Loss) for the year		(106 312)	(79 494)

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2008

	2008 R	2007 R
ACCUMULATED SURPLUS		
Beginning of year	193 805	273 299
Surplus/(Loss) for the year	(106 312)	(79 494)
End of year	87 493	193 805
TOTAL EQUITY	87 493	193 805

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

CASH FLOW STATEMENT
for the year ended 30 June 2008

	Notes	2008 R	2007 R
Cash flow from operating activities			
Cash generated from operations	14	(60 704)	43 094
Taxation paid	15	(54)	(56)
Net cash generated from operating activities		(60 758)	43 038
Cash flow from investing activities			
Acquisition of furniture and equipment		(5 546)	(14 374)
Disposal of furniture and equipment		-	1 999
Interest received		12 128	12 584
Net cash generated/(used) in investing activities		6 582	209
Net increase in cash, cash equivalents and bank overdrafts		(54 176)	43 247
Cash, cash equivalents and bank overdrafts at beginning of the year		201 523	158 276
Cash, cash equivalents and bank overdrafts at end of year		[illegible]	[illegible]

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

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

The company is an unlisted association incorporated under section 21, incorporated and domiciled in South Africa. The address of its registered office is Macadams Business Park, Range 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 Statement of Generally Accepted Accounting Practice for Small and Medium sized Entities (SA GAAP for SMEs). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and 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.

2.2 Furniture and equipment

Furniture and equipment is stated at historical [illegible]
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

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

2. ACCOUNTING POLICY (continued)

2.2 Furniture and equipment (continued)

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.

2.5 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.

2.6 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)

2.6 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)

2.6 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.

2.7 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)

2.8 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.

2.9 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.

2.10 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.

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(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.

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 2008

5. FURNITURE AND EQUIPMENT

	Office Furniture R	Office Equipment R	Computer Equipment R	Total R
2008				
Book value 1 July 2007	1	2	12 972	12 975
Cost price	1 121	2 904	14 635	18 660
Accumulated depreciation	(1 120)	(2 902)	(1 663)	(5 685)
Purchases	3 830	876	840	5 546
Depreciation	(1 857)	(875)	(5 162)	(7 894)
Book value 30 June 2008	1 974	3	8 650	10 627
Cost price	4 951	3 780	15 475	24 206
Accumulated depreciation	(2 977)	(3 777)	(6 825)	(13 579)

BLACKHEATH CITY IMPROVEMENT DISTRICT
(ASSOCIATION INCORPORATED UNDER SECTION 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

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
Cost price	1 121	1 500	7 660	10 281
Accumulated depreciation	(1 120)	(1 499)	(3 661)	(6 280)
Purchases	-	1 404	12 970	14 374
Sales	-	-	(1 999)	(1 999)
Depreciation	-	(1 403)	(1 998)	(3 401)
Book value 30 June 2007	1	2	12 972	12 975
Cost price	1 121	2 904	14 635	18 660
Accumulated depreciation	(1 120)	(2 902)	(1 663)	(5 685)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

	2008 R	2007 R

6. TRADE AND OTHER RECEIVABLES

	2008 R	2007 R
Trade receivables	-	-
South African Revenue Services - VAT	2 801	1 332
	2 801	1 332

7. CASH AND CASH EQUIVALENTS

	2008 R	2007 R
Cash at bank	22 364	37 607
Cash on hand	77	1 139
Notice deposit	124 905	162 777
	147 346	201 523

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

	2008 R	2007 R
Cash at bank	22 364	37 607
Cash on hand	77	1 139
Notice deposit	124 905	162 777
	147 346	201 523

8. TRADE AND OTHER PAYABLES

	2008 R	2007 R
Trade payables	66 236	18 286
	66 236	18 286

9. INCOME FROM SERVICES RENDERED

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

	2008 R	2007 R
Levy income	770 820	638 158

10. OTHER INCOME

	2008 R	2007 R
Interest received	12 128	12 584
Donations	17 602	1 700
Profit on sale of fixed asset	-	501
	29 730	14 785

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

	2008 R	2007 R
11. OPERATING PROFIT		
The following items have been debited in arriving at operating profit:		
Expense by nature		
Depreciation	7 895	3 401
Rent paid	666	3 900
Auditors remuneration		
- Audit services	4 235	3 500
- Other services	1 430	3 482
	14 226	14 283
12. EMPLOYEE BENEFIT EXPENSE		
Salaries and wages	350 901	268 292
	350 901	268 292
13. INCOME TAX EXPENSE		
SA Normal Tax		
Current tax	3 360	3 739
Tax reconciliation		
(Loss)/profit before tax	(102 952)	(75 755)
Tax calculated at a tax rate of 28% (2007:29%):	(28 827)	(21 969)
Exempt income in terms of section 10(1)(e)(iii)	(220 758)	(185 559)
Exempt expenditure incurred in generating exempt income (sect23(f))	252 945	211 267
	3 360	3 739

	2008 R	2007 R
14. RECONCILIATION OF PROFIT BEFORE TAX AND CASH GENERATED FROM OPERATIONS		
(Loss)/profit before tax	(102 952)	(75 755)
Adjusted for:		
Interest received	(12 128)	(12 584)
Depreciation	7 895	3 401
Movement in current assets and liabilities		
(Decrease)/increase in creditors	47 950	(19 631)
Decrease/(increase) in debtors	(1 469)	147 663
	(60 704)	43 094
15. TAX PAID		
Beginning of the year	(3 739)	(56)
Tax for the year	(3 360)	(3 739)
End of the year	7 045	3 739
	(54)	(56)

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 2008.)

SCHEDULE 1: DETAILED INCOME STATEMENT
for the year ended 30 June 2008

	2008 R	2007 R
INCOME		
Levy income	770 820	638 158
OTHER INCOME		
Interest received	12 128	12 584
Profit on sale of fixed assets	-	501
Donations received	17 602	1 700
Total income	800 550	652 943
Less: EXPENSES	903 502	728 698
Advertisement	4 045	-
Auditors remuneration		
- Audit services	4 235	3 500
- Unstatement of audit services provision	350	-
- Other services	1 430	3 482
Bank charges	2 738	2 583
Cleansing	214 967	214 782
Depreciation	7 895	3 401
Donations	-	1 750
Entertainment	8 742	4 294
Insurance	1 789	-
Legal expenses	-	6 621
Marketing	-	16 225
Office expenses	5 976	959
Projects	111 669	34 421
Printing & stationery	6 071	5 292
Regional services council levy	-	68
Rent paid	666	3 900
Repairs & maintenance	2 293	-
Salaries & wages	350 901	268 292
Security	157 895	135 262
Telephone & postage	21 840	23 866
Travelling	-	-
Workman's compensation	-	-
(Loss)/Surplus for the year	(102 952)	(75 755)

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 2008.)

SCHEDULE 2: STATEMENT OF FIXED ASSETS AND DEPRECIATION
for the year ended 30 June 2008

		Book value 01/07/2007 R	Additions R	Depreciation R	Cost price R	Accumulated Depreciation R	Book value 30/06/2008 R
OFFICE FURNITURE - 6 YEARS							
Filing cabinet	(08/05)	1.00	-	-	1 120.62	1 119.62	1.00
Earl desk 1750 x 900	(09/07)	-	975.80	974.80	975.80	974.80	1.00
Credenza earl desk 1 000 x 500	(09/07)	-	1 150.80	159.80	1 150.80	159.80	991.00
3 - Drawer Metal Cabinet	(09/07)	-	651.00	650.00	651.00	650.00	1.00
Maple Bookcase 1500 x 900	(02/08)	-	1 052.80	72.80	1 052.80	72.80	980.00
		1.00	3 830.40	1 857.40	4 951.02	2 977.02	1 974.00
OFFICE EQUIPMENT - 6 YEARS							
Canon digital camera	(08/05)	1.00	-	-	1 499.94	1 498.94	1.00
Kodak C310 camera	(02/07)	1.00	-	-	1 403.51	1 402.51	1.00
Kodak C613 camera	(02/08)		876.27	875.27	876.27	875.27	1.00
		2.00	876.27	875.27	3 779.72	3 776.72	3.00
COMPUTER EQUIPMENT - 3 YEARS							
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 computer	(06/07)	10 950.00	-	3 650.00	10 950.00	3 650.00	7 300.00
Canon pixma MP530 Printer	(06/07)	2 020.00	-	673.00	2 020.00	673.00	1 347.00
250 Gb Hard drive	(02/08)	-	840.00	839.00	840.00	839.00	1.00
		12 972.00	840.00	5 162.00	15 475.24	6 825.24	8 650.00
		12 975.00	5 546.67	7 894.67	24 205.98	13 578.98	10 627.00

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 2008.)

TAX CALCULATION
for the year ended 30 June 2008

	EXEMPT R	TAXABLE R	TOTAL R
Levies received	770 820	-	770 820
Interest received	-	12 128	12 128
Donations received	17 602	-	17 602
	788 422	12 128	800 550
less: Income exempt in terms of section 10(1)(e)(iii)	(788 422)	-	(788 422)
	-	12 128	12 128
less: Expenditure	-	127	127
Per Income Statement	903 375	127	903 502
less: Expenditure incurred in generating exempt income (sect 23(f))	(903 375)	-	(903 375)
Taxable income	-	12 001	12 001

Tax thereon @ 28%	3 360.20
Less: Provisional payments	
- 200801	(27.99)
- 200802	(26.05)
Due to the South African Revenue Services	3 306.16