Nexia Cape Town

PAROW INDUSTRIA IMPROVEMENT DISTRICT ASSOCIATION NPC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

GENERAL INFORMATION

COMPANY REGISTRATION NUMBER	2001/027476/08
DIRECTORS	A D Thomson M W Birch R J Raad R L Ayres A Hunt
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Improving and promoting the Parow Industrial Area
BUSINESS ADDRESS	8 Parin Road Parow Industria Cape Town 7499
POSTAL ADDRESS	P O Box 287 Parow 7499
COUNTRY OF INCORPORATION AND DOMICILE	South Africa
AUDITOR	Nexia Cape Town
PREPARER	The financial statements were independently compiled under the supervision of: D J Smit Chartered Accountant (SA)
LEVEL OF ASSURANCE	Audit
BANKERS	Standard Bank
TAX REFERENCE NUMBER	9161387148

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

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PAROW INDUSTRIA IMPROVEMENT DISTRICT ASSOCIATION NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Companion guide for not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the Companion guide for not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 7.

The financial statements and supplementary information set out on pages 7 to 16, which have been prepared on the going concern basis, were approved by the directors and are signed on its behalf by:

Director	**Director**
CHAIRMAN : PIID	A HUNT
A THOMSON	

Cape Town

12 August 2025

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Parow Industria Improvement District Association NPC for the year ended 30 June 2025.

1. NATURE OF BUSINESS

The company provides supplementary public safety, cleansing, maintenance services, environmental development, social development and communications in the Parow Industia area.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net surplus of the company was R1 138 661 (2024 - surplus R685 847) .

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Companies Act 71 of 2008.

During the year under review the company operated independently of any shared services. The main business and operations of the company during the year under review has continued as in the past year and we have nothing further to report thereon.

The financial statements adequately reflect the results of the operations of the company for the year under review and no further explanations are considered necessary.

3. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year, which requires disclosure in the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

There were no major changes in the nature or the use of non-current assets of the company during the year.

5. DIRECTORS

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

Names	
A D Thomson	
G T Moore	Resigned 26 September 2024
M W Birch	
R J Raad	
R L Ayres	
A Hunt	Appointed 26 September 2024

6. SECRETARY

The company secretary is A Hunt.

Business address	1 Lynwood Road Claremont Cape Town 7708
Postal address	P O Box 1456 Parow Cape Town 7708

7. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Nexia Cape Town

B4 Century Square
Heron Crescent
Century City 7441
South Africa

T: +27(0)21 527 3400

W: nexiacapetown.com

INDEPENDENT AUDITOR'S REPORT

TO THE SUBSCRIBERS OF PAROW INDUSTRIA IMPROVEMENT DISTRICT ASSOCIATION NPC

Opinion

We have audited the financial statements of Parow Industria Improvement District Association NPC set out on pages 8 to 16, which comprise the statement of financial position as at 30 June 2025, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Parow Industria Improvement District Association NPC as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with Companion guide for not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Parow Industria Improvement District Association NPC financial statements for the year ended 30 June 2025", which includes the directors' report as required by the Companies Act of South Africa the directors' responsibilities and approval report and the statement of financial performance, which we obtained prior to date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Companion guide for not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Cape Town

Nexia Cape Town

Per Conrad Frederick Meyer
Partner
Registered Auditor

12 August 2025

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note	2025	2024
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	1 208 263	1 326 064
Current Assets			
Cash and cash equivalents	3	7 079 631	5 824 979
Total Assets		**8 287 894**	**7 151 043**
EQUITY AND LIABILITIES			
EQUITY			
Accumulated surplus		8 269 290	7 130 629
LIABILITIES			
Current Liabilities			
Trade and other payables	4	18 604	20 414
Total Equity and Liabilities		**8 287 894**	**7 151 043**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note	2025	2024
Revenue	5	7 727 934	6 868 340
Operating expenses		(7 075 494)	(6 586 959)
Surplus from operations	6	**652 440**	**281 381**
Finance income		486 221	404 466
Total comprehensive surplus for the year		**1 138 661**	**685 847**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 July 2023	**6 444 782**	**6 444 782**
Changes in surplus		
Total comprehensive surplus for the year	685 847	685 847
Total changes	685 847	685 847
Balance at 01 July 2024	**7 130 629**	**7 130 629**
Changes in surplus		
Total comprehensive surplus for the year	1 138 661	1 138 661
Total changes	1 138 661	1 138 661
Balance at 30 June 2025	**8 269 290**	**8 269 290**

STATEMENT OF CASH FLOWS

Figures in Rand	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1 006 242	657 291
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(237 811)	(206 056)
Finance income		486 221	404 466
		248 410	**198 410**
Total cash movement for the year		**1 254 652**	**855 701**
Cash and cash equivalents at the beginning of the year		5 824 979	4 969 278
Total cash and cash equivalents at the end of the year	3	**7 079 631**	**5 824 979**

ACCOUNTING POLICIES

1. Presentation of the financial statements

The financial statements have been prepared in accordance with the Companion guide for not-for-profits to the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands which is also the functional currency.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation or uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from those estimates which may be material to the financial statements. Significant judgements include:

Impairment testing

Ongoing assessments are made regarding any potential impairment of assets using various valuation methods.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Expected useful lives

Items of property, plant and equipment are depreciated over their useful lives taking into account estimated residual values. The expected useful lives and residual values are assessed after taking into account various factors.

1.2 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Average useful life
Computer and camera equipment	5-8 years
Furniture and fittings	10 years
Signage	10 years
Trailers	10 years

The residual value, depreciation method and useful life are reviewed at each annual reporting date if there are indicators present that there has been a significant change since the last reporting date.

1.3 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any accumulated impairment using the effective interest rate method. These include trade and other receivables, loans, cash and cash equivalents and trade and other payables. At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, any impairment is recognised in the statement of surplus or deficit. The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to the short term nature of such amounts.

1.4 Leases

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

Operating leases – lessee

Operating lease expense is recognised in terms of the lease agreement as payments are structured to increase in line with expected general inflation.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset and recognises the impairment in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts invoiced for services provided in the normal course of business, net of Value-added Tax.

Revenue is recognised when all the following conditions have been satisfied
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue comprises additional rates levied by the City of Cape Town on ratepayers, which are paid to the entity in accordance with the entity's approved budget to enable the delivery of supplementary municipal services. The amount recognised is net of any retention revenue retained by the City.

1.8 Finance income

Finance income is recognised, in surplus or deficit, using the effective interest rate method.

1.9 Unauthorised, irregular and fruitless and wasteful expenditure

Unauthorised, irregular and fruitless and wasteful Expenditure is accounted for as an expense in the statement of financial performance classified in accordance with the nature of the expense. Where recovered it is subsequently accounted for as other income.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2025	2024

2. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer and camera equipment	6 024 624	(4 864 748)	1 159 876	5 792 116	(4 521 594)	1 270 522
Furniture and fittings	157 189	(108 802)	48 387	151 886	(96 656)	55 230
Signage	27 230	(27 230)	-	27 230	(27 230)	-
Trailers	38 900	(38 900)	-	38 900	(38 588)	312
Total	**6 247 943**	**(5 039 680)**	**1 208 263**	**6 010 132**	**(4 684 068)**	**1 326 064**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Computer and camera equipment	1 270 522	232 508	(343 154)	1 159 876
Furniture and fittings	55 230	5 303	(12 146)	48 387
Trailers	312	-	(312)	-
	1 326 064	**237 811**	**(355 612)**	**1 208 263**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Computer and camera equipment	1 417 966	206 056	(353 500)	1 270 522
Furniture and fittings	66 955	-	(11 725)	55 230
Trailers	3 813	-	(3 501)	312
	1 488 734	**206 056**	**(368 726)**	**1 326 064**

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2025	2024
Bank balances	7 079 631	5 824 979

4. TRADE AND OTHER PAYABLES

	2025	2024
Value-added Tax	18 604	20 414

5. REVENUE

	2025	2024
Additional rates received	6 883 956	6 374 033
Additional rates retention received	843 978	494 307
	7 727 934	**6 868 340**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2025	2024

6. SURPLUS FROM OPERATIONS

Operating surplus for the year is stated after accounting for the following:

	2025	2024
Operating lease charges		
Premises		
• Contractual amounts	69 890	60 363
Equipment		
• Contractual amounts	40 334	39 014
	110 224	**99 377**
Cleansing services	571 808	529 452
Depreciation	355 612	368 726
Employee costs	1 155 222	1 051 136
Project CCTV signage installation, grass cutting, sterilization and reinstatement	262 180	144 503
Environmental upgrading	115 716	143 627
Public safety	2 500 716	2 317 794
Public safety - CCTV monitoring	1 158 086	1 074 198
Repairs and maintenance	422 088	404 112

7. TAXATION

	2025	2024
Current taxation		
South African normal tax - current year	-	-
Reconciliation of the tax expense		
Accounting surplus	1 138 661	685 847
Tax at the applicable tax rate of 27% (2024 - 27%)	307 438	185 179
Tax effect of adjustments on taxable income		
Exempt portion per S10(1)(d)(iv)(bb)	(307 438)	(185 179)
	-	**-**

No provision has been made for South African Normal tax as the company is exempt from income tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act.

8. CASH GENERATED FROM OPERATIONS

	2025	2024
Surplus before taxation	1 138 661	685 847
Adjustments for:		
Depreciation	355 612	368 726
Finance income	(486 221)	(404 466)
Changes in working capital:		
Trade and other payables	(1 810)	7 184
	1 006 242	**657 291**

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand	2025	2024

9. DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

No remuneration was paid to the directors and there were no individuals who held a prescribed office during the year.

10. FINANCIAL ASSETS BY CATEGORY

	2025	2024
Financial assets at amortised cost		
Cash and cash equivalents	7 079 631	5 824 979

11. FINANCIAL LIABILITIES BY CATEGORY

	2025	2024
Financial assets at amortised cost		
Trade and other payables	18 604	20 411

12. RETIREMENT BENEFIT

Defined contribution plan

The company has no formal or informal arrangement whereby benefits are provided for employees on or after termination of services.

13. FRUITLESS AND WASTEFUL EXPENDITURE

There was no fruitless and wastefull expenditure during the year.

14. UNAUTHORISED EXPENDITURE

There was no unauthorised expenditure during the year.

PAROW INDUSTRIA IMPROVEMENT DISTRICT ASSOCIATION NPC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note	2025	2024
REVENUE			
Additional rates received		6 883 956	6 374 033
Additional rates retention received		843 978	494 307
	5	**7 727 934**	**6 868 340**
OTHER INCOME			
Finance income		486 221	404 466
OPERATING EXPENSES			
Accounting and taxation fees		12 790	11 290
Advertising cost		5 866	5 176
Auditor's remuneration		38 300	36 620
Bank charges		7 567	8 469
Books, periodicals and subscriptions		583	583
Catering and food		3 447	3 140
Cleansing services		571 808	529 452
Computer expenses		32 720	33 984
Depreciation		355 612	368 726
Environmental upgrading		115 716	143 627
Equipment hire		40 334	39 014
Insurance		89 543	117 790
Motor vehicle expenses		264	264
Office rental		69 890	60 363
Printing and stationery		-	1 930
Project: CCTV Signage installation		-	21 485
Project: Grass cutting		-	93 018
Project: Reinstatement and Environmental		232 180	-
Project: Serilization		30 000	30 000
Project: Signage		-	19 235
Public safety		2 500 716	2 317 794
Public safety - CCTV monitoring		1 158 086	1 074 198
Refreshments and tea		5 497	7 964
Repairs and maintenance		422 088	404 112
Salaries and wages		1 155 222	1 051 136
Secretarial duties		37 792	33 970
Telecommunication		11 060	10 418
Utilities - not COCT		178 413	163 201
		(7 075 494)	**(6 586 959)**
Total comprehensive surplus for the year		**1 138 661**	**685 847**