



ANNUAL REPORT

Somerset West City Improvement District NPC
Annual Report and Financial Statements
for the year ended 30 June 2021



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PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

Company: Somerset West City Improvement District NPC (SWCID)
Non-Profit Company
Company Reg No: 2015/250540/08
Registered Office: 135 Main Road, Somerset West SP, Western Cape, 7130
VAT number: 4180270680

SWCID Board:

Michelle Stander (Chairperson)	-	Nadprop	-	michelle@nadprop.co.za
Gerhard Nel	-	Rola Group	-	gnel@rolagrp.co.za
Hendrik Johannes Julius Wiid	-	Property Owner	-	henniew@twk.co.za
Yolanda Van Der Spuy	-	VDS Accountants	-	yolanda@vdsacc.co.za

Auditors: C2M
Accountant: Jonathan Coetzee
Company Secretarial Duties: C2M

SWBID Management: Geocentric Information Systems
No. 2, 12th Street
Elsies River Industrial
7490
info@geocentric.co.za
www.geocentric.co.za
083 255 7657

SWCID Manager: Andrew Malgas
andrew@geocentric.co.za

Public Safety Service: Secure Rite Security

Contact Details:	CID Manager	-	074 314 8302
	Control Room	-	086 010 3099
	Email	-	info@swcid.co.za
	Website	-	www.swcid.co.za

2. LIST OF ABBREVIATIONS/ACRONYMS

SWCID Somerset West City Improvement District
CEO Chief Executive Officer
CFO Chief Financial Officer
CCT City of Cape Town
KPI Key Performance Indicators
SCM Supply Chain Management

3. FOREWORD BY THE CHAIRPERSON

2021 has been a time of great uncertainty and change globally. Yet, the Somerset West City Improvement District (SWCID) board and management team have been unwavering in our commitment to providing high-quality top-up services in Somerset West. We acknowledge that by embracing and implementing adaptability into our vision we were able to excel through a global pandemic and as such valued it highly as we planned how to go from strength to strength in 2022.

Our strategic objectives for 2021 included improving public safety, public cleanliness, and supporting law enforcement activities to make the Somerset West CBD a better place for all. To make further progress on these goals in 2022, we plan to collaborate with our partners at the City of Cape Town and local NGO's on future projects and consolidate and elevate our work on interventions that have been proven to be successful.

We are excited to see how several new development projects are about to take off in Somerset West, thereby elevating our entire urban landscape. This includes the imminent start of the long-awaited construction of the new Public Transport Interchange which will provide far greater access to job opportunities, improve connectivity within the community and reduce congestion.

In 2021 of our total budget we spent R 327 420 on cleaning and R 2 019 856 on public safety and law enforcement including CCTV monitoring. Over 2021 we made great progress on integrating technological interventions to increase public safety through our existing camera network. This year saw us plan and start to implement a further phase of our CCTV network worth R 77 000.

Our network consists of both static and pan tilt zoom (PTZ) cameras. These different types of cameras are essential as they allow the team at the central control room to track and intervene in criminal activity across districts in real-time. The network increases the effectiveness of law enforcement personnel and public safety officers dramatically as it shortens reaction time to incidents, minimizes false reporting and elevates arrest and prosecution rates.

For 2022, we hope that together with our partners at the City of Cape Town, the custodians of the public space in the SWCID, and most importantly the support of our constituents we can work together to further stabilise and revitalise the urban environment of the Somerset West City Improvement District.

Our vision is only possible together and we want to express our deep thanks to our partners.

To our partners at the City of Cape Town, SAPS and our service providers Secure Rite Security. Your efforts are the bedrock upon which we build a better place for all and we thank you sincerely for your persistence, professionalism and resilience.

We hope that 2022 will bring with it progress on excelling past our mandate, more positive changes and stronger partnerships in Somerset West as we know that only together can we make this a safer space for all.

Michelle Stander – SWCID Chairperson

4. Chairperson SOMERSET WEST CITY IMPROVEMENT DISTRICT MANAGEMENT OVERVIEW

Walking away from our AGM in 2020 I could not help but feel excited about the year ahead. It was to be the year of an improved public environment, growth opportunities and economic recovery. While 2021 has been full of all these things - they were not in the form we had hoped for.

We have survived several seismic waves of the Covid-19 pandemic as a city, a country and indeed as humanity as a whole. Coupled with the violent protest actions and the paralysing taxi-related violence that enveloped Cape Town - it is no wonder we are weary as we near the end of our year. However, seismic shifts can be leveraged to create positive change which is what I believe the Somerset West City Improvement District has achieved in 2021.

Our first priority is always how we can adapt to the changing circumstances and continue to deliver our valuable services to the Somerset West community. This year saw us working closer than ever with the City of Cape Town and other Improvement Districts to embraced being classified as an “essential service” which thankfully allowed us to continue operations uninterrupted. We made it a priority to be excellent at transitioning into crisis management mode so we can proactively respond to ever-changing challenges in a way that unequivocally protects the safety of our staff and community.

Practically, this included refining Covid safety operational procedures, procuring and preparing PPE and sanitation support packs and purchasing additional high-pressure tanks and pumps to sanitise large public areas such as seating areas, steps, and sidewalks. We also provided essential additional training to ensure the correct usage and application of these new tools by our staff.

The development of safety protocols to be compliant with the new legal requirements for working in public spaces included the immediate institution of Sanitation Ambassadors who continue to systematically spray, clean and sanitise our public infrastructure. Our focus is on the highest risk areas in our public spaces including handrails, traffic signal buttons, public litter bins and other high touch public points. We soon realised that we were in a position to do more to protect our area from criminal activity. We instituted stricter protocols to monitor the exteriors of properties and public spaces, rolled out additional patrols, and reworked our hotspot lists and patrol patterns to be as efficient and methodical as possible.

Having a clean, safe and welcoming environment is essential to attracting new economic contributors into the Somerset West City Improvement District and rebuilding our local economy. As we move into 2022, rest assured that our efforts remain focused on continuing to serve, support and improve Somerset West in the most cost-effective, sustainable way possible.

I am immensely proud of the level of service we as the Somerset West City Improvement District have achieved during this unprecedented period and thank every member of my team sincerely for their perseverance, dedication and support.

To our primary stakeholders, the property owners, we thank you for your unwavering belief in us. If there is one lesson, we can learn from the empty shops and silent factories it is that the recovery of our economy lays on the incredible power we have to create employment and we hope to see our government and small businesses band together in 2022 to re-establish our economy - because together it is still possible.

Gene Lohrentz - *Appointed Management Company of the Somerset West City Improvement District NPC*

5. STATEMENT OF DIRECTORS' RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

We confirm that, to the best of our knowledge:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by C2M Auditors.

The directors consider the annual report, taken as a whole, to be accurate, fair, balanced, and free of material omissions.

The Financial Statements, prepared in accordance with the applicable accounting standards give a true and fair view of the assets, liabilities, and financial position of the company.

The external auditors have been engaged to express an independent opinion on the annual financial statements.

Approved by the board on 18 August 2021 and signed on behalf by:

Michelle Stander
Chairperson of the Board
1 October 2021

6. STRATEGIC OVERVIEW

6.1. Vision

The Somerset West City Improvement District (SWCID) was formally established in 2015 providing top up public safety and urban cleaning services in close cooperation with the City's Cleansing and Law Enforcement Departments as well as the SAPS to regain the cleanliness of the area and safety of property and business owners and the community.

The Somerset West Central Business District (CBD) area supports a business mix including various retailers, offices and small shopping malls especially along Main Road. At the time of implementation, the public environment was in a fair state, but indications of urban degradation were clearly visible throughout the area. Most business and property owners were aware of crime, concerned about crime or have been directly affected by crime in the area. With the implementation of the SWCID the area was improved through public safety patrols, cleaned up of litter including the removal of illegal posters and graffiti and the urban environment was repaired including repairs to sidewalks and public infrastructure. The perception survey conducted in 2019 showed a marked improvement of the overall status of the SWCID area compared to the overall impressions noted in 2014.

The vision of the SWCID is to establish and maintain a safe, clean, well-managed Central Business District that attracts and retains business investment and activities in the area.

Mission

It is the mission of the SWCID to implement a strategy to counter urban degeneration of the area by creating a safe and attractive Central Business District

Our strategy for promoting that vision is detailed in our Business Plan, available online at www.swcid.co.za

6.2. Our Goals

- Improve Public Safety significantly by proactive visible patrolling and cooperation with existing SAPS and City of Cape Town Law Enforcement efforts as well as other security service providers in the area.
- Creating a safe and clean public environment by addressing issues of maintenance and cleaning of streets, pavements and public spaces.
- Manage existing and new public infrastructure for the future benefit of all the users of the area.
- Protect property values.
- Attract new investment to the area.
- Support and promote social responsibility in the area
- The sustained and effective management of the SWCID area.

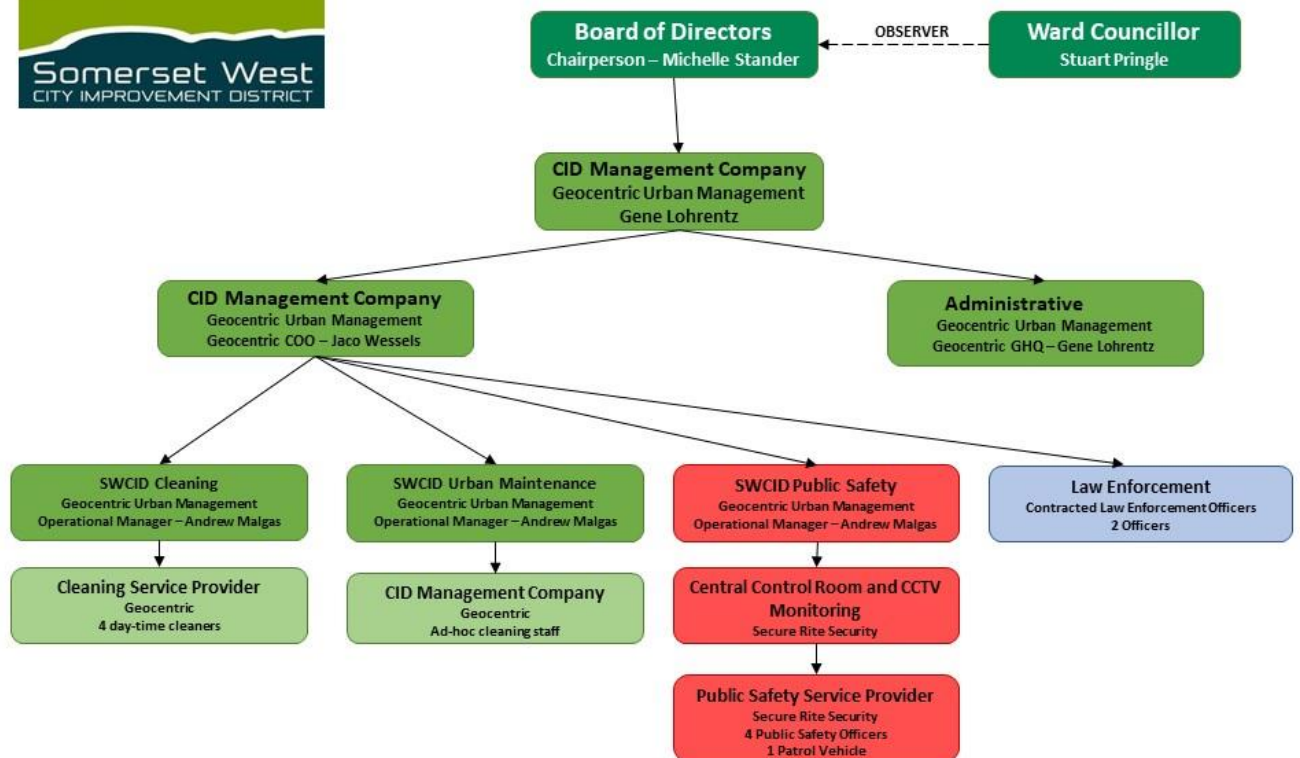
7. STATUTORY MANDATE

In terms of the CID By-law and s.22 of the Municipal Property Rates Act, the Somerset West City Improvement District NPC is tasked with considering, developing, and implementing improvements and upgrades to the Somerset West City Improvement District area to supplement services provided by the CCT. The funding comes from additional rates collected by the CCT from CID property owners and paid over to the company under the aforesaid legislation and may be supplemented by local fundraising initiatives. In expending these funds, the company is subject to oversight by the CCT in terms of the CID By-law and Policy, as well as public procurement principles enshrined in s. 217 of the Constitution of the Republic of South Africa, 1996 (the “Constitution”).

8. ORGANISATIONAL STRUCTURE



SOMERSET WEST CITY IMPROVEMENT DISTRICT ORGANOGRAM



PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1. Service delivery environment

Through the efforts of the SWCID the area has been upgraded and maintained. The SWCID successfully achieved the support of its members to extend its term for an additional five years. During this term the SWCID is repositioning itself to address the significant impact of large volumes of commuters in the CBD area and the associated potential for urban decay, traffic congestion, littering and increased opportunities for crime that may impact the entire SWCID area.

In the light of these challenges the SWCID aims to continue to enhance the area and work closely with the City of Cape Town to upgrade its facilities around the Public Transport Interchange.

The SWCID, as with most other organisation was significantly impacted by the world-SWCID COVID-19 pandemic and its associated challenges. The declaration of Improvement Districts as essential services allowed the SWCID services to continue throughout the national lockdown and this supported the maintenance of order in the area.

1.2. Organisational environment

Many of the day-to-day activities such as meetings, Board meetings, contact with community organisations and engagements with the City of Cape Town was hampered by the national lockdown. Nonetheless, online video conferencing proved invaluable to maintain progress and momentum.

2. Strategic Objectives

Strategically, the SWCID works in partnership with the City of Cape Town and the property and business owners towards the economic upliftment of the area by maintaining a level of safety and cleanliness to promote the use of and investment in the area. This is achieved through:

- Increased public safety
- Encouraging the maintenance and upgrading of private properties and public spaces in the area.
- Creating a clean and well-maintained public environment
- Assist with the management and solution to the issues of people living on the streets of Somerset West.

3. Complaints Process

The SWCID offers numerous channels for dealing with complaints. Formal complaints are lodged to the SWCID management via email. The SWCID management will act on the complaint including one or more of the following actions:

- Referring serious complaints to the COO and CEO of the management company and/or the Board
- Meeting with the complainant to understand the problem and address the issue

- Scheduling the necessary tasks or actions to resolve the matter by the SWCID team
- Logging a service request with the City of Cape Town
- Communicating with the complainant on the actions taken
- Follow-up process and communication with the complainant until the matter is resolved
- Complaints are also received via website contact messages, email replies to newsletters and feedback via various social media platforms including dedicated WhatsApp groups which are monitored via the central control room.
- Telephonic complaints are also dealt with via the operational managers, or the central control room and the central control room number is visible on all patrol vehicles.

Most of the complaints relate to crime incidents or perceived criminal activity or relates to illegal dumping. Unless immediate response is required, safety and crime incidents are dealt with through our monthly meetings with the SAPS or through the adjustment of our public safety deployment plans. Illegal dumping is either cleared by the SWCID cleaning team as soon as possible or if necessary, a service request is logged with the City of Cape Town and followed up until completed.

4. Performance Information

4.1. PUBLIC SAFETY

4.1.1. To improve safety and security the SWCID developed a comprehensive and integrated public safety plan for the area in conjunction with an appointed service provider. These actions include coordination and cooperation with:

- The South African Police Service
- Local Community Policing Forums
- Other existing security services in the area
- City of Cape Town Safety and Security Directorate
- Community organisations
- Other stakeholders

4.1.2. The SWCID initiative and the inherent security situation of the area require the deployment of public safety patrol officers to adequately secure the public areas. Such a deployment can be expensive to implement and therefore the focus of the public safety plan is on roaming vehicles and foot patrols with the highest number of resources deployed during day-time operations between 06:30 and 17:30 when most businesses are operational in the area. Considering the contributions from other stakeholders such as the SAPS and safety and security efforts from the City of Cape Town the following public safety and security plan is proposed for the SWCID.

4.1.3. This plan involves the deployment of Public Safety Patrol Officers (similar to the concept of Neighbourhood Safety Ambassadors) and public CCTV surveillance system to provide a reassuring presence on streets 7 days a week.

4.1.4. The public safety patrol officers are brightly uniformed ambassadors that help to maintain an inviting and comfortable experience by serving as additional “eyes and ears” for local law enforcement agencies. They are the face of the area. Typically, they get to know their neighbourhood and community very well and often serve as a first point of contact for emergency needs, help law enforcement to maintain order and provide an

additional deterrent to crime through their consistent coverage and visibility. Public Safety Patrol Officers are equipped with two-way radios and walk or patrol the area at key times of the day. They become an integral part of general law enforcement, often being the ones to identify public safety issues and form an extension of the SAPS and the local authority law enforcement. A small group of well-trained public safety patrol officers have proven to be very successful in securing an area through active engagement with all people in the precinct. Additional training of patrol officers is required to become knowledgeable on issues such as public safety and reporting, first aid and first-responder training, communication skills and homeless outreach services. Beyond basic training the Public Safety Patrol Officers develop a keen awareness and information of specific neighbourhood safety issues including drug trade, gang presence, poverty, social issues, criminal activity, and behaviour. If required patrol officers also provide walking escorts to people entering businesses early or staff leaving work late or elderly and vulnerable people feeling insecure.

4.1.5. The public safety plan includes:

- 4 x public safety patrol officers patrolling the area on foot, Monday – Sunday during the day-time (06:30 – 17:30).
- 1 x public safety patrol vehicles patrolling the area on a 24/7 basis.
- Radio communications network.
- Centralised Control Room and CCTV monitoring
- CCTV camera network comprising of cameras and monitoring as set out in the implementation plan time scale.

4.1.6. Assistance from the City of Cape Town

4.1.7. The SWCID will further enhance its public safety initiative through close cooperation with the Safety and Security Directorate of the City of Cape Town to link in with their initiative to support a safer public environment. This effort will be focused on utilising the services of Law Enforcement officers from the City of Cape Town in the area.

4.1.8. The activities of the Public Safety Officers and patrols are measured through a comprehensive management system for the logging of public safety incidents. The logging, mapping and analysis of these incident reports informs the adjustment of the public safety deployment plan for the area. The deployment plan is revised monthly.

Public safety performance information

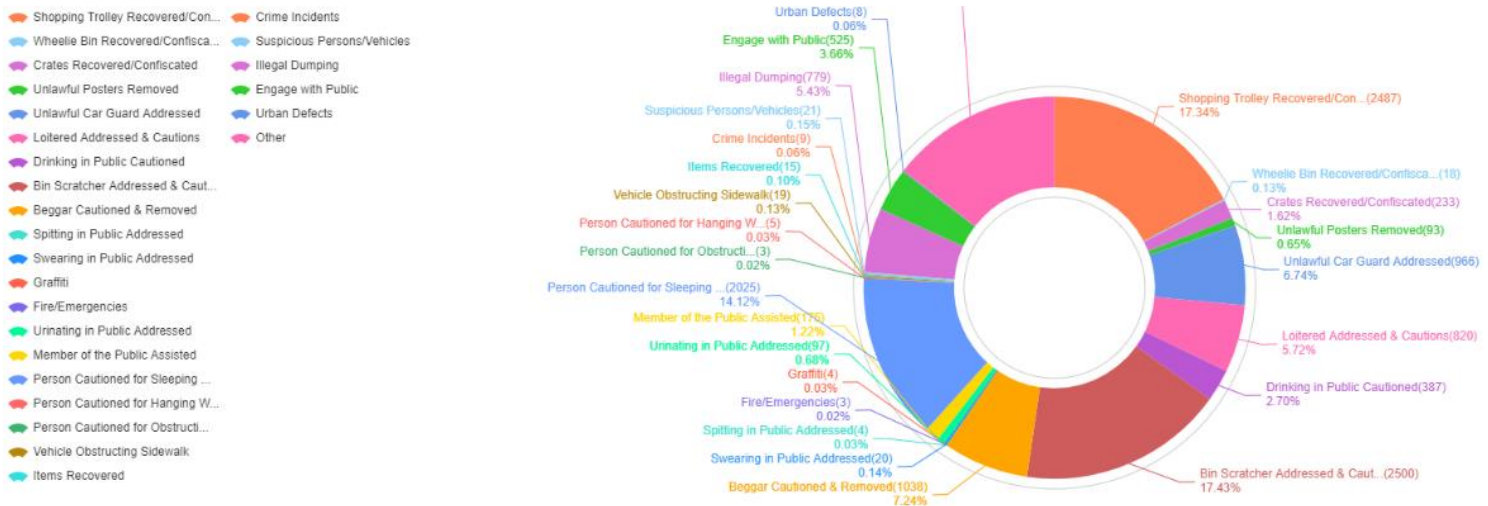
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
1. Identify the root causes of crime in conjunction with the SAPS, Local Authority and existing Public Safety service using their experience as well as available crime and public safety incident statistics.	Incorporate in Public Safety Management Plan	Ongoing	

ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
2. Determine the Crime Threat Analysis of the CID area in conjunction with the SAPS, Determine strategies by means of an integrated approach to improve public safety, identify current Public Safety and policing shortcomings and develop and implement effective public safety strategy	Incorporate in Public Safety Management Plan	Ongoing	
3. Deploy Public Safety resources accordingly and effectively on visible patrols. Public Safety personnel and patrol vehicles to be easily identifiable	Effective Safety and Public Safety patrols in the SWCID measured by: Daily attendance registers Incident reports Patrol vehicle tracking reports Patrol vehicle patrol logs	Ongoing	Public safety officers are inspected and posted to their patrols daily. The Public safety officer's performance are measured on a weekly basis using the incident reports submitted via the incident reporting system and the public safety Whatapp groups.
4. Assist the police through participation by SWCID in the local Police sector crime forum.	Incorporate feedback and information in Public Safety and safety initiatives of the SWCID Report on any Public Safety information of the SWCID to the CPF	Monthly	
5. Monitor and evaluate the Public Safety strategy and performance of all service delivery on a quarterly basis	Report findings to the SWCID Board with recommendations where applicable	Quarterly	
6. Deploy CCTV cameras monitored by a CCTV Control Room	Effective use of CCTV cameras through monitoring	Ongoing	

IMPROVE AND CONTINUALLY ASSESS ALIGNMENT OF RESOURCES WITH SAFETY NEEDS OF LOCAL COMMUNITY

ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
7. Deploy Law Enforcement Officers in the SWCID in support of the Public Safety Initiative	Measure effectiveness through Law Enforcement Statistics	Monthly	
8. Weekly Public Safety Reports from Contract Public Safety Service Provider	Report findings to the SWCID Board with recommendations where applicable Incident reports Patrol vehicle tracking reports Patrol vehicle patrol logs	Weekly	Incident reports See the Table and Graph below Patrol vehicle patrol logs See the Table below
9. Identify "hot spot" areas.	Number of "hot spot" areas identified and the number of "hot spot" visitation for the reporting period	Monthly	See the Table Below

Public Safety Incident - By Category	No of Incidents
Shopping Trolley Recovered/Confiscated	2487
Wheelie Bin Recovered/Confiscated	18
Crates Recovered/Confiscated	233
Unlawful Posters Removed	93
Unlawful Car Guard Addressed	966
Loitered Addressed & Cautions	820
Drinking in Public Cautioned	387
Bin Scratcher Addressed & Cautioned	2500
Beggar Cautioned & Removed	1038
Spitting in Public Addressed	4
Swearing in Public Addressed	20
Graffiti	4
Fire/Emergencies	3
Urinating in Public Addressed	97
Member of the Public Assisted	175
Person Cautioned for Sleeping in Public Space	2025
Person Cautioned for Hanging Washing in Public	5
Person Cautioned for Obstructing Sidewalk	3
Vehicle Obstructing Sidewalk	19
Items Recovered	15
Crime Incidents	9
Suspicious Persons/Vehicles	21
Illegal Dumping	779
Engage with Public	525
Urban Defects	8
Other	2085
TOTAL	14339



From 1 July 2020 to 30 June 2021 the patrol vehicle logged the following number of patrol kilometres:

Patrol Vehicle 1 & 2: 52 688 km

Total: 52 688 km

During the 1 July 2020 to 30 June 2021 the SWCID identified **28** “Hot Spots” throughout the area.

A total of **1384** “Hot Spot” visitations were completed

- The most significant challenge to the public safety operations in SWCID remains the limited resources. The Public Transport Interchange (PTI) requires near full-time dedicated patrol officers and Law Enforcement as well as Traffic Services management. The SWCID has limited resources and cannot dedicate its entire Public Safety Deployment to the PTI area alone.
- The SWCID’s overall strategy to address the challenge is based on a multi-disciplinary approach which includes the following measures:
 - Engaging the City of Cape Town for the deployment of additional Law Enforcement Officers for the Somerset West Public Transport Interchange
 - Increasing the number of contracted Somerset West ID Law Enforcement Officers
 - Deploy CCTV cameras to enhance the deployment of the Public Safety Operations.

4.1.9. Resource Allocation

- During the reporting period the SWCID deployed four public safety foot patrollers and a patrol vehicle during the day-time and 2 public safety officers in one patrol vehicle at night.
- A budget of R 1 7 82 654 was expended on the Public Safety deployments for the year and an additional R 66 675 was allocated for CCTV monitoring. The

contracted Law Enforcement Officer contract budget was R 200 000 for the reporting period. There was an under expenditure on the Law Enforcement budget of R 29 473 due to the delayed deployment of the contracted officer at the beginning of the financial year which was addressed with the City of Cape Town.

Actual expenditure compared with the projected expenditure for (1) the financial year preceding the current reporting period and (2) the financial year that is the subject-matter of this annual report (referred to below as “2020/2021”)

Service/ Project components	2019/20			2020/2021		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Public Safety	R 1 660 000	R 1 629 324	R 30 676	R 1 835 000	R 1 782 654	R 29 473
CCTV Monitoring	R 75 600	R 47 250	R 28 350	R 70 000	R 66 675	R 3 325

4.2. MAINTENANCE AND CLEANSING SERVICES

4.2.1. The SWCID deployed the services of a dedicated public cleaning service to provide the “top-up” or additional cleaning services required in their area. To establish the most effective cleaning plan the strategy supports existing waste management services, identify specific management problems and areas and assist in developing additional waste management and cleaning plans for the area.

4.2.2. The plan was executed by establishing a small team to:

- Decrease waste and grime in the area through a sustainable cleaning programme.
- Provide additional street sweeping, waste picking and additional refuse collection in all the public areas.
- Removal of illegal posters, graffiti and stickers from non-municipal infrastructure.

4.2.3. Urban infrastructure was improved by:

- Developing and implementing a plan to identify and monitor the status of public infrastructure such as roads, pavements, streetlights, road markings and traffic signs.
- Coordinating actions with the relevant City of Cape Town’s departments to address infrastructure defects. This was done through specific liaison with departments and officials in addition to the reporting and monitoring of repairs identified by the CID Manager.
- After a base level of repair and reinstatement was achieved the SWCID team implemented local actions to correct minor issues.

4.2.4. In addition, the urban management team, in consultation with the relevant City Departments assisted with:

- Graffiti removal from non-municipal infrastructure where possible.
- Removal of illegal posters and pamphlets from public spaces and non-municipal infrastructure as noted in the SWCID Implementation Plan.
- Painting of road markings and correction of road signs.
- Greening, tree pruning and landscaping.
- Kerb, bollard and paving reinstatements.
- Storm water drain cleaning where required.

4.2.5. The cleaning contingent deployed teams in various areas and rotated through the SWCID. Some of the team members were recruited from homeless people seeking gainful employment and on-the-job training was provided to improve their skills and utilisation. The cleaning and urban maintenance team includes:

- 3 x urban management workers per day. The shifts run Monday to Friday
- 1 x urban management supervisor

Cleaning and Urban Maintenance performance information

PROVIDE A CLEANER PUBLIC SPACE			
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
1. Develop cleaning strategy to guide delivery from appointed service delivery provider	Measure effectiveness through Cleaning Statistics	Monthly	
2. Provide (on own initiative or in collaboration with CCT) additional litter bins in public spaces.	Record and Report findings to the SWCID Board and the CCT with recommendations where applicable	Annually	
3. Provide clean streets & sidewalks (i.e. cleaning of municipal bins & removing street litter).	Measure effectiveness through Cleaning Statistics	Monthly	See the Table and Graph below
4. Remove Illegal Dumping from Public Spaces	Measure effectiveness through Cleaning Statistics	Monthly	See the Table and Graph below

RENEWING PUBLIC SPACES			
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
5. Remove graffiti in public spaces	Measure effectiveness through Cleaning Statistics	Monthly	See the Table and Graph below
6. Remove unlawful or unsightly stickers and posters from public infrastructure	Measure effectiveness through Cleaning Statistics	Monthly	See the Table and Graph below

PROVIDE A WELL-MAINTAINED PUBLIC SPACE			
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
1. Develop an urban maintenance strategy to guide delivery from appointed service delivery provider	Measure effectiveness through Urban Maintenance Statistics	Monthly	
2. Identify and report urban defects through collaboration with CCT	Record and Report findings to the SWCID Board and the CCT with follow-up action where applicable Measure effectiveness through Urban Maintenance Statistics	Monthly	See the Table below
3. Identify and plan the correction of urban defects and beautification of public infrastructure through repair, cleaning, and painting.	Measure effectiveness through Urban Maintenance Statistics	Monthly	See the Table below

MAINTENANCE OF PUBLIC GREEN AREAS			
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
1. Mow street verges	Measure effectiveness through Urban Maintenance Statistics	Monthly	See the Table below
2. Tree pruning and landscaping.	Measure effectiveness through Urban Maintenance Statistics	Monthly	See the Table below

Cleaning Task - By Category	No of Tasks
Blue Bags Used	8981 bags used
Litter on Sidewalks and Streets	259
Litter in Parks and Open Spaces	113
De-weeding	231
Illegal Dumping of Builders Rubble	4
Illegal Dumping of Garden Waste	41
Illegal Dumping of Household Waste	5
Illegal Dumping of Mixed Waste	14
Illegal Dumping of Parks / Vagrants	140
Drain cleaning	168
Removal of Illegal Posters and Pamphlets from Public Spaces and Non-municipal Infrastructure	30
Litter Bins - Green	249
Greening, Tree Pruning and Landscaping	13
Collect All Rocks, Half Bricks, Concrete Pieces	49
Collect and Heap All Pieces of Wood and Other Objects	91
Graffiti Removal	12

Cleaning Task - By Category	No of Tasks
Dead Animals	20
Rodents and Unhygienic Area	7
Ensure Litter is Collected from City	20
Ensure Litter Bins are Emptied from City	3
Ensure All Wheelie bins are Collected	4
Urban Defects	35
Special Tasks	47
Report Vehicles and Other Accidents	8
Other	46
TOTAL	1863

Urban Management Task List

Category	Sub-Category	Underway	Completed	Total
City Parks (Maintenance)	Branch Removal (Fallen/Broken)	2	1	3
City Parks (Maintenance)	Repair city parks infrastructure	0	1	1
City Parks (Maintenance)	Repair play equipment	1	0	1
City Parks (Maintenance)	Tree removal	1	1	2
City Parks (Maintenance)	Tree trimming/pruning	1	0	1
City Parks (Maintenance) Total		5	3	8
Electricity (Equipment damage & exposure)	Equipment damaged	5	7	12
Electricity (Equipment damage & exposure)	Exposed cable	1	0	1
Electricity (Equipment damage & exposure)	Pole knocked down in vehicle accident	0	1	1
Electricity (Equipment damage & exposure)	Sparks on electricity pole	1	1	2
Electricity (Equipment damage & exposure) Total		7	9	16
Electricity (Street lighting)	All streetlights are out	2	0	2
Electricity (Street lighting)	Individual streetlights are out	26	10	36
Electricity (Street lighting) Total		28	10	38
Fire-Fighting Services	Faulty hydrants	1	0	1
Fire-Fighting Services Total		1	0	1
Law Enforcement	Illegal dumping	0	2	2
Law Enforcement Total		0	2	2

Category	Sub-Category	Underway	Completed	Total
Litter Bins (Public)	Litter bins are not being emptied/serviced	1	1	2
Litter Bins (Public)	New or additional litter bins required	2	8	10
Litter Bins (Public) Total		3	9	12
Roads and storm water (Maintenance required)	Paint or repaint road marking, lines, etc.	12	18	30
Roads and storm water (Maintenance required)	Repair a pothole	18	12	30
Roads and storm water (Maintenance required)	Repair or replace bollards, guards or handrails	1	1	2
Roads and storm water (Maintenance required)	Repair road or footway	47	30	77
Roads and storm water (Maintenance required)	Traffic and road signs require attention	4	7	11
Roads and storm water (Maintenance required) Total		82	68	150
Roads and stormwater (dumping)	Dumping on stormwater infrastructure	0	1	1
Roads and stormwater (dumping) Total		0	1	1
Roads and stormwater (Missing covers and grids)	Repair or replace manhole cover or grid	45	60	105
Roads and stormwater (Missing covers and grids) Total		45	60	105
Sewer	Sewer-foul smell	0	2	2
Sewer	Sewer: blocked/overflow	1	1	2
Sewer Total		1	3	4
Solid waste (Dumping, beaches and street sweeping)	Illegal dumping	2	7	9
Solid waste (Dumping, beaches and street sweeping) Total		2	7	9
Traffic Signals	Robot down	0	1	1
Traffic Signals	Traffic lights are stuck	1	0	1
Traffic Signals Total		1	1	2
Transport (Speed bumps and signage)	Traffic signage damaged	2	0	2
Transport (Speed bumps and signage) Total		2	0	2

Category	Sub-Category	Underway	Completed	Total
Water	Bees in water meter/fire hydrant	1	0	1
Water	Burst pipe	1	0	1
Water	Fire hydrant: missing cover	1	3	4
Water	Leak at valve	1	0	1
Water	Leak at water meter/stopcock	0	1	1
Water	Leak at WMD meter	1	0	1
Water	Leak in road/pavement/underground	0	2	2
Water	Meter-Damaged/faulty	1	0	1
Water	Meter: missing cover	4	2	6
Water	Valve-missing cover	1	0	1
Water	Water quality-smell	1	0	1
Water Total		12	8	20
TOTAL		189	181	370

- Although the SWCID improved the cleanliness of most public environments in the area, the most challenging area remains the Public Transport Interchange and surrounding streets and open spaces. The large number of unpermitted informal traders makes a significant contribution to the generation of public litter and organic waste as they simply dispose of litter and unwanted fruit and vegetables in the streets and on the sidewalks.
- The SWCID is in constant liaison with the City of Cape Town to address both the origin and the result of this problem through concerted efforts to curb unpermitted trade and formalise solid waste management for the area.

4.2.6. Resource Allocation

Actual expenditure compared with the projected expenditure for (1) the financial year preceding the current reporting period and (2) the financial year that is the subject-matter of this annual report (referred to below as “2019/2020”)

Service/ Project components	2019/20			2020/2021		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Cleaning Services	R 306 000	R 306 000	R-	R 327 420	R 327 420	R-
Environmental Upgrading	R-	R-	R-	R 15 000	R 15 000	R -
Urban Management	R 5 000	R -	R -	R 20 000	R 19540	R 460

4.3. SOCIAL DEVELOPMENT SERVICES

4.3.1. The social issues of the area are varied and complex and no single plan or approach will adequately address these issues. The SWCID coordinates its social intervention actions with the Somerset West Night Shelter to assist in the development of a comprehensive strategy for addressing social issues in conjunction with the City of Cape Town, all relevant social welfare organisations, and institutions. Social intervention and development can only be achieved by offering unemployed and/or homeless people an alternative.

4.3.2. Through the development of pro-active programmes to create work opportunities for homeless people the Somerset West Night Shelter have presented the opportunity to direct their work programmes to include cleaning and maintenance services to CIDs. These partnerships between CIDs and NGOs create a more cost-effective approach to the provision of a “top-up” service to the municipal cleaning services when large area clean-ups or specific maintenance tasks are required.

4.3.3. Although the intention was to deploy previously homeless people from NGOs for specific clean-up projects in the SWCID area, this plan could not be executed in its entirety in the reporting period, primarily due to the COVID-19 pandemic.

4.3.4. Resource Allocation

Actual expenditure compared with the projected expenditure for (1) the financial year preceding the current reporting period and (2) the financial year that is the subject-matter of this annual report (referred to below as “2020/2021”)

Service/ Project components	2019/20			2020/21		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Social Services	R 16 000	R 11 500	R 4 500	R40 000	R 36500	R 3 500

PART C: CORPORATE GOVERNANCE

1. APPLICATION OF KING IV

- 1.1. In recognition of the fact that the NPC is entrusted with public funds, particularly high standards of fiscal transparency and accountability are demanded. To this end, the NPC voluntarily subscribes to the King Code of Corporate Governance for South Africa 2016 ("King IV"), which came into effect on 1 April 2017. King IV contains a series of recommended reporting practices under the 15 voluntary governance principles.

The practices applied by the company are explained in this part (Part C), of the Annual Report. In determining which reporting practices to apply, the board took account of, among other things, the CCT's policy, and the reporting protocols appropriate to a non-profit entity such as the NPC.

- 1.2. Compliance with King IV for the reporting period. The board is satisfied that the NPC has complied with the applicable principles set out in King IV during the period under review, to the extent reasonably possible, are provided fully below.

2. GOVERNANCE STRUCTURE

2.1. Board Composition

The Board is satisfied that the Board of the NPC is compiled by a representative group of directors representing the interests of the varied property owner groups within the SWCID footprint.

2.2. Board Observer

In terms of the By-law, city councillors are designated as "board observers" by the Executive Mayor to conduct oversight of board functions. This oversight entails receiving board documentation and attending board meetings, with a view to ensuring that the company duly executes its statutory mandate. The Executive Mayor has appointed Cllr. Stuart Pringle as board observer.

2.3. Appointment of the board

An Annual General Meeting is held every year to review the performance of the CID and to confirm the mandate of the members. The AGM provides the opportunity to elect new directors to serve on the board of the NPC. Elected Board members take responsibility for the various portfolios in the company and regular board meetings allow the directors to review current operations and apply corrective measures as required.

2.4. Overview of the board's responsibilities

The Board oversees the day-to-day delivery of the additional services according to the Business Plan. In executing this task, the Board:

- identifying strategies to implement the NPC's business plan in a manner that ensures the financial viability of the company and takes adequate account of stakeholder interests.

- monitoring compliance with applicable legislation, codes, and standards.
- approving the annual budget.
- overseeing preparation of and approving the annual financial statements for adoption by members.
- exercising effective control of the NPC and monitoring management's implementation of the approved budget and business plan

2.5. Board charter

The board is satisfied that it has fulfilled its responsibilities under the board charter during the period under review.

2.6. Director Independence

During the period under review, the board formally assessed the independence of all non-executive directors, as recommended by King IV. The board has determined that all the non-executive directors, including the chairperson, are independent in terms of King IV's definition of "independence" and the guidelines provided for in principle 7.28.

Board Committees

The Board did not appoint specific committees during the reporting period but as a Board considered proposal for new auditors and for the expansion of the CCTV network.

2.7. Attendance at board and committee meetings

The board convenes at least once every 2 months. An interim Board Information Pack is distributed monthly with the option to convene a special board meeting when necessary. In the period under review, physical meetings were severely disrupted due to the national lockdown and subsequently, update meetings were scheduled through video conferencing. In accordance with the MOI of the company, decisions noted during such meetings were ratified by individual email approvals after the meetings. These documents have been kept as a record of these decisions.

3. Ethical Leadership

Directors are required to maintain the highest ethical standards. To this end, the NPC has adopted a code of conduct for directors, which governs their ethical roles and responsibilities, and provides guidelines on the applicable legal, management and ethical standards.

The Code is available online at www.swcid.co.za

Upon appointment, directors must declare in writing to the chairperson any private interests which could give rise to a potential conflict of interest. These declarations are kept in a register and are regularly updated.¹

Directors must further disclose in writing to the chairperson if any matter before the board gives rise to a potential conflict of interest. Such a director must recuse himself or herself from consideration and deliberation of, or voting on, the matter giving rise to the potential conflict of interest.

Transparency in personal or commercial interests ensures that directors are seen to be free of personal or business relationships that may materially interfere with their ability to act independently and in the best interests of the NPC.

The board is satisfied that the directors have complied with their duties in terms of the Code during the year under review. No changes to the directors' respective declarations were recorded which could potentially impact their independence.

PART D: FINANCIAL INFORMATION

1. Report of the External Auditor

See full report below

2. Annual Financial Statements

See full report below

¹ The code of conduct provides that the register is under the control of the chairperson and is kept confidential.

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS
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SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC

(REGISTRATION NUMBER: 2015/250540/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	General upliftment of Somerset West City centre
Directors	HJJ Wiid Y van der Spuy M Stander GMJ Nel
Registered office	Nadmic Centre 135 Main Road Somerset West 7130
Postal address	Nadmic Centre 135 Main Road Somerset West 7130
Auditors	C2M Chartered Accountants Incorporated Chartered Accountants (S.A.) Registered Auditors
Company registration number	2015/250540/08
Tax reference number	9200847193
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: M Dreyer Professional Accountant (SA)
Issued	18 August 2021

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	17

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

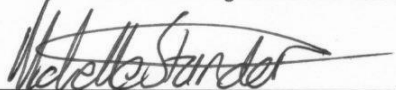
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards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

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

The directors have reviewed the company's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 8 to 16, which have been prepared on the going concern basis, was approved by the board of directors on 18 August 2021 and was signed by:



M Stander

Bellville

18 August 2021



GMJ Nel

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Somerset West City Improvement District NPC for the year ended 30 June 2021.

1. Incorporation

The company was incorporated on 16 July 2015 and obtained its certificate to commence business on the same day.

2. Nature of business

Somerset West City Improvement District NPC was incorporated in South Africa with interests in the services industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

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

Directors

HJJ Wiid
Y van der Spuy
M Stander
GMJ Nel

There have been no changes to the directorate for the period under review.

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities 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.

8. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS' REPORT

9. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on 18 August 2021. No authority was given to anyone to amend the annual financial statements after the date of issue.

10. Liquidity and solvency

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

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Somerset West City Improvement District NPC

Opinion

We have audited the annual financial statements of Somerset West City Improvement District NPC (the company) set out on pages 8 to 16, which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Somerset West City Improvement District NPC as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

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 annual 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 annual 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 "Somerset West City Improvement District NPC annual financial statements for the year ended 30 June 2021", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

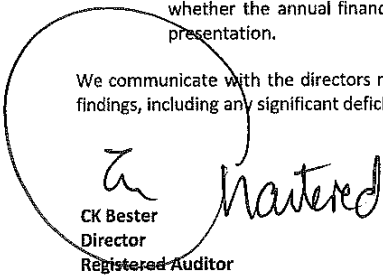
Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.


CK Bester
Director
Registered Auditor

18 August 2021

Tygerforum B
53 Willie van Schoor Drive
Tygervalley
7530



SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

Figures in Rand	Notes	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	190,843	173,255
Current Assets			
Trade and other receivables	3	41,256	81,523
Cash and cash equivalents	4	1,073,814	1,423,330
		1,115,070	1,504,853
Total Assets		1,305,913	1,678,108
Equity and Liabilities			
Equity			
Retained income		1,292,964	1,678,108
Liabilities			
Current Liabilities			
Trade and other payables	5	12,949	-
Total Equity and Liabilities		1,305,913	1,678,108

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2021	2020
Service rendered: Income from additional rates	6	3,155,290	2,948,600
Other income	7	-	113,711
Operating expenses		(3,113,648)	(2,680,892)
Operating (shortfall) surplus		41,642	381,419
Investment revenue	8	42,055	32,752
Finance costs	9	(100,775)	-
(Deficit) surplus before taxation		(17,078)	414,171
Taxation	10	(368,066)	-
(Deficit) surplus for the year		(385,144)	414,171
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(385,144)	414,171

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Retained income	Total equity
Balance at 01 July 2019	1,263,937	1,263,937
Surplus for the year	414,171	414,171
Other comprehensive income	-	-
Total comprehensive income for the year	414,171	414,171
Balance at 01 July 2020	1,678,108	1,678,108
Deficit for the year	(385,144)	(385,144)
Other comprehensive income	-	-
Total comprehensive loss for the year	(385,144)	(385,144)
Balance at 30 June 2021	1,292,964	1,292,964

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2021	2020
Cash flows from operating activities			
Cash generated from operations	11	155,096	473,233
Interest income		42,055	32,752
Finance costs		(100,775)	-
Tax paid		(368,066)	-
Net cash from operating activities		(271,690)	505,985
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(77,826)	(129,131)
Total cash movement for the year		(349,516)	376,854
Cash at the beginning of the year		1,423,330	1,046,476
Total cash at end of the year	4	1,073,814	1,423,330

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office equipment	Straight line	6 years
Other fixed assets	Straight line	5 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

ACCOUNTING POLICIES

1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At 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 there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

ACCOUNTING POLICIES

1.6 Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or financial instruments or may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

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

1.8 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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

1.10 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020
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2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office equipment	30,828	(20,362)	10,466	30,828	(17,736)	13,092
Other fixed assets	327,921	(147,544)	180,377	250,095	(89,932)	160,163
Total	358,749	(167,906)	190,843	280,923	(107,668)	173,255

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Closing balance
Office equipment	13,092	-	(2,626)	10,466
Other fixed assets	160,163	77,826	(57,612)	180,377
	173,255	77,826	(60,238)	190,843

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Closing balance
Office equipment	15,717	-	(2,625)	13,092
Other fixed assets	74,595	129,131	(43,563)	160,163
	90,312	129,131	(46,188)	173,255

Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

3. Trade and other receivables

Trade receivables	6,442	4,840
Prepayments	-	7,307
VAT	34,814	69,376
	41,256	81,523

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,073,814	1,423,330
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5. Trade and other payables

Trade payables	12,949	-
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6. Revenue

Service rendered: Income from additional rates	3,155,290	2,948,600
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7. Other income

Retention refund - City of Cape Town	-	113,711
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SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2021	2020
8. Investment revenue		
Interest revenue		
Bank	42,055	32,752
9. Finance costs		
SARS Interest and penalties	100,775	-
10. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - prior period (over) under provision	296,229	-
VAT - prior period (over) under provision	71,837	-
	368,066	-
No provision has been made for 2021 tax as the company is registered as a Public Benefit Organisation at the Tax Exempt Unit in the 2019 year of assessment. SARS assessed the company as a normal profit company for the 2016, 2017 and 2018 years of assessment.		
11. Cash generated from operations		
(Loss) profit before taxation	(17,078)	414,171
Adjustments for:		
Depreciation and amortisation	60,238	46,188
Interest received	(42,055)	(32,752)
Finance costs	100,775	-
Changes in working capital:		
Trade and other receivables	40,267	46,620
Trade and other payables	12,949	(994)
	155,096	473,233

12. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

13. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

DETAILED INCOME STATEMENT

Figures in Rand	Notes	2021	2020
Revenue			
Service rendered: Income from additional rates		3,155,290	2,948,600
Other income			
Retention refund - City of Cape Town		-	113,711
Operating expenses			
Accounting fees		(5,217)	(4,050)
Administration and management fees		(435,000)	(408,000)
Advertising		(6,732)	(5,312)
Auditors remuneration		(16,500)	(8,250)
Bank charges		(4,677)	(2,609)
Cleansing		(327,420)	(306,000)
Depreciation, amortisation and impairments		(60,238)	(46,188)
Environmental		(15,000)	-
Insurance		(2,631)	(3,178)
Lease rentals on operating lease		(99,887)	(75,779)
Legal expenses		-	(450)
Levies		-	(572)
Marketing and promotions		(12,000)	(12,000)
Motor vehicle expenses		(24,000)	(22,000)
Secretarial fees		(3,400)	(6,400)
Security		(2,020,906)	(1,743,910)
Social responsibility		(36,500)	(11,600)
Staff welfare		-	(4,699)
Telephone and fax		(24,000)	(18,000)
Urban maintenance		(19,540)	(1,895)
		(3,113,648)	(2,680,892)
Operating profit		41,642	381,419
Investment income	8	42,055	32,752
Finance costs	9	(100,775)	-
		(58,720)	32,752
(Deficit) surplus before taxation		(17,078)	414,171
Taxation	10	(368,066)	-
(Deficit) surplus for the year		(385,144)	414,171