

ANNUAL REPORT

Somerset West City Improvement District NPC
Annual Report and Financial Statements
for the year ended 30 June 2023



Our online report is available at www.swcid.co.za

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PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

Company:	Somerset West City Improvement District NPC (SWCID) Non-Profit Company	
Company Registration No:	2015/250540/08	
Registered Office:	135 Main Road, Somerset West SP, Western Cape, 7130	
VAT No:	4180270680	
SWCID Directors:		
Michelle Stander	- Nadprop	
Gerhard Nel	- Rola Group	
Yolanda Van Der Spuy	- VDS Accountants	
Bertus De Waal	- Blouvin (PTY) Ltd / Ginkgotown (PTY) Ltd / Monch (PTY) Ltd	
Dawid Jacobus Malan	- Garrick (PTY) Ltd	
Principle Board Observer	- Norman McFarlane	- Norman.McFarlane@capetown.gov.za
Alternative Board Observer	- Chantal Cerfontein	- Chantal.Cerfontein@capetown.gov.za
Ward	- 84	
Sub-Council	- 8	
Sub-Council Manager	- Erika Williams	- Erika.Williams@capetown.gov.za
Auditors	- C2M Chartered Accountants	
Accountant	- Nicolene Cooke's Accounting Services	
Company Secretarial Duties	- C2M Chartered Accountants	
SWCID Management	- Geocentric Urban Management - 2, 12 th Street Elsie's River, 7490 - info@geocentric.co.za - www.geocentric.co.za - 021 565 0901	
SWCID Manager		
Andrew Malgas	- 074 314 8302	- andrew@geocentric.co.za
Public Safety Service Provider	- Secure Rite Security	- 086 010 3099

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

I am honoured to present the Chairperson's Report for the Somerset West City Improvement District (SWCID) for the financial year ending on June 30, 2023. It brings me great satisfaction to recount the progress we have achieved and the challenges we have confronted as we persist in our mission to serve and uplift the Somerset West community while enriching the quality of life.

The Somerset West City Improvement District was conceived to extend municipal services beyond those provided by the City of Cape Town. Our commitment encompasses the delivery of public safety, urban sanitation, urban maintenance, greening initiatives, and social upliftment services. Our goal is to foster a vibrant, inclusive community that thrives on the foundation of enhanced services and superior infrastructure.

Financial Overview:

The past fiscal year has presented us with formidable challenges, testing our ability to manage our budget effectively. Two pivotal factors have significantly impacted our operations:

1. **Load Shedding:** The persistent occurrence of load shedding has not only disrupted our operational efficiency but has also adversely affected the safety and security of our community, often rendering criminal activities more feasible.
2. **Rising Cost of Living for our residents:** This has made it increasingly challenging to strike a balance between delivering essential services and ensuring affordability for our property owners. While our commitment to upholding service standards remains firm, we acknowledge the necessity for prudent financial management in these challenging economical times.

Notable Achievements:

Despite the challenges we have faced, we have made substantial strides in various key areas:

- **Public Safety:** Our partnerships with law enforcement agencies and private security providers have led to a safer environment for Somerset West businesses. We are firm in our commitment to addressing safety and security concerns proactively.
- **Urban Cleaning and Maintenance:** Our dedicated teams have displayed commitment in maintaining the cleanliness and visual appeal of our streets and public spaces. Additionally, we have undertaken significant maintenance projects aimed at enhancing the overall urban environment.
- **Greening Initiatives:** Our concerted efforts to green the district have yielded favourable results, contributing to enhanced aesthetics and a healthier living environment. We remain committed to investing in green projects that benefit our community and promote sustainability.
- **Social Upliftment:** Through collaboration with local organizations, more specifically the Somerset West Night Shelter, we have made worthy progress in creating some work opportunities for people previously living on the street, most notably through our cleaning and recycling projects in the

Looking Ahead:

As we move forward, we are aware of the imperative for thorough budget planning and careful resource allocation. Our top objective remains the provision of high-quality services while simultaneously addressing the fiscal challenges posed by load shedding and the escalating cost of living. We will explore cost-effective solutions, actively seek partnerships, and maintain open channels of communication with our stakeholders to navigate these challenges.

We are excited to introduce the "Village Collective" initiative, designed to reinvigorate the Somerset West CBD as "the place to be." Our goal is to re-establish it as the premier destination of choice for the entire Somerset West community.

In conclusion, I wish to extend my heartfelt gratitude to our dedicated staff, valued partners, and the entire Somerset West community for their support and commitment to our mission. Together, we will continue to strengthen and enrich Somerset West.

We are immensely thankful to the City of Cape Town, the Ward Councillor, the Board, and our esteemed property and business owners for their steadfast commitment and invaluable contributions to the enduring success of the SWCID.

Thank you for entrusting the Somerset West City Improvement District. We remain devoted to serving you and improving the quality of life in our district.

Sincerely,

Bertus de Waal
Chairperson, Somerset West City Improvement District Non-profit Company

4. SOMERSET WEST CITY IMPROVEMENT DISTRICT MANAGEMENT OVERVIEW

The past financial year ending June 2023 has been a year of notable accomplishments and challenges for the Somerset West City Improvement District (SWCID) as we continued to provide top-up municipal services to enhance the well-being of our community. This report outlines our progress and efforts in the face of socio-economic challenges and persistent load shedding.

Our operational achievements for the year are as follows:

- **Public Safety:** We have responded to the incentive for criminal behaviour created by unemployment by intensifying our public safety patrols.
- **Urban Greening Initiatives:** Our team has initiated various urban greening projects including large pots with plants on sidewalks that are wide enough, with plans to expand these efforts in the coming year. These projects are aimed at improving the aesthetics of the area.
- **Social Upliftment and Recycling:** Integration of social upliftment projects with recycling initiatives has provided interim work opportunities for individuals currently living in shelters. Our partnership with the Somerset West Night Shelter continues to facilitate these initiatives.

Strategies and Initiatives: To address these challenges, we have implemented the following strategies and initiatives:

- a. **Enhanced Security:** We are investigating the expansion of our CCTV network to deter criminal behaviour and protect public infrastructure.
- b. **Urban Maintenance and cleaning:** We are committed to expanding our urban maintenance initiatives to improve the district's aesthetics and overall state of urban function including the constant repair of urban defects, the repair of urban infrastructure and paving and the sanitisation and cleaning of public spaces and sidewalks.
- c. **Social Upliftment:** Our partnership with Somerset West Night Shelter and the integration of social upliftment projects with recycling initiatives will create additional work opportunities for vulnerable individuals.

We also note the work done to improve the marketing of the Somerset West CBD through the Village Collective initiative. We trust that the Somerset West CBD will continue to attract new investments and become a destination of choice.

We extend our heartfelt gratitude to the following:

- **Board of Directors:** Your guidance and commitment have been instrumental in our achievements.
- **City Departments:** We appreciate the collaboration and assistance of various City Departments.
- **Somerset West SAPS:** Your partnership in maintaining public safety is invaluable.
- **Property Owners:** Your financial contributions sustain the operations of SWCID, and we thank you for your commitment to our community.

As we move forward, we remain dedicated to our mission of enhancing the quality of life in Somerset West. We will continue to adapt and innovate, working collaboratively to address challenges and seize opportunities. Together, we will build a stronger, safer, and more vibrant Somerset West.

Gene Lohrentz

Chief Executive Officer

Geocentric Urban Management as management company for the Somerset West City Improvement District

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 28 August 2023 and signed on behalf by:

Bertus De Waal
Chairperson of the Board
28 August 2023

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.

During the second term of the SWCID business plan, the aim remains to support a safe, clean, well-managed Central Business District that attracts and retains business investment and activities in the area.

6.2 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

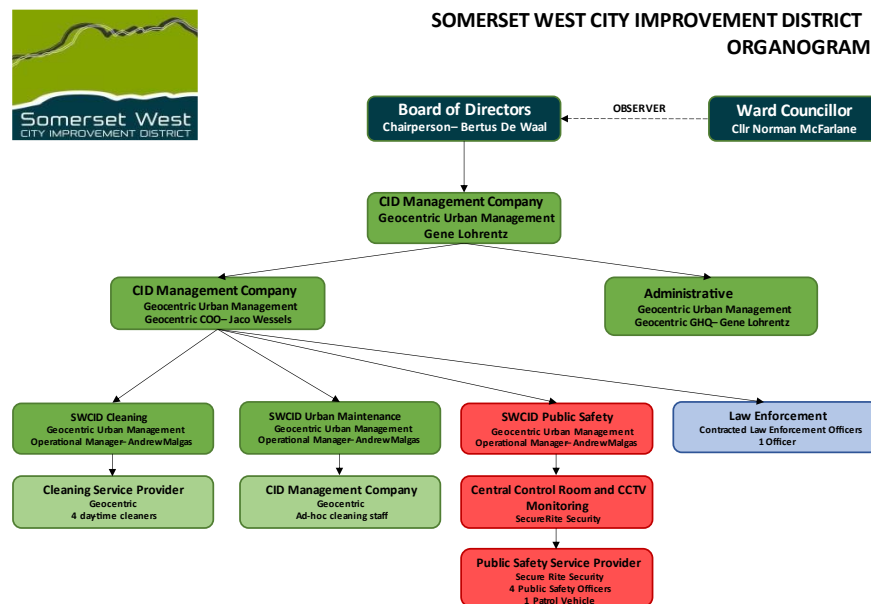
6.3 Our Goals

- 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



9. MEET YOUR TEAM

Meet the Team



Gene Lohrentz
Chief Executive Officer
• Company enquiries
• Proposals
• Community groups and liaison

Micaela Bester
Personal Assistant
• Admin enquiries
• Meeting requests

Jaco Wessels
Chief Operating Officer
• Operational enquiries
• Control Room issues
• Collaboration requests
• CCTV enquiries

Wandre Nortje
Operations Manager
• Operational enquiries
• Control Room issues
• Collaboration requests
• CCTV enquiries

Wejaen Viljoen
Admin & Information Manager
• Admin enquiries
• Reports
• AGM enquiries
• Board Meeting enquiries
• HR enquiries

Andrew Malgas
CID Managers
• Day-to-day operations

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andrew@geocentric.co.za
074 314 8302

For emergencies contact our 24-hour Control Room on 021 565 0900 or visit our [Geocentric website](#)

Join our community WhatsApp group for realtime updates by sending a message with your name, surname, business name and business street address to +27 81 869 8911

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.

1.2. Organisational environment

Most of the day-to-day activities such as meetings, Board meetings, contact with community organisations and engagements with the City of Cape Town returned to normality and were executed as planned.

The most significant challenge remained the impact of construction of the new Public Transport Interchange and the associated displacement of informal traders, taxi ranking and closed roads.

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	

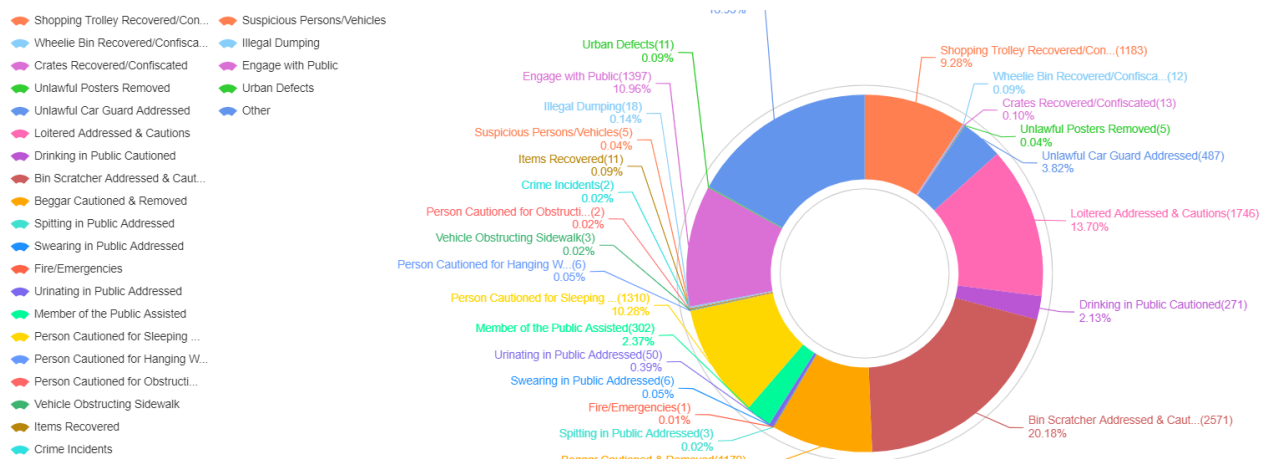
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
2. Determine the Crime Threat Analysis of the CID area in conjunction with the SAPS, Determine strategies by means of an integrated approach to improve public safety, identify current Public Safety and policing shortcomings and develop 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 Summary Report

Type	Count
Shopping Trolley Recovered/Confiscated	1 183
Wheelie Bin Recovered/Confiscated	12
Crates Recovered/Confiscated	13
Unlawful Posters Removed	5
Unlawful Car Guard Addressed	487
Loitered Addressed & Cautions	1 746
Drinking in Public Cautioned	271
Bin Scratcher Addressed & Cautioned	2 571
Beggar Cautioned & Removed	1 170
Spitting in Public Addressed	3
Swearing in Public Addressed	6
Fire/Emergencies	1
Urinating in Public Addressed	50
Member of the Public Assisted	302
Person Cautioned for Sleeping in Public Space	1 310
Person Cautioned for Hanging Washing in Public	6
Person Cautioned for Obstructing Sidewalk	2
Vehicle Obstructing Sidewalk	3
Items Recovered	11
Crime Incidents	2
Suspicious Persons/Vehicles	5
Illegal Dumping	18
Engage with Public	1 397
Urban Defects	11
Other	2 158
TOTAL	12 743

Public Safety Incidents Graph



During the 1 July 2022 to 30 June 2023 the SWCID identified **33** “Hot Spots” throughout the area.

- 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 2 129 038 was expended on the Public Safety deployments for the year and an additional R 101 385 was allocated for CCTV monitoring. The contracted Law Enforcement Officer contract budget was R 220 000 for the reporting period.

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 “2022/2023”)

Service/ Project components	2021/2022			2022/2023		
	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure
Public Safety	R 1 996 234	R 1 996 234	-	R 2 129 193	R 2 129 038	R 155
CCTV Monitoring	R 89 503	R 89 503	-	R 103 500	R 101 385	R 2 115
Law Enforcement	R 206 000	R 199 957	R 6 043	R 220 000	R 213 840	R 6 160

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

Cleansing 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

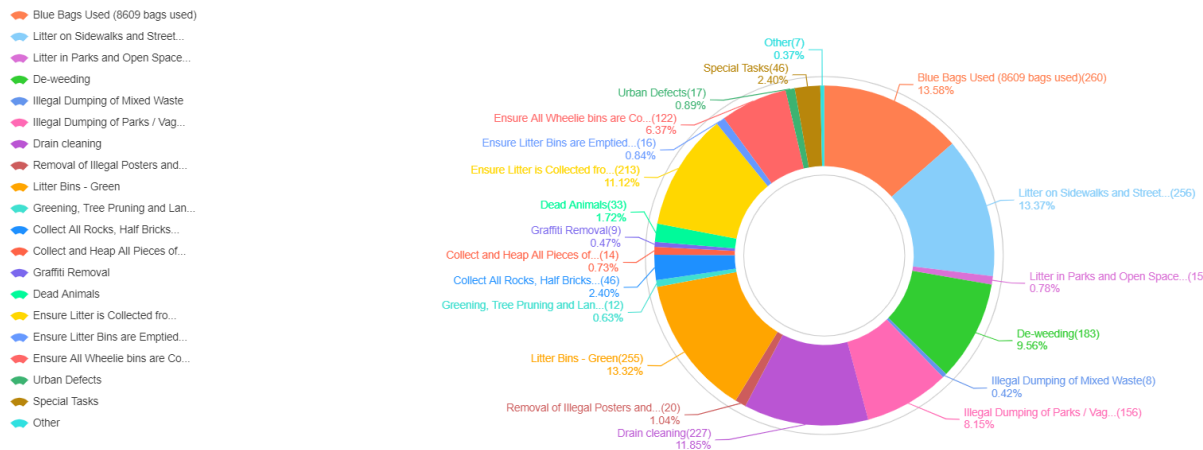
PROVIDE A WELL-MAINTAINED PUBLIC SPACE			
ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY per year	Comments
1. Develop an urban maintenance strategy to guide delivery from appointed service delivery provider	Measure effectiveness through Urban Maintenance Statistics	Monthly	
2. Identify and report urban 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

Cleansing Summary Report

Type	Count
Yellow Bags Used	8609
Litter on Sidewalks and Streets	256
Litter in Parks and Open Spaces	15
De-weeding	183
Illegal Dumping of Mixed Waste	8
Illegal Dumping of Parks / Vagrants	156
Drain cleaning	227
Removal of Illegal Posters and Pamphlets from Public Spaces and Non-municipal Infrastructure	20
Litter Bins - Green	255
Greening, Tree Pruning and Landscaping	12
Collect All Rocks, Half Bricks, Concrete Pieces	46
Collect and Heap All Pieces of Wood and Other Objects	14
Graffiti Removal	9
Dead Animals	33
Ensure Litter is Collected from City	213
Ensure Litter Bins are Emptied from City	16
Ensure All Wheelie bins are Collected	122
Urban Defects	17
Special Tasks	46
Other	7
TOTAL	1915

Cleansing Task Graph



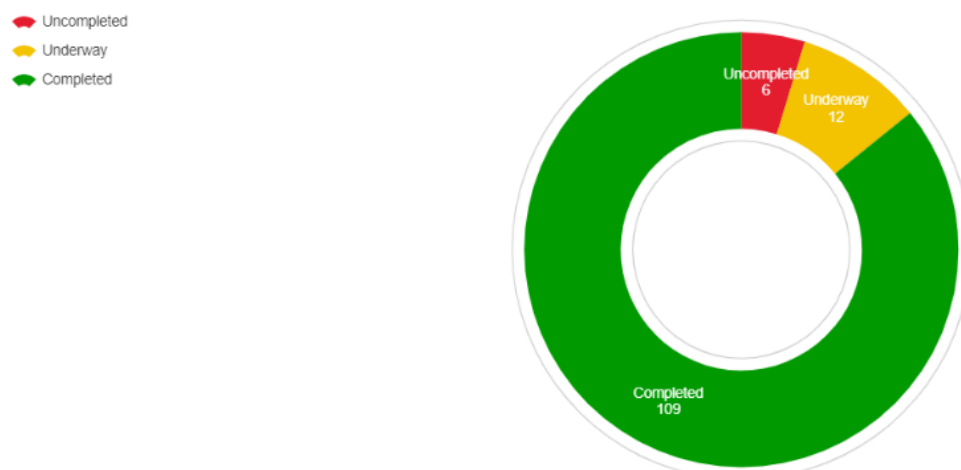
Urban Management Task List

Category	Sub-Category	Uncompleted	Underway	Completed	Total
City Parks (Maintenance)	Tree removal	0	0	1	1
City Parks (Maintenance) Total		0	0	1	1
Electricity (Equipment damage & exposure)	Equipment damaged	0	0	1	1
Electricity (Equipment damage & exposure)	Kiosk damaged	0	0	1	1
Electricity (Equipment damage & exposure) Total		0	0	2	2
Electricity (Issues resulting from motor vehicle accidents)	Pole knocked down in vehicle accident	0	0	1	1
Electricity (Issues resulting from motor vehicle accidents) Total		0	0	1	1
Electricity (Street lighting)	All streetlights are out	2	2	5	9
Electricity (Street lighting)	Individual streetlights are out	2	3	6	11

Category	Sub-Category	Uncompleted	Underway	Completed	Total
Electricity (Street lighting) Total		4	5	11	20
Roads and storm water (Maintenance required)	Paint or repaint road marking, lines, etc.	0	0	4	4
Roads and storm water (Maintenance required)	Repair a pothole	0	1	9	10
Roads and storm water (Maintenance required)	Repair or replace bollards, guards or handrails	0	0	1	1
Roads and storm water (Maintenance required)	Repair road or footway	0	0	9	9
Roads and storm water (Maintenance required)	Traffic and road signs require attention	0	1	2	3
Roads and storm water (Maintenance required) Total		0	2	25	27
Roads and stormwater (flooding)	Flooding of road	0	0	1	1
Roads and stormwater (flooding) Total		0	0	1	1
Roads and stormwater (Missing covers and grids)	Repair or replace manhole cover or grid	0	2	29	31
Roads and stormwater (Missing covers and grids) Total		0	2	29	31
Roads and stormwater (Unsafe surface)	Road surface compromised by oil, sand, etc.	0	0	1	1
Roads and stormwater (Unsafe surface) Total		0	0	1	1
Sewer	Sewer-manhole cover-damaged	0	2	9	11

Category	Sub-Category	Uncompleted	Underway	Completed	Total
Sewer	Sewer-manhole cover-stolen/missing	1	0	3	4
Sewer	Sewer: blocked/overflow	0	1	3	4
Sewer Total		1	3	15	19
Stormwater (Blockages)	Stormwater gulley or manhole blocked	0	0	1	1
Stormwater (Blockages) Total		0	0	1	1
Traffic (Speeding, taxis, parking, etc.)	Abandoned vehicles	0	0	1	1
Traffic (Speeding, taxis, parking, etc.) Total		0	0	1	1
Traffic Signals	Request for traffic signals	0	0	1	1
Traffic Signals	Traffic lights are flashing	0	0	1	1
Traffic Signals Total		0	0	2	2
Transport (Speed bumps and signage)	Traffic signage damaged	0	0	1	1
Transport (Speed bumps and signage) Total		0	0	1	1
Water	Bees in water meter/fire hydrant	1	0	1	2
Water	Burst pipe	0	0	11	11
Water	Leak at fire hydrant	0	0	1	1
Water	Leak at valve	0	0	1	1
Water	Leak at water meter/stopcock	0	0	2	2
Water	Leak in road/pavement/underground	0	0	2	2
Water Total		1	0	18	19
TOTAL		6	12	109	127

Urban Maintenance Task Graph



- 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 "2022/2023")

Service/ Project components	2021/2022			2022/2023		
	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure
Cleaning Services	R 353 600	R 353 520	R 80	R 378 350	R 378 240	R 110
Environmental Upgrading	R 15 000	R 14 519	R 481	R 15 000	R 3 106	R 11 894
Urban Management	R 20 000	R 14 196	R 5 804	R 20 000	R 18 930	R 1 070

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. 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 “2022/2023”)

Service/ Project components	2021/22			2022/23		
	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure
Social Services	R 40 000	R 31 656	R 8 344	R 40 000	R 39 500	R 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. Norman McFarlane 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.

2.7. 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.

2.8. 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

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

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

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC

(REGISTRATION NUMBER: 2015/250540/08)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	District improvement
Directors	M Stander Y van der Spuy GMJ Nel Bertus De Waal Dawid Jakobus Malan
Registered office	Nadmic Centre 135 Main Road Somerset West 7130
Postal address	Nadmic Centre 135 Main Road Somerset West 7130
Bankers	ABSA Limited
Auditors	C2M Chartered Accountants Incorporated Chartered Accountants (SA) 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 of South Africa.
Preparer	The annual financial statements were independently compiled by: M Dreyer Professional Accountant (SA)
Issued	28 August 2023

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

INDEX

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 - 17
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	18

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 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 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, 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 2024 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 page 6 to 7.

The annual financial statements set out on pages 8 to 17, which have been prepared on the going concern basis, was approved by the directors on 28 August 2023 and was signed on its behalf by:


Y van der Spuy
Bellville


GM Nel

28 August 2023

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023.

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 of South Africa. 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	Changes
M Stander	
Y van der Spuy	
GMJ Nel	
Bertus De Waal	Appointed Monday, 24 October 2022
Dawid Jakobus Malan	Appointed Monday, 24 October 2022

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.

DIRECTORS' REPORT

7. 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.

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.

9. Auditors

C2M Chartered Accountants Incorporated continued in office as auditors for the company for 2023.

At the AGM, the shareholder will be requested to reappoint C2M Chartered Accountants Incorporated as the independent external auditors of the company and to confirm R Ariefdien as the designated lead audit partner for the 2024 financial year.

10. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on Monday, 28 August 2023. No authority was given to anyone to amend the annual financial statements after the date of issue.

11. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

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 17, which comprise the statement of financial position as at 30 June 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 2023, and its financial performance and cash flows for the year then ended in accordance with 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 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 2023", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 18. 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, 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 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 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.

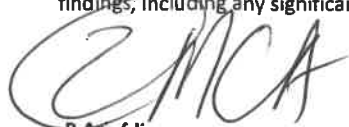
Auditor's Responsibilities for the Audit of the Annual Financial Statements

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.



R Ariefdien
Chartered Accountant (SA)
Registered Auditor
Director

28 August 2023
Tygerforum B
53 Willie van Schoor Drive
Tygervalley
7530



SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	76,601	122,634
Current Assets			
Trade and other receivables	3	-	6,957
Cash and cash equivalents	5	1,870,753	1,505,392
		1,870,753	1,512,349
Total Assets		1,947,354	1,634,983
Equity and Liabilities			
Equity			
Non- Distributable Reserve		1,940,701	1,618,666
Liabilities			
Current Liabilities			
Trade and other payables	6	3,880	16,317
Current tax payable	4	2,773	-
		6,653	16,317
Total Equity and Liabilities		1,947,354	1,634,983

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
 (REGISTRATION NUMBER: 2015/250540/08)
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2023	2022
Revenue- Additional Rates Received	7	3,623,156	3,417,590
Additional Rates Retention Received	8	181,451	241,198
Operating expenses		(3,604,011)	(3,390,171)
Operating surplus		200,596	268,617
Investment revenue	10	124,212	57,084
Surplus before taxation		324,808	325,701
Taxation	11	(2,773)	-
Surplus for the year		322,035	325,701
Other comprehensive income		-	-
Total comprehensive surplus for the year		322,035	325,701

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
 (REGISTRATION NUMBER: 2015/250540/08)
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Non-Distributable Reserve	Total equity
Balance at 01 July 2021	1,292,965	1,292,965
Surplus for the year	325,701	325,701
Other comprehensive income	-	-
Total comprehensive surplus for the year	325,701	325,701
Balance at 01 July 2022	1,618,666	1,618,666
Surplus for the year	322,035	322,035
Other comprehensive income	-	-
Total comprehensive surplus for the year	322,035	322,035
Balance at 30 June 2023	1,940,701	1,940,701

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
 (REGISTRATION NUMBER: 2015/250540/08)
 ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash receipts from customers		3,811,564	3,693,087
Cash paid to suppliers and employees		(3,570,415)	(3,318,592)
Cash generated from operations	12	241,149	374,495
Interest income		124,212	57,084
Net cash from operating activities		365,361	431,579
Cash flows from investing activities			
Total cash movement for the year		365,361	431,579
Cash and cash equivalents at the beginning of the year		1,505,392	1,073,813
Total cash at end of the year	5	1,870,753	1,505,392

SOMERSET WEST CITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER: 2015/250540/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 of South Africa. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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.

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.

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
Furniture and fixtures	Straight line	5
Office equipment	Straight line	6

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.

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.

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ACCOUNTING POLICIES

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. They 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.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model 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.

ACCOUNTING POLICIES

1.6 Impairment of assets (continued)

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.

1.7 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.

1.8 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.

1.9 Borrowing costs

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2023 **2022**

2. Property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Office equipment	30,828	(25,613)	5,215	30,828	(22,987)	7,841
Furniture and Fixtures	327,921	(256,535)	71,386	327,921	(213,128)	114,793
Total	358,749	(282,148)	76,601	358,749	(236,115)	122,634

Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Closing balance
Office equipment	7,841	(2,626)	5,215
Furniture and Fixtures	114,793	(43,407)	71,386
	122,634	(46,033)	76,601

Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
Office equipment	10,467	(2,626)	7,841
Furniture and Fixtures	180,377	(65,584)	114,793
	190,844	(68,210)	122,634

3. Trade and other receivables

Trade receivables	-	6,957
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4. Current tax receivable (payable)

Normal tax	(2,773)	-
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5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,870,753	1,505,392
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6. Trade and other payables

Trade payables	-	14,709
VAT	3,880	1,608
	3,880	16,317

7. Revenue

Levies Received	3,623,156	3,417,590
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Figures in Rand	2023	2022
8. Other income		
Retention Levy	181,451	241,198
9. Auditor's remuneration		
Fees	14,730	14,250
10. Investment revenue		
Interest revenue		
Bank	124,212	57,084
11. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	2,773	-
Reconciliation of the tax expense		
Accounting surplus	324,808	325,701
Tax at the applicable tax rate of 27% (2022: 28%)	87,699	91,196
Tax effect of adjustments on taxable income		
Exempt income		
Exempt income	(1,027,244)	-
Non-deductible expenses		
Exempt expenses	942,318	-
Other		
Tax exempt income	-	(91,196)
	2,773	-
The entity is exempt from tax on certain income streams under section 10(1)(e)(i)(cc) of the Income Tax Act.		
12. Cash generated from operations		
Net surplus before taxation	324,808	325,701
Adjustments for:		
Depreciation, amortisation, impairments and reversals of impairments	46,033	68,210
Investment income	(124,212)	(57,084)
Changes in working capital:		
(Increase) decrease in trade and other receivables	6,957	34,299
Increase (decrease) in trade and other payables	(12,437)	3,369
	241,149	374,495
13. Directors' and prescribed officer's remuneration		
No emoluments were paid to the directors or any individuals holding a prescribed office during the year.		

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Figures in Rand

2023

2022

14. 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.

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.

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

DETAILED INCOME STATEMENT

Figures in Rand	Notes	2023	2022
Revenue			
Revenue - Additional Rates Received		3,623,156	3,417,590
Other income			
Revenue - Additional Rates Retention Received		181,451	241,198
Operating expenses			
Accounting fees		(12,000)	(12,155)
Administration and management fees		(480,000)	(460,675)
Advertising		(17,056)	(17,540)
Auditors remuneration	9	(14,730)	(14,250)
Bank charges		(1,997)	(2,827)
Cleansing		(378,240)	(353,520)
Depreciation, amortisation and impairments		(46,032)	(68,210)
Environmental upgrading		(3,106)	(14,530)
Insurance		(2,631)	(2,631)
Lease rentals on operating lease		(89,602)	(84,952)
Motor vehicle expenses		(24,000)	(25,200)
Public Safety- CCTV Monitoring		(101,386)	-
Public Safety- Law enforcement officers		(213,840)	(199,987)
Repairs and maintenance		-	(1,412)
Secretarial fees		(9,455)	(4,205)
Security		(2,129,036)	(2,058,225)
Social responsibility		(39,500)	(31,656)
Telephone and fax		(24,000)	(24,000)
Urban maintenance		(17,400)	(14,196)
		(3,604,011)	(3,390,171)
Operating surplus		200,596	268,617
Investment income	10	124,212	57,084
Surplus before taxation		324,808	325,701
Taxation	11	(2,773)	-
Surplus for the year		322,035	325,701