ANNUAL REPORT 2025/2026

Annual Report and Financial Statements for the year ended 30 June 2026

Llandudno City Improvement District NPC

Registration No 2014/179104/08

Our online report is available at
www.llandudno.org.za

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PART A: GENERAL INFORMATION

GENERAL INFORMATION

Registered name	LCID NPC
Registration number	2014/179104/08
Physical address	11 Apostle Road Llandudno 7806
Postal address	11 Apostle Road Llandudno 7806
Telephone number	083 309 0468
Email	sra@llandudno.org.za
Website address	http://Llandudno.org.za
External auditors	Hudson Accounting
Bank Information	Nedbank Limited, Sea Point
Company Secretary	Signature Consulting

LIST OF ABBREVIATIONS/ACRONYMS

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCT	City of Cape Town
HBNW	Hout Bay Neighbourhood Watch
KPI	Key performance indicators
SCM	Supply chain management
LCID	Llandudno City Improvement District
CCP	Community Crime Prevention
LE	Law Enforcement
SAPS	South African Police Service
SANP	South African National Parks

FOREWORD BY THE CHAIRPERSON

It is my pleasure to present the Annual Report of the Llandudno City Improvement District for the year ended 30 June 2026.

The LCID continued to deliver on its core objective of enhancing public safety, maintaining and improving our public environment, advocating for improved municipal service delivery and preserving the unique character of Llandudno. These achievements have been made possible through the commitment of our Board, service providers, residents and the many organisations with whom we work collaboratively.

Public safety remained a key priority throughout the year. Our integrated camera network, supported by proactive security patrols and close collaboration with HBNW, LSLC, CCP, SAPS, LE and the CCT, continued to contribute to exceptionally low crime levels within Llandudno. During the peak summer season, the deployment of additional LE officers further enhanced public safety, improved compliance and assisted with managing the significant increase in visitor numbers experienced at our Blue Flag beach.

One of the year's most significant achievements was the completion of the new entrance guard hut. This project, funded entirely through generous community donations, provides an enhanced operational base for our security services while creating an attractive and welcoming entrance to Llandudno. I extend my sincere appreciation to every resident who contributed towards making this project possible.

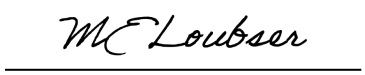
Environmental stewardship continued to be a defining feature of the LCID. Routine cleansing, alien vegetation clearing, pathway rehabilitation and environmental maintenance were complemented by a number of improvement projects that enhanced accessibility, public safety and the natural beauty of our public spaces. The Board remains committed to protecting Llandudno's unique environmental character through responsible management and ongoing investment in our public open spaces.

The LCID also maintained an active role in engaging with the CCT on matters affecting our community, including traffic management, ageing infrastructure, planning applications and municipal service delivery. While many service requests were resolved timeously, continued engagement remains necessary to address recurring infrastructure failures and ensure that Llandudno receives the level of municipal service expected by its residents.

The reporting period also saw the administrative transition from the Llandudno Special Rating Area to the Llandudno City Improvement District, aligning the organisation's name with the current terminology adopted by the CCT. While the name has changed, our mandate and commitment to serving the Llandudno community remain unchanged.

On behalf of the Board, I extend my sincere thanks to our residents for their continued support, our contractors and service providers for their professionalism, our community partners for their ongoing collaboration, and my fellow directors for the considerable time and expertise they volunteer in service of our community.

The Board remains committed to building on the progress achieved during the past year and to continuing our work in making Llandudno a safe, attractive and environmentally sustainable place in which to live and visit.



Kiki Loubser
Chairperson
LCID NPC
Date: 31 October 2026

TREASURER'S OVERVIEW

The financial summary for the reporting period is detailed in the attached Annual Financial Statements (AFS). Financial impact of operations was tightly controlled and accordingly in line with approved budget. Certain public safety initiatives were funded by means of private donations for which we express our thanks.

We received a clean audit report, and no adverse matters were raised during the audit.

Statement of Financial Position

Property, plant and equipment increased from R 1 699 884 in 2025 to R 1 842 548. This is a result of additions of R 583 916 of which R 566 337 relates to the new security hut. Depreciation amounted to R 441 252, an increase over the prior year because of higher asset values.

Trade receivables are R nil in 2026. In the prior year these related to deposits on the security hut, which is now built.

Cash and cash equivalents grew from R 3 541 016 in 2025 to R 4 820 048. This is because of the profit of R 1 153 760 plus depreciation of R 441 252 plus accounts receivable less fixed asset additions.

The retained surplus grew from R 5 196 879 to R 6 350 639 because of the profit of R 1 153 760.

Accounts payable grew from R 227 013 to R 311 957 primarily because of an actual for law enforcement not yet billed.

Income Statement

Rates income increased from R 4 914 450 to R 5 233 889, an increase of 6.5% and in line with budget.

The retention release decreased from R 578 020 to R 356 989. This is totally controlled by CCT.

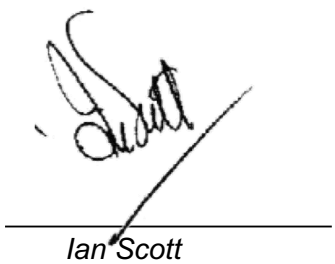
Interest income increased 24.7% from R 179 235 to R 223 597 as a result of the higher cash balances on hand.
Donations received decreased to R 52 900 from R 735 030. All this relates to the new security hut with the bulk received in 2025.

Total expenses were contained at R 4 713 615 up from R 4 420 321, an increase of only 6.6% (same as rates revenue increase).

Items worth commenting on are depreciation as already explained and which is not a cash flow. Law enforcement officers increased to R 132 527 from R 56 996. This is because the board decided to have officers on duty weekends and public holidays throughout the season. Public Safety, our main expense, was virtually unchanged at R 3 031 465 because of an agreement with the service provider covering a three-year period. CCTV monitoring increased by 13.8% to R 450 742.

Overall net profit decreased from R 1 986 504 to R 1 153 760 primarily because of a decrease in donations received of R 682 130 and an increase in depreciation of R 154 234.

The directors are confident in LCID's economic viability and anticipate its continued financial stability and sustainability for the foreseeable future.



Ian Scott
LCID NPC
Date: 31 October 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY

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 Hudson Accounting.

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 31 October 2026 and signed on its behalf by:

M Loubser

Kiki Loubser
LCID Chairperson

Ian Scott
LCID Treasurer

STRATEGIC OVERVIEW

Vision

The LCID vision is to ensure that Llandudno:
Retains its single-residential, family-focused, community-driven neighbourhood status.

Residents and visitors respect the natural and built environment by keeping it clean, and by removing alien vegetation and adding to biodiversity richness in the area through initiatives aimed at planting of indigenous vegetation.
Remains a safe neighbourhood and ensuring visitors and residents can enjoy the safe public areas and in adherence to laws and regulations.
Innovative initiatives will be explored to generate additional revenue and sense of community cohesion, e.g. Website, WhatsApp groups, Community Events and so on

Mission

The creation of a sustainable infrastructure and platform from which the residents and the public will benefit through the enjoyment of the public and private spaces and the protection and growth of the homeowners' property values.

Values

Our core values are:

Transparency: We are committed to open and clear decision-making, ensuring stakeholders can easily understand our actions and results.

Accountability: We take full responsibility for fulfilling our duties and commitments.

Performance: We continuously strive to achieve our strategic goals with excellence.

Social Responsibility: We aim to create meaningful economic, social, and environmental benefits for our stakeholders.

Stakeholder Inclusivity: We conduct our activities with consideration for the needs, interests, and expectations of all stakeholders.

Sustainable Development: We are dedicated to meeting the present needs of our community without compromising the ability of future generations to meet theirs.

STATUTORY MANDATE

Under the CID By-law and Section 22 of the Municipal Property Rates Act, the LCID NPC is responsible for planning, developing, and implementing improvements and upgrades within the to enhance services provided by the CCT. Funding is sourced from additional rates collected by the CCT from CID property owners and transferred to the company in accordance with the legislation, supplemented where applicable by local fundraising efforts. The company's expenditure of these funds is subject to CCT oversight under the CID By-law and Policy, as well as the public procurement principles set out in Section 217 of the Constitution of the Republic of South Africa, 1996 ("the Constitution").

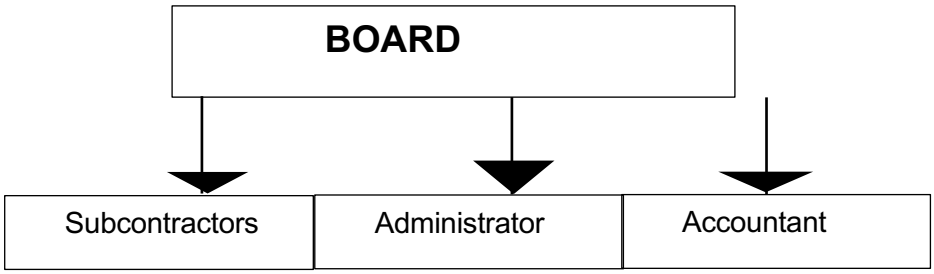
ORGANISATIONAL PROFILE

The primary activities of LCID are to:

a) Improve public safety by patrols in the public space and installing and maintaining radio network and monitored cameras across the LCID, linked to a responding security service provider and liaising with LE during summer months
b) Improve maintenance and cleaning by:
   Deploying cleaning teams
   Deploying landscaping teams to maintain verges and do additional cleansing
   Undertaking environmental development
   Supporting various social development programmes to reduce the impact of social issues on public safety

   LCID's stakeholders are the residents of the designated area of Llandudno, Llandudno Primary School, Llandudno United Church, Llandudno Sports Club, the Llandudno Surf Lifesaving Club, the City of Cape Town, and the various contractors engaged to perform works on behalf of the CID.

Organisational Structure



PART B: PERFORMANCE INFORMATION

SITUATIONAL ANALYSIS

Service delivery environment

The LCID has driven significant upgrades and maintenance in the area, prioritising crime reduction through proactive measures such as monitored CCTV and LPR cameras at all entrance roads. We maintain strong partnerships with local security providers, HBNW, CCP, the CPF, and SAPS. Our safety initiatives are complemented by efforts to keep public and open spaces clean and litter-free. In collaboration with the City of Cape Town, the CID remains committed to the continuous enhancement of public areas.

The LCID continues to face challenges, including frequent blocked manholes, burst water pipes caused by an ageing water infrastructure, significant traffic congestion and related parking issues, as well as damaged road surfaces and unattended potholes, which often remain unresolved.

Organisational environment

Throughout the reporting period, routine activities, including Board meetings, community organisation engagements, and interactions with CCT, proceeded as planned and on schedule. Whilst the Board meets formally once a quarter, regular interaction occurs among various Board members to ensure that we meet our objectives, and that challenges and issues are identified and addressed timeously.

We continue our interaction with the Llandudno Primary School, Llandudno United Church, Llandudno Sports Club, Llandudno Surf Life Saving Club, the local councillor and Ward committee.

STRATEGIC OBJECTIVES

LCID collaborates with the CCT and local property owners to drive the economic upliftment of the area. This is accomplished by fostering a safe, clean, and attractive environment that encourages investment and community use.

Key strategic objectives include:

- Enhancing public safety to ensure a secure environment.
- Promoting the upkeep and improvement of public spaces.
- Maintaining a clean and well-kept public environment for all to enjoy

COMPLAINTS PROCESS

Formal complaints are lodged with the management via email or WhatsApp. Complaints are dealt with by the relevant Director whose portfolio this affects and are dealt with promptly. This year has seen no formal complaints but only requests for intervention by residents and owners.

PERFORMANCE INFORMATION

Public Safety

The LCID continued to deliver a proactive and technology-driven public safety service, maintaining Llandudno's reputation as one of the safest residential areas in Cape Town. Through a combination of dedicated security patrols, an extensive camera surveillance network, intelligence-led monitoring and strong collaboration with strategic partners, the LCID remained focused on crime prevention, rapid response and the protection of residents and visitors.

Despite seasonal increases in visitor numbers and the associated pressures on the area, reported crime remained exceptionally low throughout the reporting period. The Public Safety portfolio responded effectively to isolated incidents while maintaining a strong emphasis on preventative measures, visible patrols and continual improvement of security infrastructure.

Significant investment continued in the LCID's integrated surveillance network. All surveillance cameras underwent routine inspection, cleaning and maintenance, with battery replacements undertaken where required. The built-in artificial intelligence detection capabilities and off-site monitoring systems were extensively tested to ensure optimal performance, while response procedures and in-vehicle technology were refined to improve operational effectiveness. These measures strengthened the LCID's ability to detect suspicious activity at an early stage and support rapid response by the appointed security service provider.

A major milestone during the year was the completion of the new entrance security guard hut. Fully funded through generous community donations, the facility significantly enhanced the operational capability of the security team while providing an improved and welcoming entrance to Llandudno. Landscaping, drainage works and associated improvements progressed alongside the project, with only final statutory approvals and minor finishing works remaining at year-end. Throughout the project, the Board continued to engage with the City of Cape Town to secure the necessary approvals and utility connections required for full commissioning.

The LCID also progressed the procurement process for its future security service provider, ensuring that service delivery will continue to meet the evolving needs of the area. Tender documentation was prepared and reviewed during the reporting period, with implementation planned for the commencement of the new financial year.

Recognising the significant seasonal pressures experienced during the summer months, the LCID funded the deployment of additional LE officers over weekends, public holidays and the peak festive season. Officers focused primarily on beach safety, illegal parking, public nuisance behaviour and alcohol enforcement. The initiative proved highly successful, improving compliance and supporting public safety in one of Cape Town's busiest coastal destinations.

During the deployment period, LE officers issued 341 parking-related infringement notices and 56 direct summonses, while also assisting members of the public on several occasions. The success of this initiative has informed planning for future peak-season operations.

The LCID continued to work closely with CCP, SAPS, LE, the City of Cape Town and neighbouring stakeholders to maintain coordinated responses to emerging security concerns. Collaboration was particularly evident through the ongoing "Cleaning up Sandy Bay" initiative, where the LCID worked alongside SANP, adjacent property owners and enforcement agencies to address criminal behaviour, improve public safety and enhance surveillance within the Sandy Bay area. Progress during the year included strengthened stakeholder relationships, improved enforcement coordination, the installation of appropriate signage and planning for additional camera infrastructure.

Routine security operations also continued throughout the year, including the removal of vagrants and bin scavengers where appropriate, rapid response to suspicious activity, investigation of isolated crime incidents and continual engagement with residents to encourage timely reporting of concerns. Community awareness remained an important component of the LCID's crime prevention strategy.

Positive feedback received during the year under review

- Crime levels remained low throughout the year.
- The entrance guard hut project reached practical completion.
- The seasonal LE deployment improved compliance and visitor management.
- Strong partnerships with CCP, SAPS, SANP and the City of Cape Town supported effective public safety initiatives

Challenges experienced during the year under review

- Delays in obtaining statutory approvals and utility connections for the entrance guard hut.
- Ongoing seasonal pressures associated with beach visitors and parking.
- Continued investment required to maintain and upgrade security infrastructure.

STRATEGIC OBJECTIVE: DEPLOY CCTV CAMERAS MONITORED BY CONTROL ROOM					
Measure	**Key Performance Indicator**	**Planned target 2025/2026**	**Actual achievements 2025/2026**	**Deviation from target to actual achievements for 2025/2026**	**Comments on deviations**
Deploy CCTV cameras monitored by a CCTV Control Room	Effective use of CCTV cameras through monitoring	Replacements needed were identified	Achieved	N/A	N/A
STRATEGIC OBJECTIVE: MONITOR & EVALUATE STRATEGY & PERFORMANCE					
Measure	**Key Performance Indicator**	**Planned target 2025/2026**	**Actual achievements 2025/2026**	**Deviation from target to actual**	**Comments on deviations**

				achievements for 2025/2026	
Monitor and evaluate the Public Safety strategy and performance of all service delivery on a quarterly basis	Report findings to the LCID Board with Recommendations where applicable	Quarterly. Performance was evaluated and reported quarterly.	Identifiable actions were identified and actioned Achieved	N/A	N/A
STRATEGIC OBJECTIVE: ON SITE INSPECTIONS					
Measure	**Key Performance Indicator**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from target to actual achievements for 2025/2026**	**Comments on deviations**
On-site inspection	Report findings to the LCID Board with Recommendations where applicable	Weekly	Achieved	N/A	

STRATEGIC OBJECTIVE: UTILISE EYES & EARS OF RESIDENTS					
Measure	**Key Performance Indicator**	**Planned target 2025/2026**	**Actual achievements 2025/2026**	**Deviation from target to actual achievements for 2025/2026**	**Comments on deviations**
Utilise the "eyes and ears" of all Public Safety subcontractors	Incorporate feedback and information into Public Safety initiatives	Ongoing	Achieved	N/A	

Service/ Project components	**2024/2025**			**2025/2026**		
	Projected Expen-diture	**Actual Expen-diture**	**(Over) / Under Expen-diture**	**Projected Expen-diture**	**Actual Expen-diture**	**(Over)/ Under Expenditure**
Safety & security	3 494 075	3 494 075	0	3 482 207	3 482 207	0

Cleansing, Urban Management & Environmental Development

The LCID remained committed to maintaining the natural beauty, accessibility and environmental integrity of Llandudno through an ongoing programme of cleansing, vegetation management and environmental improvement projects. In addition to routine maintenance activities, the year saw the successful completion and progression of several infrastructure improvements aimed at enhancing public open spaces and protecting the area's unique natural environment.

Routine urban management activities included litter collection, verge maintenance, vegetation management, alien vegetation clearing and the upkeep of public open spaces and pathways. The LCID continued to work closely with its appointed contractors to ensure that public areas remained clean, safe and accessible throughout the year.

Environmental rehabilitation remained a key priority. Ongoing clearing of invasive alien vegetation was undertaken across public open spaces, road reserves and the northern boundary, reducing fire risk while promoting indigenous biodiversity. The LCID also continued to manage vegetation along roads, walkways, streams and coastal paths to improve visibility, pedestrian safety and accessibility.

Several environmental improvement projects were completed or substantially progressed during the reporting period. The Liermans–Maori pathway project was successfully completed, as was the upgrade of the Gulley pathway between Leeukoppie Road and the primary school, which included new boardwalks, formalised steps and pathway rehabilitation to improve public safety and accessibility. Additional pathway improvements and stormwater management measures were also undertaken where erosion had affected public access.

The completion of the new entrance security guard hut also provided an opportunity to enhance the surrounding public environment. Indigenous landscaping, irrigation and beautification works were initiated around the entrance precinct, contributing to an improved sense of arrival while complementing the surrounding natural landscape.

The LCID continued to engage with residents regarding environmental stewardship and responsible use of public spaces. Illegal dumping of garden refuse and builders' rubble remained an ongoing concern, with residents encouraged to dispose of waste responsibly and ensure that contractors maintained clean and orderly construction sites. The LCID also maintained regular engagement with CCT regarding the collection of vegetation cuttings and the maintenance of public open spaces.

Positive feedback from the period under review

- Continued clearing of alien vegetation improved public open spaces and reduced fire risk.
- The Gulley pathway upgrade and associated rehabilitation works improved pedestrian safety and accessibility.
- Landscaping and beautification around the new entrance security guard hut enhanced the public environment.
- Removal of an illegally built platform located in the open space above the tennis courts and subsequent rehabilitation.
- Ongoing maintenance programmes ensured that public spaces and pathways remained well maintained

Challenges experienced during the period under review

- Illegal dumping of garden refuse and builders' rubble remained an ongoing concern.
- Continued vegetation growth and erosion require ongoing maintenance and rehabilitation.
- Stormwater damage to pathways and public open spaces requires continued monitoring and investment

STRATEGIC OBJECTIVE: MAINTAIN & CLEANSE PUBLIC AREAS					
Measure	**Key Performance Indicator**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from target to actual achievements for 2025/2026**	**Comments on deviations**
Frequency of cleaning activities in public spaces (e.g. daily, weekly).	Public area is cleaned weekly according to the schedule.	Twice a week	Achieved	N/A	N/A
Vegetation clearing waste collected and disposed of	Waste is collected and taken to the refuse dump by bakkie. OR cut material is stockpiled at various locations for collection by CCT	Weekly or as required	Achieved	N/A	N/A

Service/ Project components	**2024/2025**			**2025/2026**		
	Projected Expen-diture	**Actual Expen-diture**	**(Over) / Under Expen-diture**	**Projected Expen-diture**	**Actual Expen-diture**	**(Over)/ Under Expenditure**
Cleansing urban management and environmental development	282 636	282 636	0	312 394	312 394	0



Maintaining public open spaces, cleared of alien vegetation



Maintaining public open spaces, cleared of alien vegetation





Gulley pathway upgrade and maintenance



Removal of illegal platform built in public open space



Landscaping and beautification around the new entrance security guard hut

Infrastructure

LCID continued to monitor and advocate for the maintenance and improvement of public infrastructure throughout the area, working closely with CCT to address service delivery issues affecting residents and visitors. Particular focus was placed on roads, traffic management, water, sewerage and electricity infrastructure, with the Board maintaining ongoing oversight of reported faults and engaging with the relevant municipal departments to improve response times and long-term service delivery outcomes.

Traffic and parking management remained a significant area of focus throughout the reporting period. The LCID continued to engage with CCT regarding road markings, parking arrangements and traffic flow, particularly in areas experiencing high visitor volumes during peak periods. Improvements to road markings in Leeukoppie Road were implemented during the year, while further discussions continued regarding parking layout improvements in the beach parking area to optimise available parking and improve traffic circulation. The Board also continued to assess the recommendations contained within the Zutari Traffic Report to inform future engagement with CCT on long-term traffic management solutions.

The LCID maintained ongoing oversight of road surface defects, potholes, burst water pipes, sewerage incidents and electricity supply interruptions, monitoring reported faults and following up with CCT where required. Although most localised faults were attended to within reasonable timeframes, recurring infrastructure failures and ageing municipal infrastructure continued to present operational challenges. Particular attention was given to repeated sewerage incidents affecting the beach area, with the Board advocating for investigation into the underlying causes rather than repeated temporary repairs. The LCID also continued to monitor recurring water supply issues and maintain detailed records to support engagement with CCT and the local ward councillor.

Building and planning matters also remained an important component of the infrastructure portfolio. The Board continued to engage with CCT regarding planning applications, departures and development proposals which may affect the character of Llandudno. Attention was given to protecting the area's planning framework, including concerns relating to building lines, height restrictions, second dwellings and increasing residential densification. The Board also continued to support residents where planning concerns had the potential to affect neighbouring properties or the broader community.

Throughout the reporting period, the LCID encouraged residents to continue reporting infrastructure faults through the CCT reporting system, enabling issues to be monitored, escalated where necessary and tracked through to resolution. This collaborative approach assists the LCID in identifying recurring problem areas and advocating for improved municipal service delivery.

Positive feedback received during the year under review

- Continued engagement with CCT resulted in improvements to road markings and ongoing consideration of traffic management initiatives.
- Most localised water, sewerage and electricity faults were attended to within reasonable response times.
- Ongoing monitoring and reporting improved the LCID's ability to advocate for infrastructure improvements.
- Continued engagement on planning matters supported the protection of Llandudno's residential character.

Challenges experienced during the year under review

- The wider ageing municipal infrastructure and limited maintenance lead to pressure on water, sewerage, electricity supply and road surface quality.
- Peak-season traffic congestion and parking demand remain ongoing challenges.
- Some infrastructure faults require long-term engineering solutions beyond routine maintenance.
- Planning and development pressures continue to require ongoing engagement with CCT.

STRATEGIC OBJECTIVE: MONITOR, REPORT & ADVOCATE FOR MUNICIPAL IMPROVEMENTS					
Measure	**Key Performance Indicator**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from target to actual achievements for 2025/2026**	**Comments on deviations**
Monitor, report and advocate for municipal infrastructure improvements relating to roads, stormwater, water, sewerage, electricity, road markings and traffic management	Infrastructure faults reported to CCT, monitored and followed through to resolution where possible	Ongoing	Achieved	N/A	

This area is currently not funded.

Social Intervention Initiatives

The LCID continued to support local economic participation through the appointment of local service providers and contractors to undertake environmental maintenance, cleansing and landscaping activities within the area. These initiatives contribute to employment opportunities while supporting the LCID's objective of maintaining a safe, clean and environmentally attractive public environment.

The LCID also continued to work collaboratively with local organisations, community stakeholders and residents in delivering projects that benefit the wider community and contribute to the ongoing enhancement of Llandudno.

Positive feedback received during the year under review

- Continued utilisation of local contractors supported employment and skills development.
- Strong community participation and stakeholder collaboration supported LCID initiatives.

Challenges experienced during the year under review

- Opportunities for dedicated social intervention initiatives remain limited within the LCID operational mandate.

Service/ Project components	2024/2025			2025/2026		
	Projected Expen-diture	Actual Expen-diture	(Over) / Under Expen-diture	Projected Expen-diture	Actual Expen-diture	(Over)/ Under Expenditure
Social intervention and environmental upgrade			0	49 307	49 307	0

Social intervention was carried out by Weavers horticultural and The Sugarbird Trust.

Communications

The LCID is committed to an effective communication strategy with its members.

During the year we continued to maintain our communication with residents and owners by means of:

- Newsletters distributed via email.
- WhatsApp community groups for general communication and separate WhatsApp groups relating to infrastructure problems and security alerts.
- Proposed dates of board meetings were posted on the website to encourage and enable residents and owners to communicate with the board and bring matters to our attention.

Residents have been notified of relevant contact numbers such as Watchcon and SAPS to report matters.

Board members are on the relevant WhatsApp groups to intervene and take appropriate action where necessary.

STRATEGIC OBJECTIVE: COMMUNICATION					
Measure	**Key Performance Indicator**	**Planned Target 2025/2026**	**Actual Achievement 2025/2026**	**Deviation from target to actual achievements for 2025/2026**	**Comments on deviations**
Communicate with residents and owners with regard to aspects relating to the LCID objects. This is done via various chat groups and with direct communication with residents	Assessment of whether residents are aware of issues. Whether any complaints were received.	Board members respond publicly and/or directly when concerns are raised by residents	Achieved – Board not aware of any grievances as to lack of communication.	N/A	

Service/ Project components	2024/2025			2025/2026		
	Projected Expen-diture	Actual Expen-diture	(Over) / Under Expen-diture	Projected Expen-diture	Actual Expen-diture	(Over)/ Under Expenditure
Communication	5 256	5 256	0	5 048	5 048	0

PART C: CORPORATE GOVERNANCE

APPLICATION OF KING IV

1.1. Description of the application of King IV

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, LCID 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. King V will apply from the 2027 financial year.

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 particular reporting protocols appropriate to a non-profit entity such as LCID.

The board is satisfied that LCID 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.

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.

GOVERNANCE STRUCTURE

Board Composition

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence as required under principle 7.30(a) of King IV (King IV principle 7.30(a))

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 Roberto Quintas as board observer.

Appointment of the board

Directors are appointed to the board either via election at an annual general meeting or may be co-opted by a vote of existing directors; at least one third of the longest serving directors shall retire from office at every AGM.

Overview of the board’s responsibilities

The Board is responsible for overseeing the daily execution of additional services outlined in the Business Plan. In fulfilling this responsibility, the Board:

- Develops strategies to implement the LCID business plan, ensuring the company's financial sustainability while considering stakeholder interests.
- Ensures compliance with relevant laws, codes, and standards.
- Approves the annual budget.
- Supervises the preparation and approves the annual financial statements for member adoption.
- Maintains effective control over the NPC and monitors management's adherence to the approved budget and business plan.

Board charter

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

Director Independence

During the period under review, the Board conducted a formal assessment of the independence of all non-executive directors, as recommended by King IV. The Board concluded that all non-executive directors, including the Chairperson, meet the definition of “independence” as outlined in King IV and comply with the guidelines specified in Principle 7.28.

Board Committees

The Board did not appoint any committees during the reporting period.

Attendance at board and committee meetings

The board convenes at least once every 3 months, with the option to convene a special board meeting when necessary. The board observes Principle 1(c)(iv) of King IV regarding attendance of meetings. (King IV Principle 6.5 (board meetings) and King IV Principle 8.50(e) (board committee meetings)).

Board members' attendance at meetings

Name	19/8/25	10/10/25	03/02/26	14/04/26	09/06/26
K Loubser	yes	yes	yes	yes	yes
I Scott	yes	yes	yes	yes	yes
M Greig	apologies	yes	apologies	yes	yes
R Curtis	yes	yes	yes	yes	yes
W Corbett	apologies	apologies	yes	yes	yes
C de Ridder (alt director)	yes	apologies	yes	yes	yes
J Crowther	yes	yes	yes	apologies	yes
A Jakins	apologies	yes	yes	yes	yes
A McNulty	apologies	yes	apologies	apologies	apologies
J Aufricht	apologies	apologies	apologies	apologies	apologies

Political Observer attendance at meetings

Name	19/8/25	10/10/25	03/02/26	14/04/26	09/06/26
Cllr Quintas	yes	apologies	-	apologies	apologies
Cllr Lansdowne	-	-	-	-	apologies

ETHICAL LEADERSHIP

Directors are required to maintain the highest ethical standards and disclose any private interests that could create a conflict of interest both upon appointment and whenever relevant matters arise. In such instances, the director must provide a written disclosure of the conflict to the Chairperson and abstain from participating in discussions or voting on the matter.

This commitment to transparency ensures that directors retain their independence and act exclusively in the best interests of the NPC.

The Board confirms that, during the year under review, directors adhered to these obligations, with no changes in their declarations affecting their independence.

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. **(King IV principle 1.3)**

BOARD OVERSIGHT OF RISK MANAGEMENT

Risk Management Policy

All directors are directly involved in daily financial procedures, requiring their authorisation for specific purchases as outlined in the procurement policy.
This oversight extends to expenditures, where payments are only made to approved suppliers and if the payments were authorised by the Board.
Additionally, purchases are approved through Board discussions and formal meetings.

The risk management policy is embedded within the organisation's operations and management processes under the Board's oversight. Key components of the risk management strategy include:

Board Oversight

The Board holds ultimate responsibility for risk management, ensuring the implementation of a robust internal control system. It regularly reviews risk at board meetings to confirm that critical risk areas are appropriately addressed and monitored by the appointed management company.

Code of Conduct

As part of its risk management framework, LCID follows a stringent code of conduct to maintain confidentiality and ensure the ethical handling of sensitive information.

Effectiveness of risk management

During the 2025 financial year, the board addressed its risk mandate by evaluating risk governance in matters discussed across 5 board meetings. The board is confident that the systems and processes for risk governance and management

are effective and that its risk management responsibilities have been adequately fulfilled.

Key business risks and opportunities

The board has identified several key issues that may impact the company's financial performance and strategic objectives. These include:

- Resignations of board members.
- Underperformance or excessive interference by service providers.
- Negative perceptions within the local community regarding service delivery or the allocation of public funds.
- Recurring water pipe bursts
- Delayed response from City of Cape Town Roads Department to ongoing C3 service requests

ACCOUNTABILITY AND RESPONSIBILITY

Performance Reviews

The Board regularly reviews written reports on the operational performance of key vendors and is broadly satisfied with their performance.

Delegated limits of authority require 1x Director to load online banking payments.

Supplier Code of Conduct

The Board ensures vendor accountability through clear service level agreements, regular performance assessments, and a robust complaints process.

PART D: FINANCIAL INFORMATION

REPORT OF THE EXTERNAL AUDITOR

ANNUAL FINANCIAL STATEMENT

Llandudno City Improvement District NPC

Formerly Llandudno Special Rating Area NPC

(Registration number 2014/179104/08; PBO 930049328)

Annual Financial Statements
for the year ended 30 June 2026

Hudson Accounting
Chartered Accountants (SA)
Registered Auditors
Issued 25 August 2026

Llandudno City Improvement District NPC

Formerly Llandudno Special Rating Area NPC
(Registration number: 2014/179104/08; PBO 930049328)
Annual Financial Statements for the year ended 30 June 2026

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Providing services to the special rating area of Llandudno
Directors	M Loubser (Chairperson) J Aufrichtig J Crowther R Curtis C de Riddler (alternate director) M Greig A McNulty A Jakins I Scott W Corbett
Registered office	11 Apostle Road Llandundo 7806
Business address	11 Apostle Road Llandundo 7806
Bankers	Nedbank
Auditors	Hudson Accounting Chartered Accountants (SA) Registered Auditors IRBA 949639 47 Upper De Waal Road Corner Kommetjie Road and 11th Avenue Fish Hoek 7975
Company registration number	2014/179104/08; PBO 930049328
Tax reference number	9480700179
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: Tom Hickman Chartered Accountant (SA)
Issued	25 August 2026

Llandudno City Improvement District NPC

Formerly Llandudno Special Rating Area NPC
(Registration number: 2014/179104/08; PBO 930049328)
Annual Financial Statements for the year ended 30 June 2026

Contents

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

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Detailed Income Statement	16
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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 IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB). 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 IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB) 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 2027 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 5 and 6.

The annual financial statements set out on pages 7 to 15, which have been prepared on the going concern basis, were approved by the directors on 28 August 2026 and were signed on its behalf by:

M Loubser (Chairperson)

I Scott

Cape Town

Date: 28 August 2026

Llandudno City Improvement District NPC

Formerly Llandudno Special Rating Area NPC
(Registration number: 2014/179104/08; PBO 930049328)
Annual Financial Statements for the year ended 30 June 2026

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Llandudno City Improvement District NPC for the year ended 30 June 2026.

1. Nature of business

Llandudno City Improvement District NPC is a non-profit company set up in terms of the municipal by-laws of the City of Cape Town (CoCT) which acts as the management body in respect of City Improvement District (CID) determined by the CoCT in terms of section 22 of the Property Rates Act in respect of a defined geographical area. The souce of the revenue of the company additional to the property rates billed by the CoCT. These services include the provision of security for the common/public areas of the CID/ Landudno, environmental maintenance and removal of alien vegetation, cleaning and tidying public open spaces and other community related services.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB) 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.

3. Directors

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

Directors
M Loubser (Chairperson)
J Aufrichtig
J Crowther
R Curtis
C de Riddler (alternate director)
M Greig
A McNulty
A Jakins
I Scott
W Corbett

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

4. 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.

5. 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.

6. Auditors

Hudson Accounting continued in office as auditors for the company for 2026.

7. Liquidity and solvency

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

Hudson Accounting
Chartered Accountants (SA)
Registered Auditors

Corner 11th Ave and Kommetjie Rd, Fish Hoek
PO Box 22455, Fish Hoek, 7974
Tel: 021 782 9640
Fax: 021 782 9644
email: admin@hudsonaccounting.co.za

Independent Auditor's Report

To the Members of Llandudno City Improvement District NPC

Opinion

We have audited the annual financial statements of Llandudno City Improvement District NPC set out on pages 7 to 15, which comprise the statement of financial position as at 30 June 2026, the statement of comprehensive income, the statement of changes in equity and the 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 Llandudno City Improvement District NPC as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with the the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB) 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 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 Directors' Report as required by the Companies Act 71 of 2008, 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, 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.

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 the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB) 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.

Independent Auditor's Report

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.

Hudson Accounting

Date: 28 August 2026

Hudson Accounting
DL Hickman
Chartered Accountants (SA)
Registered Auditors
IRBA 949639

47 Upper De Waal Road
Corner Kommetjie Road and 11th Avenue
Fish Hoek
7975

Statement of Financial Position as at 30 June 2026

Figures in Rand	Note(s)	2026	2025
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,842,548	1,699,884
Current Assets			
Trade and other receivables	3	-	182,992
Cash and cash equivalents	4	4,820,048	3,541,016
		4,820,048	**3,724,008**
Total Assets		**6,662,596**	**5,423,892**
Equity and Liabilities			
Equity			
Retained surplus		6,350,639	5,196,879
Liabilities			
Current Liabilities			
Trade and other payables	5	311,957	227,013
Total Equity and Liabilities		**6,662,596**	**5,423,892**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2026	2025
Revenue		5,590,878	5,492,470
Other income		276,497	914,265
Operating expenses		(4,713,615)	(4,420,231)
Operating surplus		**1,153,760**	**1,986,504**
Surplus for the year		**1,153,760**	**1,986,504**

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 July 2024	**3,210,375**	**3,210,375**
Surplus for the year	**1,986,504**	**1,986,504**
Balance at 01 July 2025	**5,196,879**	**5,196,879**
Surplus for the year	**1,153,760**	**1,153,760**
Balance at 30 June 2026	**6,350,639**	**6,350,639**

Statement of Cash Flows

Figures in Rand	Note(s)	2026	2025
Cash flows from operating activities			
Cash generated from operations	8	1,639,351	2,008,631
Interest income		223,597	179,235
Net cash from operating activities		**1,862,948**	**2,187,866**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(583,916)	(1,503,807)
Total cash movement for the year		**1,279,032**	**684,059**
Cash and cash equivalents at the beginning of the year		3,541,016	2,856,957
Total cash at end of the year	4	**4,820,048**	**3,541,016**

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 IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB), 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.

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
Security equipment	Straight line	5 years
Security hut	Straight line	10 years

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.

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 surplus or deficit.

1.4 Tax

Tax expenses

The company has been approved as a public benefit organisation (PBO) by the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(d)(iii) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 27%.

1.5 Trade and other receivables

Trade and other receivables are stated at cost less an allowance for doubtful debts. The allowance raised is the amount needed to reduce the carrying value to the expected future cash flows.

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 surplus or deficit.

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 surplus or deficit.

1.7 Donations

Donations are recognised as income when the entity obtains control of the donated asset, it is probable that future economic benefits will flow to the entity, and the fair value can be measured reliably.

1.8 Government grants

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

Accounting Policies

1.8 Government grants (continued)

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 Income - Services Rendered

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 surplus or deficit, using the effective interest rate method.

1.10 Trade and other payables

Trade and other payables are measured at fair value.

1.11 Finance income

Finance income is recognised in surplus or deficit, as it accrues, using the effective interest rate method, and comprises of interest income earned on funds invested.

1.12 Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised, irregular, fruitless, and wasteful expenditure is accounted for as an expense in accordance with the nature of the expenses. Where recovered, it is subsequently accounted for as other income.

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

2. Property, plant and equipment

	2026			2025		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Security equipment	2,585,438	(1,345,227)	1,240,211	2,567,859	(908,475)	1,659,384
Security hut	611,337	(9,000)	602,337	45,000	(4,500)	40,500
Total	**3,196,775**	**(1,354,227)**	**1,842,548**	**2,612,859**	**(912,975)**	**1,699,884**

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Depreciation	Closing balance
Security equipment	1,659,384	17,579	(436,752)	1,240,211
Security hut	40,500	566,337	(4,500)	602,337
	1,699,884	**583,916**	**(441,252)**	**1,842,548**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Security equipment	483,095	1,458,807	(282,518)	1,659,384
Security hut	-	45,000	(4,500)	40,500
	483,095	**1,503,807**	**(287,018)**	**1,699,884**

3. Trade and other receivables

Deposits - security hut	-	182,626
VAT	-	366
	-	**182,992**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4,820,048	3,541,016

5. Trade and other payables

VAT	37,708	-
Accounts payable	154,249	227,013
Accrued expense - externally funded law enforcement (City of Cape Town)	120,000	-
	311,957	**227,013**

6. Auditor's remuneration

Auditor's fees	21,650	20,380

Notes to the Annual Financial Statements

Figures in Rand	2026	2025

7. Taxation

The company has been approved as a public benefit organisation (PBO) by the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(d)(iii) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 27%.

8. Cash generated from operations

Surplus for the year	1,153,760	1,986,504
Adjustments for non-cash items:		
Depreciation	441,252	287,018
Interest income	(223,597)	(179,235)
Changes in working capital:		
Decrease (increase) in trade and other receivables	182,992	(182,992)
Increase in trade and other payables	84,944	97,336
	1,639,351	**2,008,631**

Detailed Income Statement

Figures in Rand	Note(s)	2026	2025
Revenue			
Additional Rates Received		5,233,889	4,914,450
Additional Rates Retention Received		356,989	578,020
		5,590,878	**5,492,470**
Other income			
Interest income		223,597	179,235
Donations received		52,900	735,030
		276,497	**914,265**
Operating expenses			
Accounting fees		34,920	32,760
Administration and management fees		34,250	13,750
Advertising		5,048	5,256
Auditor's remuneration	6	21,650	20,380
Bank charges		1,964	2,215
Cleansing services		312,394	282,636
Computer expenses		3,906	7,159
Contingency/sundry costs		-	2,000
Depreciation		441,252	287,018
Environmental upgrading		49,307	-
Insurance		63,078	56,996
Law enforcement officers		132,527	56,942
Office rental		1,570	-
Marketing and promotions		8,259	3,359
Public safety		3,031,465	3,098,308
Public safety - CCTV monitoring		450,742	395,767
Repairs and maintenance		99,904	135,617
Secretarial fees		9,146	7,679
Telephone and communications		12,233	12,389
		4,713,615	**4,420,231**
Surplus for the year		**1,153,760**	**1,986,504**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Tax Computation

Figures in Rand	2026
Net surplus per income statement	1,153,760
Temporary differences	
Depreciation according to the financial statements	441,252
Wear and tear s11(e)	(441,252)
	-
Calculated tax profit for the year	**1,153,760**
Exempt in terms of s10(1)(cN)	(1,153,760)
Taxable income	-
Tax thereon @ 27% (2025: 27%) in the Rand	-

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