

**OBSERVATORY IMPROVEMENT DISTRICT NPC**  
**(Registration number 2008/020680/08)**  
**Annual Financial Statements**  
**for the year ended 30 June 2025**

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2025

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Improve and promote the improvement area by providing and procuring the provision of services to and in the improvement area
<b>Directors</b>	ES Angless JJ Ashley KH Cousins J Van Der Flugt DA Barraclough SB Driver-Jowitt IJ De Villiers J Titley
<b>Business address</b>	13A St Michael Road Observatory Cape Town Western Cape 7925
<b>Postal address</b>	13A St Michael Road Observatory Cape Town Western Cape 7925
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Cecil Kilpin & Co. Chartered Accountants (SA) Registered Auditor
<b>Company registration number</b>	2008/020680/08
<b>Tax reference number</b>	9024/005/19/2

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

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# Observatory Improvement District NPC

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## Directors' Responsibilities and Approval

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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 2026 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 8 to 18, which have been prepared on the going concern basis, were approved by the directors and were signed on their behalf by:

### Approval of annual financial statements

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

Cape Town

Date: 21st August 2025

# Observatory Improvement District NPC

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## Directors' Report

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

### 1. Nature of business

Observatory Improvement District NPC provides supplementary public safety, cleansing, maintenance services, environmental development, social development and communications in the Observatory area.

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 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.

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

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

### 3. Directors

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

Directors	Changes
ES Angless	
JJ Ashley	
KH Cousins	
J Van Der Vlugt	
DA Barraclough	
SB Driver-Jowitt	
IJ De Villiers	Appointed 24 October 2024
J Tittle	Appointed 24 October 2024
JN Cronje	Resigned 24 April 2025

### 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. 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

Cecil Kilpin & Co. continued in office as auditors for the company for 2025.

At the AGM, the members will be requested to reappoint Cecil Kilpin & Co. as the independent external auditors of the company and to confirm Ms Melanie Spencer as the designated lead audit partner for the 2026 financial year.

# Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2025

## Directors' Report

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### 7. Secretary

The company secretary is U Genthe.

#### Business address

28 Protea St  
Caledon  
7230

### 8. 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

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To the Directors of Observatory Improvement District NPC

Report on the Audit of the Annual Financial Statements

### Opinion

We have audited the annual financial statements of Observatory Improvement District NPC (the company) set out on pages 8 to 18, which comprise the statement of financial position as at 30 June 2025; and 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 Observatory Improvement District NPC as at 30 June 2025, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 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 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 "Observatory Improvement District NPC annual financial statements for the year ended 30 June 2025", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 19 to 21. 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.

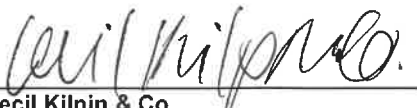
### Auditor's Responsibilities for the Audit of the Annual Financial Statements

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.



**Cecil Kilpin & Co.**  
Chartered Accountants (SA)  
Registered Auditor  
Per Partner: Melanie Spencer

Century City  
Date: 22 August 2015

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

	Note(s)	2025 R	2024 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	660,275	273,361
<b>Current Assets</b>			
Trade and other receivables	3	128,902	60,902
Cash and cash equivalents	4	3,765,579	3,890,388
		<b>3,894,481</b>	<b>3,951,290</b>
<b>Total Assets</b>		<b>4,554,756</b>	<b>4,224,651</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		4,242,116	3,934,704
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	312,640	289,947
<b>Total Equity and Liabilities</b>		<b>4,554,756</b>	<b>4,224,651</b>

## Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2025

### Statement of Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue	6	11,142,079	10,520,845
Other income		54,041	12,824
Operating (deficit) surplus	7	(11,219,617)	(10,105,187)
<b>Operating surplus (deficit)</b>		<b>(23,497)</b>	<b>428,482</b>
Investment revenue	8	330,909	288,715
<b>Surplus (deficit) for the year</b>		<b>307,412</b>	<b>717,197</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>307,412</b>	<b>717,197</b>

## Observatory Improvement District NPC

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### Statement of Changes in Equity

	Retained income R	Total equity R
<b>Balance at 01 July 2023</b>	<b>3,217,507</b>	<b>3,217,507</b>
Surplus for the year	717,197	717,197
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>717,197</b>	<b>717,197</b>
<b>Balance at 01 July 2024</b>	<b>3,934,704</b>	<b>3,934,704</b>
Surplus for the year	307,412	307,412
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>307,412</b>	<b>307,412</b>
<b>Balance at 30 June 2025</b>	<b>4,242,116</b>	<b>4,242,116</b>

**Observatory Improvement District NPC**  
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**Statement of Cash Flows**

	Note(s)	2025 R	2024 R
<b>Cash flows from operating activities</b>			
Cash receipts from City of Cape Town		11,075,946	10,537,969
Cash paid to suppliers and employees		(11,098,364)	(10,053,658)
Cash (used in) generated from operations	11	(22,418)	484,311
Interest income		330,909	288,715
<b>Net cash from operating activities</b>		<b>308,491</b>	<b>773,026</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(485,473)	(235,750)
Proceeds from sale of property, plant and equipment	2	52,173	-
<b>Net cash from investing activities</b>		<b>(433,300)</b>	<b>(235,750)</b>
<b>Total cash movement for the year</b>		<b>(124,809)</b>	<b>537,276</b>
Cash and cash equivalents at the beginning of the year		3,890,388	3,353,112
<b>Total cash at end of the year</b>	4	<b>3,765,579</b>	<b>3,890,388</b>

# Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 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, 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 year.

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:

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Item	Depreciation method	Average useful life
Security equipment	Straight line	3 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Other fixed assets	Straight line	5 years
Other fixed assets - Fence	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.

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## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

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

### 1.3 Financial instruments

#### Initial measurement

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

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. 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

#### 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. The company meets the criteria for tax exemption under section 10(1)(d)(iii) of the Income Tax Act, 1962.

### 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.

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## Accounting Policies

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### 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 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### 1.8 Government grants

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

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

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

### 1.9 Revenue

Revenue comprises revenue income from ratepayers which is collected by the City of Cape Town on the entity's behalf, net of retention revenue retained.

### 1.10 Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

### 1.11 Other income

Other income consists of Profit on Disposal of Assets, Sundry income - Wastemart, Donations and Recycle bags.

### 1.12 Unauthorised, irregular and fruitless and wasteful expenditure

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

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Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R
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### 2. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	77,260	(73,690)	3,570	77,260	(67,590)	9,670
Motor vehicles	342,731	(142,322)	200,409	231,268	(222,267)	9,001
Office equipment	22,973	(21,924)	1,049	21,819	(21,809)	10
IT equipment	109,540	(102,966)	6,574	111,388	(92,461)	18,927
Security equipment	419,822	(186,271)	233,551	177,256	(177,253)	3
Other fixed asset - Fence	235,750	(20,628)	215,122	235,750	-	235,750
Other fixed asset	5,140	(5,140)	-	5,140	(5,140)	-
<b>Total</b>	<b>1,213,216</b>	<b>(552,941)</b>	<b>660,275</b>	<b>859,881</b>	<b>(586,520)</b>	<b>273,361</b>

#### Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	9,670	-	-	(6,100)	3,570
Motor vehicles	9,001	227,736	1	(36,329)	200,409
Office equipment	10	1,154	-	(115)	1,049
IT equipment	18,927	2,552	-	(14,905)	6,574
Security equipment	3	254,031	-	(20,483)	233,551
Other fixed asset - Fence	235,750	-	-	(20,628)	215,122
	<b>273,361</b>	<b>485,473</b>	<b>1</b>	<b>(98,560)</b>	<b>660,275</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	18,296	-	(8,626)	9,670
Motor vehicles	18,000	-	(8,999)	9,001
Office equipment	10	-	-	10
IT equipment	33,641	-	(14,714)	18,927
Security equipment	3	-	-	3
Other fixed asset - Fence	-	235,750	-	235,750
	<b>69,950</b>	<b>235,750</b>	<b>(32,339)</b>	<b>273,361</b>

### 3. Trade and other receivables

Deposits	58,902	58,902
Prepayments	70,000	1,100
Rent Control	-	900
	<b>128,902</b>	<b>60,902</b>

# Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2,893	1,531
Bank balances	3,762,686	3,888,857
	<b>3,765,579</b>	<b>3,890,388</b>
<b>5. Trade and other payables</b>		
Trade payables	10,859	83,917
Accrued expenses	119,010	55,000
Deposits - Keys	45,366	40,316
VAT	26,033	38,945
Provision for audit fees	24,750	24,750
Provision for leave pay	83,638	43,671
PEP Control (Public Employment Program)	2,734	2,734
Sundry creditors	250	614
	<b>312,640</b>	<b>289,947</b>
<b>6. Revenue</b>		
Additional Rates Received	10,693,053	9,861,205
Additional Rates Retention Received	449,026	659,640
	<b>11,142,079</b>	<b>10,520,845</b>
<b>7. Operating (deficit) surplus</b>		
Operating (deficit) surplus include the following expenses:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	398,066	365,198
Depreciation	98,560	32,339
Employee costs	2,555,249	2,386,912
Project - Website Revamp	-	37,103
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	330,909	288,715
<b>9. Auditor's remuneration</b>		
Fees	24,750	29,750
<b>10. Taxation</b>		
<b>Non provision of tax</b>		

No provision has been made for 2025 tax as the company is exempt from income tax under section 10(1)(d)(iii) of the Income Tax Act.

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>11. Cash (used in) generated from operations</b>		
Net profit before taxation	307,412	717,197
<b>Adjustments for:</b>		
Depreciation, amortisation, impairments and reversals of impairments	98,560	32,339
Profit on sale of assets and liabilities	(52,174)	-
Investment income	(330,909)	(288,715)
<b>Changes in working capital:</b>		
(Increase) decrease in trade and other receivables	(68,000)	-
Increase (decrease) in trade and other payables	22,693	-
	<b>(22,418)</b>	<b>460,821</b>
<b>12. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Heritage Obs Live - Project	60,000	-
This committed expenditure relates to Website design and development and will be financed by existing cash resources.		
<b>Operating leases – as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	453,103	413,546
- in second to fifth year inclusive	1,025,902	42,570
	<b>1,479,005</b>	<b>456,116</b>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.

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Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>13. Directors' and prescribed officer's remuneration</b>		
<b>Executive</b>		
<b>Prescribed officers</b>		
<b>2025</b>		
	<b>Emoluments</b>	<b>Total</b>
M Tyrrell	689,000	689,000
<b>2024</b>		
	<b>Emoluments</b>	<b>Total</b>
Mrs AJ Kirk	165,724	165,724
M Tyrrell	508,696	508,696
	<b>674,420</b>	<b>674,420</b>
<b>14. Related parties</b>		
<b>Related party balances and transactions with other related parties</b>		
<b>Related party transactions</b>		
<b>Amounts received from the City of Cape Town</b>		
Revenue services rendered	10,693,053	9,861,205
Revenue retention refunded	449,026	659,640

## Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2025

### Detailed Income Statement

	Note(s)	2025 R	2024 R
<b>Revenue</b>			
Additional Rates Received		10,693,053	9,861,205
Additional Rates Retention Received		449,026	659,640
	6	<b>11,142,079</b>	<b>10,520,845</b>
<b>Other income</b>			
Profit on Disposal of Assets		52,174	-
Sundry income		1,867	12,824
		<b>54,041</b>	<b>12,824</b>
<b>Expenses (Refer to page 20)</b>			
		<b>(11,219,617)</b>	<b>(10,105,187)</b>
<b>Operating surplus</b>			
		<b>(23,497)</b>	<b>428,482</b>
Investment income	8	330,909	288,715
<b>Surplus for the year</b>			
		<b>307,412</b>	<b>717,197</b>

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2025

## Detailed Income Statement

	Note(s)	2025 R	2024 R
<b>Operating expenses</b>			
Accounting services		66,675	69,500
Administration fees		-	3,049
Advertising		5,694	-
AGM expenses		16,853	26,573
Auditors remuneration	9	24,750	29,750
Bank charges		11,864	11,311
Catering and food		1,300	16,836
Cleansing services		573,669	516,763
Communication		140,078	89,158
Computer expenses		24,355	20,717
Depreciation		98,560	32,339
Environmental upgrade		223,757	192,132
Insurance		36,035	28,590
Lease rentals on operating lease - Office equipment		17,829	16,432
Legal expenses		1,800	-
Minor tools and equipment		8,414	5,788
Motor vehicle expenses		62,699	36,867
Office rental		398,066	365,198
Office security		10,706	10,532
Postage and courier		-	110
Printing and stationery		18,511	12,759
Projects - Cape Town Science Centre Partnership		-	80,000
Projects - Greening		-	26,580
Projects - Public spaces		-	282,033
Projects - Storm water drain		12,159	-
Projects - Website revamp		-	37,103
Protective clothing		12,668	28,688
Public safety		5,858,627	5,369,603
Public safety - CCTV monitoring		621,337	144,479
Rates and services		71,872	59,823
Refreshments and teas		39,564	18,327
Repairs and maintenance		21,604	25,033
Salaries and wages		2,555,249	2,386,912
Secretarial duties		9,860	6,435
Shelter fees		11,740	2,250
Social upliftment		220,965	103,308
Staff clothing		23,542	23,840
Staff welfare		70	7,569
Telecommunications		16,745	16,908
Training		2,000	1,892
		<b>11,219,617</b>	<b>10,105,187</b>

# Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2025

## Supplementary Information

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### 1. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was identified by management in the current year.

### 2. Unauthorised expenditure

Unauthorised expenditure refers to any spending by the company that doesn't comply with its approved budget or relevant regulations. This includes overspending, using funds for purposes other than those originally approved. No unauthorised expenditure was identified by management in the current year.