



ANNUAL REPORT & FINANCIAL STATEMENTS

OBSERVATORY IMPROVEMENT DISTRICT NPC



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

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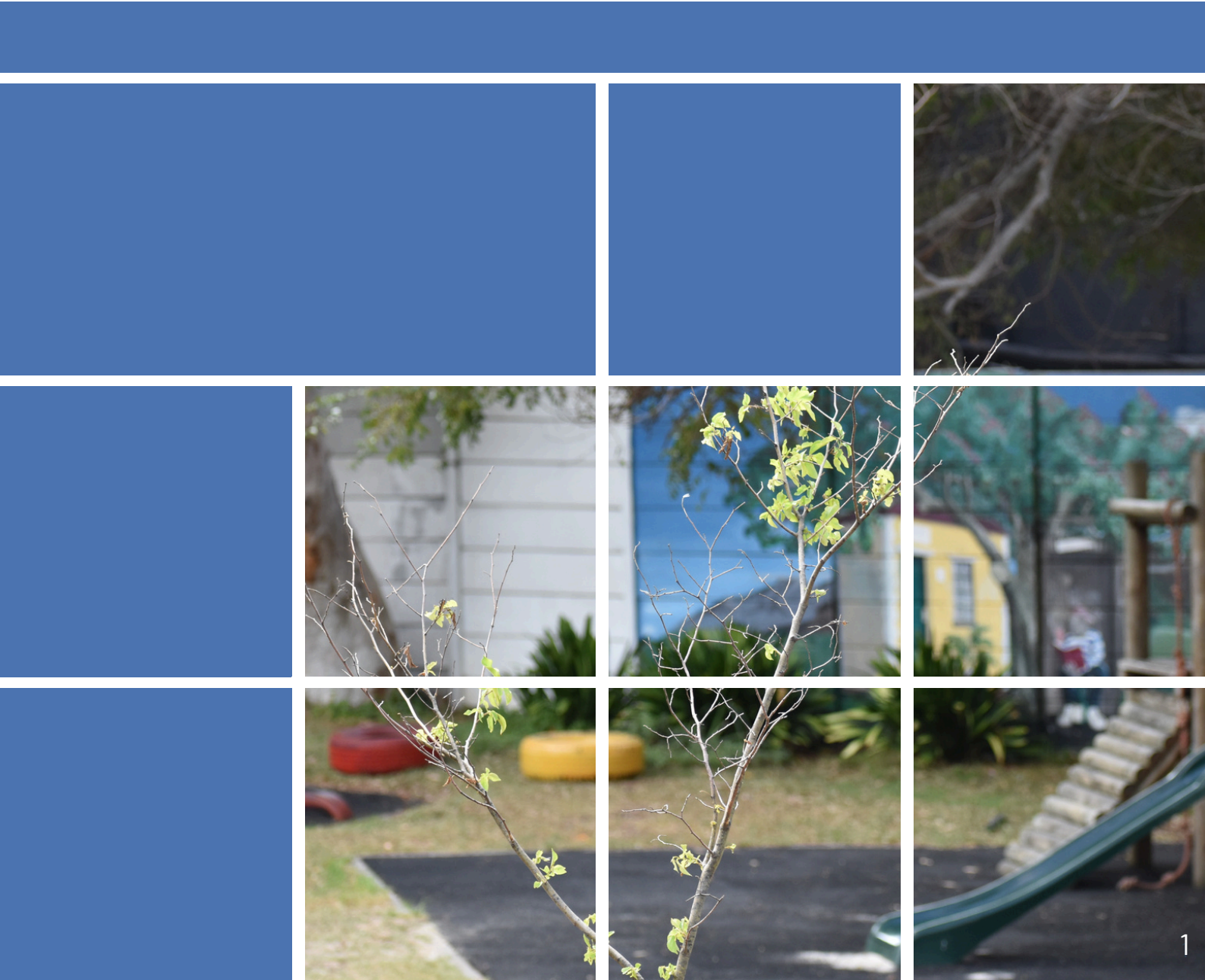
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PART A

GENERAL

INFORMATION



General Information

General

Company:	Observatory Improvement District NPC (OBSID)
Company Registration No:	2008/020680/08
Registered Office:	13A St Michaels Road, Observatory, Cape Town, 7925
VAT No:	4910253865

OBSID Directors

Edwin Angless	
Justin Ashley	Chair
David Barraclough	
Imile De Villiers	Resigned 26 May 2026
Benji Schaffer	
Maarten Turkstra	
Janine Titley	Vice Chair
Julie van der Vlugt	
Henri Van Eetveldt	
Ward	57
Sub-Council	16
Principle Board Observer	Yusuf Mohammed - yusuf.mohamed@capetown.gov.za
Alternative Board Observer	Matthew Kempthorne - matthew.kempthorne@capetown.gov.za
Sub-Council Manager	Girshwin Fouldien - girshwin.fouldien@capetown.gov.za
Auditors	Cecil Kilpin & Co. Seven continuous years
Accountant	Accounts Star c.c.
Company Secretarial	U Genthe

OBSID CEO

Matt Tyrrell	021 448 7090 / ceo@obsid.org.za
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Emergency Contact Details:	
Control Room	074 636 9933 / 021 447 1066
Public Safety Service Provider	Securitas

List of Abbreviations/Acronyms

OBSID	Observatory Improvement District NPC
CEO	Chief Executive Officer
CoCT	City of Cape Town
CCTV	Close-Circuit Television
LPR	Licence Plate Recognition

Chairperson's Report

An Update from Justin Ashley, Chairperson of the OBSID Board

It is my privilege, on behalf of the Board of Directors, to present the Observatory Improvement District's Annual Report for the 2025/26 financial year.

Now in its eighteenth year, OBSID continues to demonstrate the value of sustained, locally focused investment in Observatory. The neighbourhood's diversity, accessibility and distinctive character are among its greatest strengths. At the same time, its mix of residential, commercial, academic and public activity creates complex demands on safety, public spaces, municipal infrastructure and social support services.

Throughout the year, the Board's priority was to ensure that OBSID remained well governed, financially resilient and focused on delivering its approved business plan. We monitored organisational performance, financial management and risk while providing strategic guidance to management.

Governance and Accountability

OBSID is entrusted with funds contributed by property owners through the additional rate. The Board recognises the corresponding responsibility to ensure that these funds are managed transparently, responsibly and in accordance with the organisation's mandate.

The Board is satisfied that OBSID complied with the applicable principles of King IV during the reporting period. Directors fulfilled their responsibilities under the Board Charter, and the independence of all non-executive directors was formally assessed. Risk was considered throughout the year, supported by regular financial and operational reporting.

The Board also reviewed organisational performance against the Implementation Plan, as well as the procurement policy and delegated limits of authority.

These governance measures are not simply administrative requirements. They provide the foundation from which OBSID can make sound decisions, respond to emerging challenges and retain the trust of property owners and the wider community.

Financial Stewardship

OBSID concluded the financial year in a sound financial position, with reserves of approximately R4 million at 30 June 2026. This includes a ring-fenced Working Capital Contingency Reserve equivalent to three months' revenue, providing important protection for the organisation's operational continuity.

Following investment in the LPR network upgrade, the community composting project and the other initiatives detailed in this report, approximately R2 million in surplus funds remains available. Subject to the necessary approvals, these funds have been earmarked for strategic projects, including placemaking and public-space improvements, further investment in the Village Green, and initiatives that promote Observatory as a destination.

The approved budget for 2026/27 provides a stable platform for the year ahead. The Board will continue to ensure that OBSID balances prudent financial management with appropriate investment in projects that deliver lasting value.

Delivering Measurable Impact

The Annual Review provides a detailed account of the work undertaken by OBSID's operational teams. Several results demonstrate the breadth and consistency of this work.

Our Public Safety Officers supported SAPS with 49 arrests and completed 3,688 proactive interventions, including property-risk

notifications, escorts and roadside assistance. Continued investment in CCTV, Licence Plate Recognition and communication technology has strengthened the ability of our officers and partners to identify risks and respond effectively.

The Urban Management team collected more than 56,000 bags of waste from Observatory's public spaces, while OBSID logged and followed up on more than 1,000 municipal infrastructure service requests. The establishment of the community composting site also marked an important step towards a more sustainable and circular approach to waste management.

Our Social Development team recorded 1,091 counselling sessions and continued linking vulnerable individuals with healthcare, rehabilitation programmes, shelters, social assistance and family-support services. This work remains challenging and requires patience, compassion and sustained case management. The Board recognises the commitment of the team and the importance of balancing the needs of vulnerable individuals with the shared use of public spaces.

OBSID also began strengthening its focus on place, local economic activity and community identity. The partnership with What's on in Cape Town, the promotion of local businesses and events, and planning for improvements to the Village Green provide a foundation for further progress.

Looking Ahead

As OBSID prepares its next five-year business plan, the Board will ensure that the organisation continues to protect and strengthen its core services while investing responsibly in Observatory's longer-term development.

Our future priorities will include public safety, clean and well-managed public spaces, appropriate social interventions, environmental sustainability and initiatives that celebrate Observatory's businesses, heritage, arts and culture. We will also continue exploring

responsible alternative revenue opportunities that can support strategic projects and reduce the long-term burden on the rate payer.

Meaningful progress will require continued cooperation between OBSID, the City of Cape Town, SAPS, local businesses, community organisations, residents and property owners. OBSID cannot resolve every challenge independently, but it can continue to lead, coordinate, advocate and invest where it can make a measurable difference.

Appreciation

I extend the Board's sincere appreciation to Matt Tyrrell and the entire OBSID team for their professionalism, resilience and commitment throughout the year. I also thank our Public Safety Officers, service providers, suppliers and community partners for their contribution.

My thanks go to my fellow directors for their time, expertise and careful oversight, and to the City's Board Observers and CID Unit for their ongoing guidance.

Above all, I thank Observatory's property owners for their continued investment and trust. Their contribution makes OBSID's work possible and enables us to pursue our shared vision of a vibrant, welcoming and inclusive Observatory with safe, attractive and environmentally responsible public spaces.

*Justin Ashley
Chairperson of the Board
Observatory Improvement
District NPC*



CEO's Review

Message from Matt Tyrrell

It is a privilege to present my review of the Observatory Improvement District's 2025/26 financial year.

Observatory is a dynamic community: diverse, accessible and full of energy. These qualities create opportunity, but they also bring complexity. Throughout the year, OBSID has continued to respond with resilience, sound governance and a clear commitment to its mandate.

We remain financially secure, operationally effective and focused on creating a safer, cleaner, greener and more inclusive Observatory for everyone who lives, works, studies and visits here.

Financial Resilience and Responsible Governance

OBSID ended the financial year in a sound financial position, with reserves of approximately R4 million at 30 June 2026. This included a ring-fenced Working Capital Contingency Reserve equivalent to three months' revenue, providing important protection for the organisation's operational continuity and long-term stability.

The year produced a surplus of approximately R2 million. Subject to the necessary approvals, these funds have been earmarked for strategic projects that will deliver lasting value. These include placemaking and public-space improvements, further investment in the Village Green and initiatives that promote Observatory as a destination.

Our approved 2026/27 budget provides stable funding for the year ahead. OBSID remains compliant with its regulatory obligations and in good standing with the South African Revenue Service.

Our expenditure reflects the organisation's priorities:

- **Public Safety** – 62%: Maintaining a visible and well-equipped public safety service supported by appropriate technology.
- **Urban Management** – 20%: Cleaning streets, clearing stormwater drains, removing graffiti, caring for public spaces and supporting recycling, greening and beautification.
- **Office and Administration** – 11%: Supporting the organisation's operational infrastructure, directly employed staff and office requirements.
- **Social Development** – 5%: Providing outreach, case management and access to shelters, healthcare, social grants, rehabilitation and family reintegration.
- **Marketing and Communications** – 2%: Communicating OBSID's work and promoting Observatory as a place in which to live, work, invest and visit.

During the year, the CID sector also worked with the City of Cape Town to review procurement processes and procedures. OBSID supports this work as part of our continuing commitment to transparency, consistency and best practice.

Delivering in a Dynamic Precinct

Our operational teams respond daily to unlawful dumping, by-law infringements, ageing municipal infrastructure and opportunistic crime.

Observatory's accessibility, vibrant commercial sector and evening economy generate significant pedestrian activity. This supports local businesses and contributes to the neighbourhood's distinctive character, but it also creates opportunities for criminal activity. Maintaining a visible public safety presence, supported by technology and strong partnerships, therefore remains our largest operational priority.

Urban Management has also experienced increasing demand. With the support of Straatwerk, our dedicated team has continued to keep the area clean while responding to the pressures generated by residents, businesses, commuters and visitors.

This has required additional refuse bags, equipment and temporary staffing. Despite these pressures, the team has continued to approach its work with commitment and resilience. The visible difference they make to Observatory each day should not be underestimated.

Our Social Development team has similarly adapted to increasingly complex needs. Through daily outreach and sustained case management, clients are connected with NGOs, healthcare providers, shelters, rehabilitation programmes, employment opportunities and, where possible, their families.

Cape Town's economic pressures are often most visible in accessible areas such as Observatory. Our proximity to major health facilities, including Groote Schuur and Valkenberg hospitals, also means that people with complex medical and mental-health needs frequently move through or remain in the area.

OBSID must therefore balance compassion with practical, structured interventions that support vulnerable individuals while protecting the shared use of public spaces.

Investing in Place and Sustainability

The past year demonstrated that OBSID's role extends beyond responding to immediate operational pressures. We must also invest in the long-term improvement and vitality of Observatory.

The establishment of the community composting site marked an important step towards a more sustainable neighbourhood. The project is already diverting food waste from landfill while creating opportunities for environmental education, local partnerships and community participation.

Our partnership with What's on in Cape Town has helped promote Observatory's businesses, events, heritage and distinctive character to a wider audience. This work supports our objective of positioning Observatory as a destination and strengthening the local economy.

We have also continued planning for the improvement and activation of the Village Green. Several additional projects remain dependent on approvals from the City of Cape Town. Should these long-standing processes be concluded, the coming year could bring considerable activity and visible progress.

OBSID will continue identifying projects that fall within our mandate, improve the public environment and contribute to the area's economic vitality. Wherever possible, we will explore sustainable income-generating opportunities that can support these projects and reduce the long-term burden on additional-rate payers.

Looking Ahead

As OBSID prepares for the next chapter of its development, our focus remains firmly on sustainability, accountability and measurable impact.

We will continue investing in technology, public-space improvements, environmental initiatives and partnerships that strengthen our ability to serve the community. We will also pursue appropriate alternative revenue streams to supplement additional-rate income and support the organisation's long-term financial sustainability.

There is still much to do. Some challenges require consistent daily attention, while others demand long-term planning, cooperation and persistence. What gives me confidence is the strength of the organisation, the quality of its partnerships and the commitment of the people who carry out this work every day.

Thanks and Appreciation

I extend my sincere appreciation to every member of the OBSID team for their commitment and hard work throughout the year.

I also thank the OBSID Board of Directors for its guidance and oversight, our Securitas Public Safety Officers for their dedication, and all our service providers for their contribution to the organisation's work.

Our progress would not be possible without the cooperation of the City of Cape Town, SAPS, our NGO partners, local businesses, community organisations and residents.

Above all, I thank Observatory's property owners for their continued investment and trust. Their contribution through the additional rate makes OBSID's work possible.

Together, we are building an Observatory that is safer, cleaner, greener and more inclusive. With resilience, collaboration and innovation, we will continue serving this remarkable community with pride and responsibility.

Matt Tyrrell

Chief Executive Officer

Observatory Improvement District NPC



Statement of Director's Responsibility & Confirmation of Accuracy of the Annual Report

We confirm that, to the best of our knowledge:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by Cecil Kilpin & Co.
- 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 27th August 2026 and signed on behalf by

Justin Ashley

Chairperson of the Board



OBSID Vision

The Observatory Improvement District NPC was established by local property owners in 2008 to **organise, fund, manage, and facilitate** improvements in the Observatory City Improvement District (OBSID) for the **benefit of the entire community**.

A CID is a geographical area designated by the City of Cape Town (CCT), in terms of the CID By-law and Section 22 of the Municipal Property Rates Act, upon application by **local property owners**. The activities of the OBSID NPC are funded by property owners through an additional rate levied on their properties.



Our Vision

A VIBRANT, WELCOMING AND INCLUSIVE OBSERVATORY, where everyone enjoys safe, attractive and environmentally friendly public spaces.



Our Mission

- **DEVELOP OBSERVATORY** – Deliver programmes that meet the needs of our community.
- **CONTRIBUTE TO OBSERVATORY** – Support a lively, sustainable and family-friendly environment.
- **NURTURE OBSERVATORY** – Celebrate the unique character, diversity and creativity of our neighbourhood.
- **WORK TOGETHER** – Build strong partnerships with residents, businesses and the City.



Our Values

WE ARE GUIDED BY ETHICAL PRACTICE, RESPECT, INCLUSIVITY, COOPERATION, CARE & EMPOWERMENT.

We seek to embody these in all our efforts to improve, celebrate and strengthen Observatory. This includes the green spaces within our geographic area. We are committed to engaging with the local community and all stakeholders involved.

Statutory Mandate

In terms of the City Improvement District Area By-law, 2023, and Section 22 of the Municipal Property Rates Act, the Observatory Improvement District NPC is tasked with considering, developing and implementing improvements and upgrades to the Observatory District/OBSID to **supplement services** provided by the CCT.

The funding comes from additional rates collected by the CCT from **OBSID property owners** and paid over to the company under the aforesaid legislation, as may be supplemented by local fundraising initiatives. In expending these funds, the company is subject to oversight by the CCT in terms of the CID By-law and Policy, as well as public procurement principles enshrined in Section 217 of the Constitution of the Republic of South Africa, 1996 (the “Constitution”).



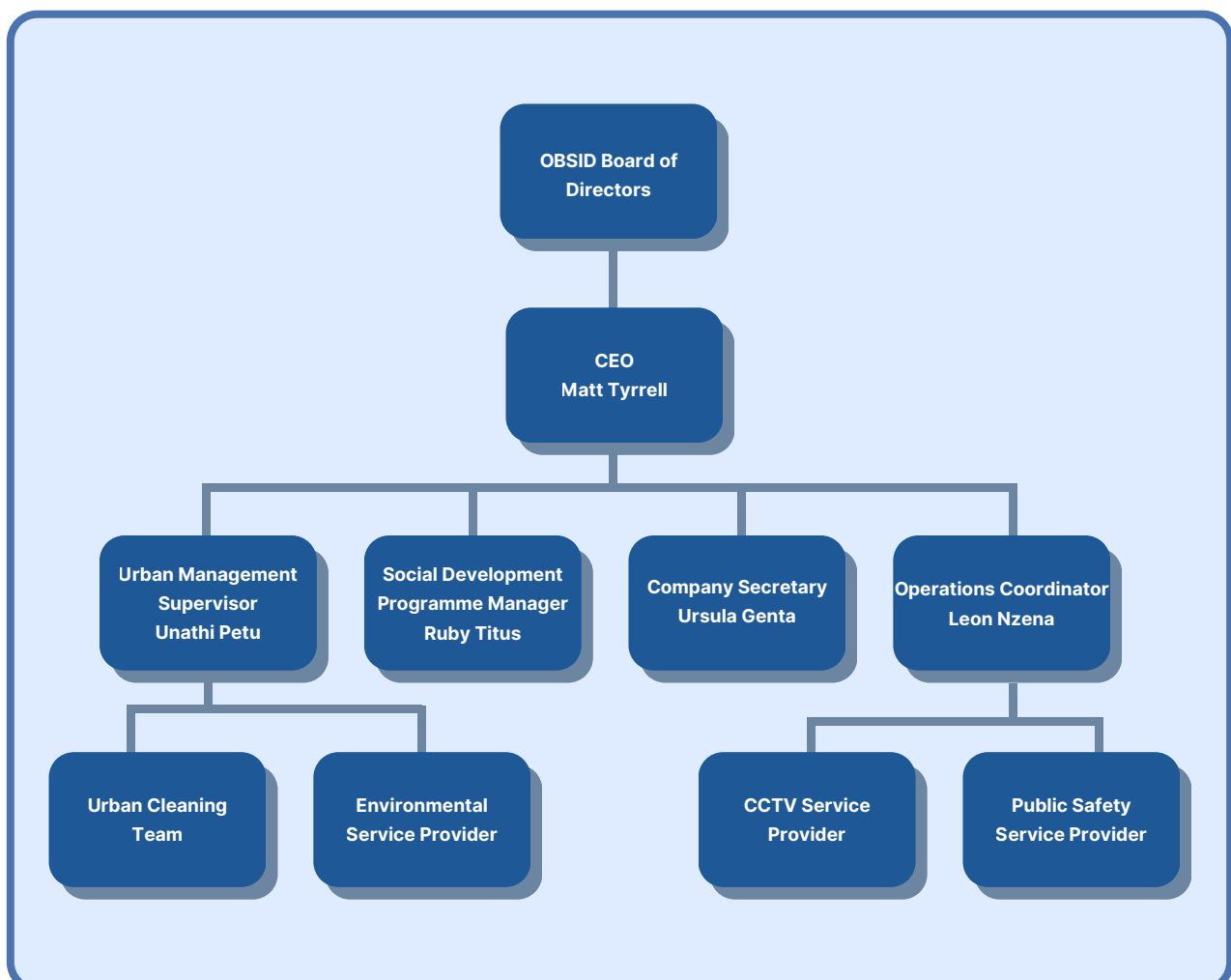
Organisational Profile

OBSID is a **Special Rating Area** (i.e., a City Improvement District), funded by property owners in a defined area of Observatory. Governed by the Municipal Property Rates Act and relevant by-laws, we focus on providing **supplementary services** to those delivered by the City of Cape Town.

Working in the public spaces of Observatory, we provide a **public safety service, cleaning and greening services** on the streets and in the parks, as well as **outreach services** to the homeless and other vulnerable community members. We are also gearing up to develop and implement projects focused on **business development, arts, heritage and culture**.



Organisational Structure





PART B

OBSID ANNUAL REVIEW 2026



Situational Analysis

Now in its 18th year, OBSID has progressed through **periods of growth, change and consolidation**. We have established strong operational foundations, built an experienced and committed team, and developed **valuable relationships** across the Observatory community.

Observatory is a **distinctive mixed-use neighbourhood with a rich history and an energetic combination of residential, commercial, academic and student life**. This diversity is one of the area's greatest strengths, but it also creates complex and competing demands on its public spaces and infrastructure.

The challenges of precinct management change in form, yet remain remarkably consistent in substance. Technology, transport and social dynamics continue to evolve, but the fundamental need for **safety, cleanliness, accessibility and community** remains constant.

A century ago, Observatory's street network largely served pedestrians, bicycles and the occasional horse and cart—with cleaning up after the horses forming part of the daily urban-management challenge. Today, the same streets must accommodate large vehicles, ride-hailing services, deliveries, commuters and significantly greater pedestrian activity.

Crime has evolved too. As society has become less dependent on physical cash, criminals have adapted, increasingly targeting mobile devices, vehicles and digital systems while exploiting technology through fraud and scams. We may no longer be cleaning up after horses, but the challenge of **maintaining clean, safe and welcoming public spaces certainly has not disappeared**.

SAFETY & SECURITY

Over time, OBSID has increased its visible **public safety presence**, expanded foot patrols and improved vehicle deployment across the precinct.

Technology has become an increasingly important part of our approach. Our **CCTV network** provides real-time information to the control room, helping operators identify incidents and dispatch resources more effectively.

During the year, we continued upgrading and strengthening our **Licence Plate Recognition network** through the introduction of more capable technology. The network has already demonstrated its **value in identifying vehicles** of interest, supporting operational responses and assisting with the recovery of stolen assets.

Technology does not replace visible patrols or strong partnerships. Its value lies in helping our officers, control room, SAPS and other partners **respond more quickly** and make better-informed operational decisions.



URBAN ENVIRONMENT

OBSID continually reviews and refines its **Urban Management deployment plans** in response to changing patterns of activity. The growth of new businesses, increasing pedestrian movement and higher daily visitor numbers all place additional pressure on waste management, streets and public spaces.

We continue to seek an appropriate balance between installing bins where they are most needed and creating opportunities for **planting, greening and public-space** improvement.

The rapid growth of **cannabis-related retail**, operating within an evolving regulatory environment, has also created new compliance and enforcement challenges. OBSID responds through constructive engagement with businesses and the relevant authorities while continuing to advocate for responsible business practices.

Our engagement extends across Observatory's diverse commercial community, from established retailers and property owners to independent businesses and spaza shops. Each plays an important role in **serving residents and contributing to the local economy**.

The establishment of the **community composting site** represents an important step beyond conventional waste management. By diverting food waste from landfill and producing compost for future greening projects, the initiative supports a more **sustainable and circular approach** to managing Observatory's urban environment.

SOCIAL DEVELOPMENT

Poverty and economic exclusion remain visible and pressing challenges. People may be living on the streets, in insecure or overcrowded accommodation, or struggling to access entry-level employment and essential services.

Our Social Development team continues to provide **daily outreach, psychosocial support** and sustained case management. Clients are linked with healthcare providers, shelters, rehabilitation programmes, social grants, family reintegration and work-based opportunities.

The underlying causes of **street homelessness are complex**, and lasting change cannot be achieved through enforcement or short-term interventions alone. OBSID therefore continues to explore partnerships and programmes that can provide **sustainable pathways towards improved health, stability, employment and housing** for those who are willing and able to engage.



ECONOMIC DEVELOPMENT, PLACE AND COMMUNICATION

Effective communication is essential to building an **informed and involved community**. OBSID reports on its work, shares relevant information and provides residents and businesses with opportunities to **participate meaningfully** in decisions affecting Observatory.

Our aim is not only to ensure that the community benefits from OBSID's services, but also to build a **shared sense of pride** in the area. A community that understands and values its neighbourhood is more likely to **support local businesses, care for public spaces and actively promote Observatory**.

Through our partnership with **What's on in Cape Town**, we have begun showcasing Observatory's businesses, events, heritage and distinctive character to a wider audience. Engagement with the local business community and the development of a business forum will further strengthen cooperation, identify shared priorities and support local economic activity.

Looking ahead, OBSID is preparing to implement projects centred on business development, arts, heritage and culture. These initiatives will help **protect and celebrate Observatory's unique identity** while supporting a vibrant, inclusive and sustainable local economy.

The next phase of OBSID's work will require us to balance consistent delivery of our core services with investment in projects that strengthen Observatory as a place. Our objective remains clear: **to protect what makes Observatory distinctive while helping the neighbourhood adapt confidently to future change**.



Strategic Objectives



Focus Area & Outcome Cross Over

Public Safety & Security



- Invest in technology to reduce response time and improve communication within Observatory
- Empower the community with information to improve choices and a sense of safety in Obs

Maintenance & Cleaning



- Promote active citizenship by educating and empowering the community to report municipal service defects and contribute to a well-maintained urban environment
- Educate and empower businesses to value, care for and invest in public spaces

Environmental Development



- Invest in effective and efficient local solutions that assist the community in reducing organic waste
- Partner with organisations to provide effective and efficient recycling solutions
- Beautification projects in public areas in an environmentally responsible way

Social Development



- Promoting and offering services to the broader community
- Educating and supporting responsible giving through strategic partnerships with organisations that have sustainable programmes
- Build partnerships with organisations offering services to the Obs community to multiply impact

Community Pride



- Promoting and offering services to the broader community
- Educating and supporting responsible giving through strategic partnerships with organisations that have sustainable programmes
- Build partnerships with organisations offering services to the Obs community to multiply impact

Business & Economic Development



- Support collaboration between business sectors
- Invest in the traffic flow management and associated safety of pedestrians and public transport users

Management & Administration



- Support collaboration between business sectors
- Invest in the traffic flow management and associated safety of pedestrians and public transport users

Complaints Process

OBSID offers numerous channels for dealing with complaints. Formal complaints can be lodged with the OBSID management via email. The OBSID management will act on the complaint with one or more of the following actions:

- Referring serious complaints to the Board
- Meeting with the complainant to understand the problem and address the issue
- Proactively scheduling the necessary tasks or actions to resolve the matter by the OBSID team
- Logging a service request with the City of Cape Town
- Communicating with the complainant about the actions taken
- Follow-up process and communication with the complainant until the matter is resolved
- Complaints are also received via website contact messages, email replies to newsletters, and feedback via various social media platforms, including the numerous Observatory WhatsApp groups monitored via the central control room.
- Telephonic complaints are also handled promptly and professionally. They can be directed to the operational managers or the central control room, the number of which is prominently displayed on all patrol vehicles.



Most complaints relate to crime incidents, perceived criminal activity, or municipal infrastructure failures.

Unless immediate response is required, safety and crime incidents are dealt with through weekly meetings with the SAPS or by adjusting our public safety deployment plans. Infrastructure failures are either addressed by the OBSID urban team as soon as possible or, if necessary, a service request is logged with the City of Cape Town and followed up until completed.

Cleaning & Urban Management

Keeping Observatory Clean

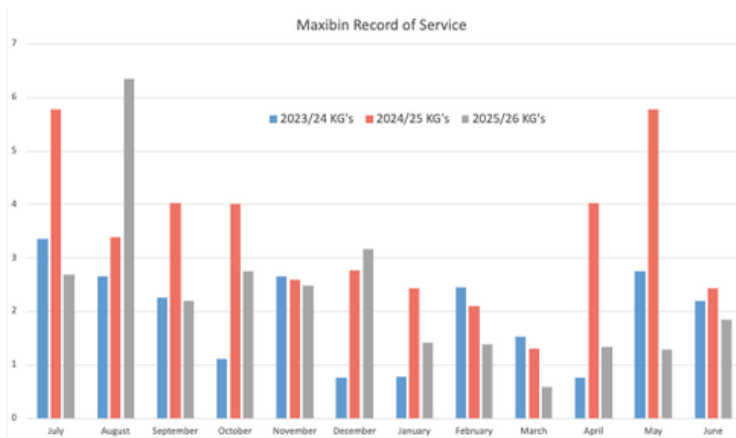


56 564
bags collected

This year, **56 071 bags (560 tons) of refuse** were collected from public spaces in Observatory! This includes emptying street bins and carrying out basic maintenance in our parks — responsibilities that have gradually shifted from the City to OBSID.

We also continue our **Maxibin partnership**, with dedicated cigarette-butt bins installed around business areas. Cigarette butts are a major environmental pollutant, and these bins provide a safe way for disposal, preventing thousands of butts from ending up in our rivers and stormwater systems.

The graph below shows the number of cigarette butts collected over the past year:



27.45 kgs
cigarette butts collected
over the past year



Did You Know...

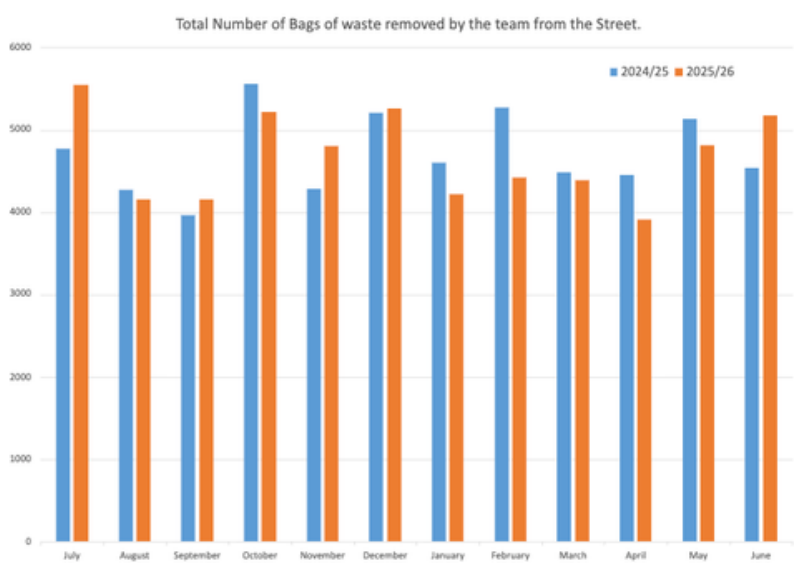
Cigarettes make up more than one-third — **nearly 38 percent** — of all collected litter. Disposing of cigarettes on the ground or out of a car is so common that **75%** of smokers report doing it.

All these cigarette butts cost big bucks to clean up. Cities spend between **R42 million and R256 million** on cigarette clean-up.

Urban Management in Action

The OBSID Urban Management team works **seven days a week** to keep Observatory clean and well-maintained. Their work includes tackling **dumping hotspots, collecting litter, removing illegal dumping, and carrying out dumpsite runs**. They also take care of weeding, deep cleaning, drain cleaning, and afternoon cleaning service, which has already delivered excellent results.

The graph below shows the total number of bags collected each month in this financial year, compared with the previous year:



Thank You,

to everyone who plays their part by reporting dumping and helping us keep our public spaces clean.

Together, we make a difference!

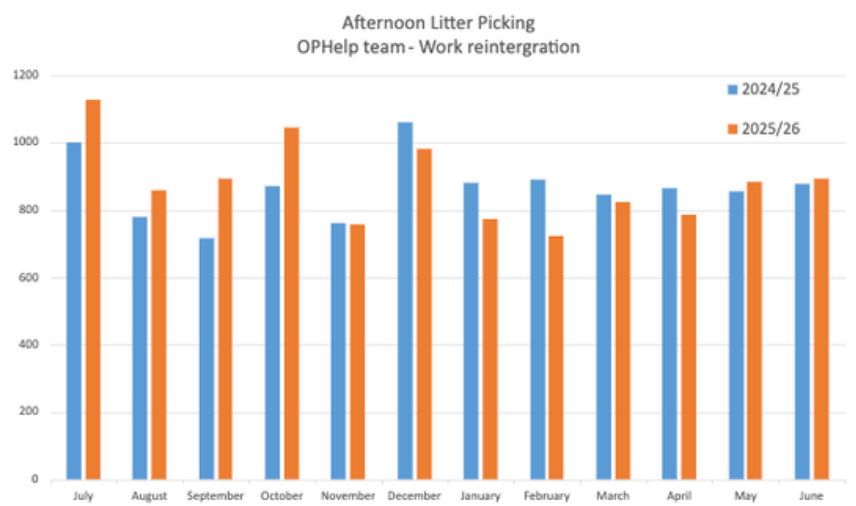
Partnerships in Urban Management

Our partnerships continue to strengthen the work we do:

- **Straatwerk** – responsible for graffiti removal and afternoon litter pick-ups.
- **Green4Life Gardeners** – dedicated to maintaining Observatory's green spaces.

Both service providers performed **above the required service standards** this year, and their contracts have been extended for the new financial year. We are confident their high standards of **service and responsiveness** will continue.

The graph below illustrates the positive impact of our afternoon cleaning service:



Recycling

Many residents already make use of **recycling services** such as Waste Want and Abundance Recycling, which is encouraging to see.

OBSID has also partnered with The Glass Recycling Company to collect and purchase the glass bottles recovered by our Urban Management team.

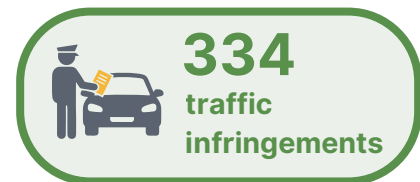
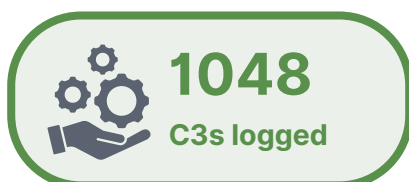
The figures below show how the use of this service has been used over the past few years (weight in tonnes):



Requesting a Service from the City of Cape Town

For the City to respond to an issue, it first needs to be **reported**. OBSID plays an important role in identifying problems across the neighbourhood and reporting them to the City on **behalf of the Observatory community**. Throughout the year, our teams actively monitored the public environment and submitted **1,048 C3 service requests for infrastructure and municipal service** issues requiring the City's attention. Beyond infrastructure-related service requests, OBSID also reported **1,131 public safety** and by-law infringements and **334 traffic** and parking infringements to the appropriate authorities.

We continue to experience good service levels from the City, particularly where infrastructure defects may affect public safety. Issues such as **potholes, damaged road surfaces and faulty street lighting** are often addressed within a few days. More broadly, most C3 service requests are attended to within approximately one month.



By identifying, reporting and following up on these issues, OBSID helps connect the day-to-day needs of our neighbourhood with the municipal departments responsible for addressing them.



Social Development

Strengthening Our Social Development Team

Ruby Titus has quickly become an **invaluable resource** to the Observatory community and continues to strengthen OBSID's social development programme.

We also congratulate Amanda Mjo on completing her qualification as a **Social Auxiliary Worker**. Together, Ruby and Amanda provide residents and street-based clients with access to professional social development **support, sustained case management and linkages** to appropriate services.



Understanding the Challenge

Many of the people who regularly sleep on the streets of Observatory have experienced homelessness for **several years**. The circumstances that keep someone on the street are **complex and deeply personal** and may include trauma, substance dependency, physical or mental ill-health, disrupted family relationships, unemployment, documentation barriers and limited access to suitable housing.

Progress is seldom linear, and each person's readiness and capacity to engage with support services differs.



Much of OBSID's work therefore involves sustained case management: **building trust, addressing dependency, assisting with health needs** and helping clients access the services available to them. Family reintegration is possible in some cases, while others require longer-term support before a meaningful transition can take place.

Over the years, OBSID has worked with **numerous NGOs** supporting street-based communities. These organisations have used a range of approaches, including street outreach, **harm-reduction programmes and recovery models** that require sobriety before progression into more structured support.

While these interventions have assisted many people, a significant gap remains: **access to long-term mental healthcare and supported accommodation** for people living with serious and often unmanaged psychiatric conditions.

Depression, anxiety and substance dependency are common. The team also encounters people living with, or presenting symptoms associated with, schizophrenia, bipolar disorder and other **complex mental health conditions**. Without sustained access to appropriate treatment and supportive housing, achieving long-term stability remains extremely difficult.

Outreach and Linkages

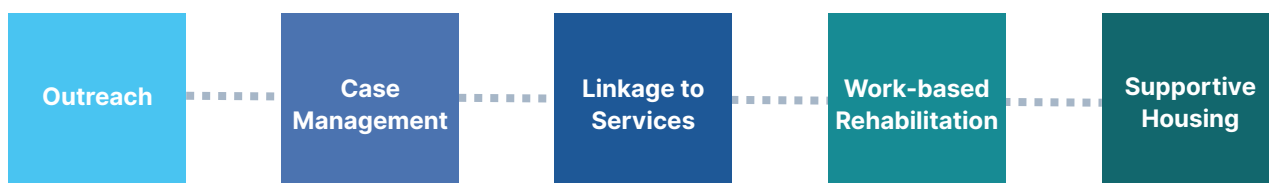
OBSID continues to achieve meaningful results through its **linkage work**. Staff accompany clients to hospitals, clinics, shelters, rehabilitation programmes and other support services.

Through these interventions, more people living on Observatory's streets are:

Accessing medical care; resuming chronic medication; receiving counselling and psychosocial support; entering rehabilitation programmes; applying for social assistance; accessing shelters or supportive accommodation; and reconnecting with their families.

Our Continuing Work

Despite the **complexity of the challenge**, OBSID's social development programme remains active and robust, supporting an **average of 38 clients each month**. Our approach follows a structured pathway:



OBSID also remains focused on creating **entry-level employment opportunities** for Straatwerk clients. These opportunities provide income, structure, practical work experience and a pathway towards greater independence.

Responsible Giving

Observatory is fortunate to have a **generous and caring community**. We encourage residents to support structured services and organisations that help people move towards improved health, stability, employment and housing.

While direct handouts may meet an immediate need, uncoordinated giving can sometimes make sustained engagement with outreach and support programmes more difficult. Responsible giving should help create a **pathway forward**, rather than simply responding to the immediate situation.

By the Numbers:

During 2025/26, the Social Development team recorded:



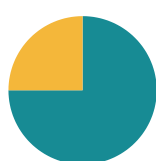
Census of Street-based Populations

OBSID conducts **two censuses each year** to understand the size and changing profile of the **street-based population**.

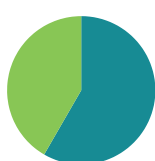
The number of people regularly sleeping in Observatory has remained relatively stable, ranging from **48 to 50 people** during the period reviewed. These figures do not include people who travel into Observatory during the day to access food, income opportunities or other services.

Measure	October 2024	June 2025	June 2026
Total people recorded	49	50	48
Women	15	16	15
Men	34	34	33
Average Age	43	43.9	47
Oldest person	66	66	68
Youngest person	19	18	22
Average time on the street	8 years	7.25 years	9 years
Longest time on the street	25 years	20 years	22 years
Shortest time on the street	1 week	1 month	3 months
More than 2 years	35	35	36
More than 5 years	24	29	28
More than 10 years	9	17	11

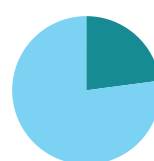
The June 2026 census demonstrates the long-term nature of street homelessness in Observatory:



75% had been on the street for more than two years



58% had been on the street for more than five years



23% had been on the street for more than ten years

The average age increased to 47, while the average time spent on the street increased from 7.25 years in June 2025 to nine years in June 2026.

Selected Outcomes

Behind the statistics are individual journeys and meaningful interventions:



Treatment and rehabilitation: Following an assessment, one client began outpatient treatment through the Cape Town Drug Counselling Centre, supporting their progression towards a work rehabilitation programme.

Family reintegration: One client successfully returned home to their Family.



Early intervention: With assistance from Amanda Mjo and Councillor Yusuf Mohamed, a client who had been on the streets of Observatory for only three days was placed in Safe Space 3.

A pathway back to employment: A client placed in Safe Space 1 obtained a smart ID card and, with support from OBS Pasta Kitchen, began the process of restoring their South African Nursing Council registration. The client subsequently secured contract employment through a Nursing Agency.



Child protection: The Social Development team assisted SAPS with a child-protection matter, enabling the appropriate legal and welfare processes to proceed.

Community capacity building: From 8 to 10 April 2026, OBSID hosted its first trauma-support training programme for community volunteers. Facilitated by the Trauma Centre, the programme equipped 15 volunteers to provide trauma support where formally deployed.



These outcomes demonstrate the **value of close cooperation between OBSID's Public Safety and Social Development teams** in identifying vulnerable individuals and connecting them with appropriate assistance.

The Dignity Project

OBSID continues to **manage and service public toilets** at key locations in Observatory. Serviced by Sanitech and maintained by the OBSID cleaning team, these facilities help address the problem of human waste in public spaces. The project has contributed to a noticeable **improvement in hygiene** in central Observatory while providing people living on the street with access to **basic sanitation and dignity**.



Public Safety



We have a very well-organised, extensive public safety service in Observatory in partnership with our public safety contractor, **Securitas and Senixa**.

Our public safety service includes **24/7/365 foot and vehicle patrols** backed up by a control room and licence plate recognition (LPR) systems.

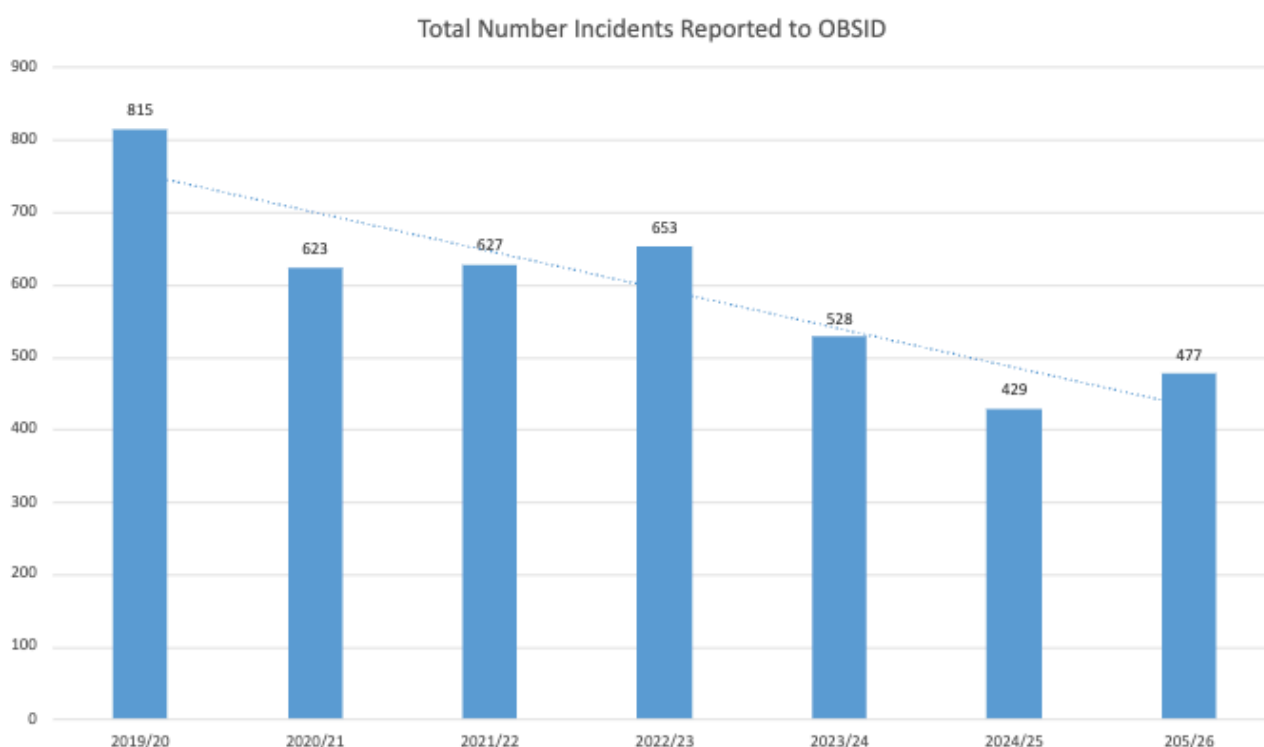
We are constantly adjusting our deployments to **respond to crime trends** and can see the impact of the efforts of our community safety team in keeping the community of Observatory safe.

Keeping Observatory Safe

OBSID recorded **477 incidents during 2025/26**, an increase of 48 incidents, or 11.2%, compared with the previous year. Despite this year's increase, reported incidents remained **41.5% below the 2019/20** level. Vehicle-related incidents continued to require particular attention, accounting for approximately **30% of reported incidents**.



The below graph reflects the annual reported incidents for the past seven reporting cycles:



The statistics below indicate the majority types and number of incidents reported this year:



286

thefts



24

muggings



59

malicious damage
to property



25

trespassing



41

shoplifting



13

burglaries



2

business robbery



16

assault



3

drunk driving



1

rape



4

vehicle hijacking



33

possession of
something illegal



22

armed robbery



4

burglary at
business premises



3

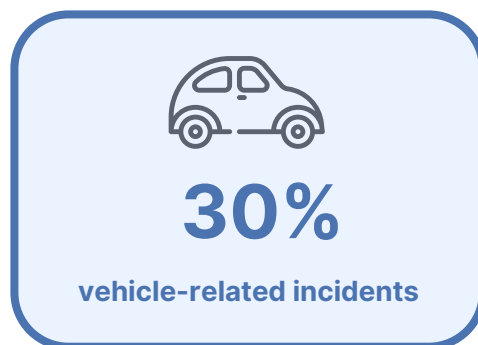
fraud

Vehicle-related Incidents

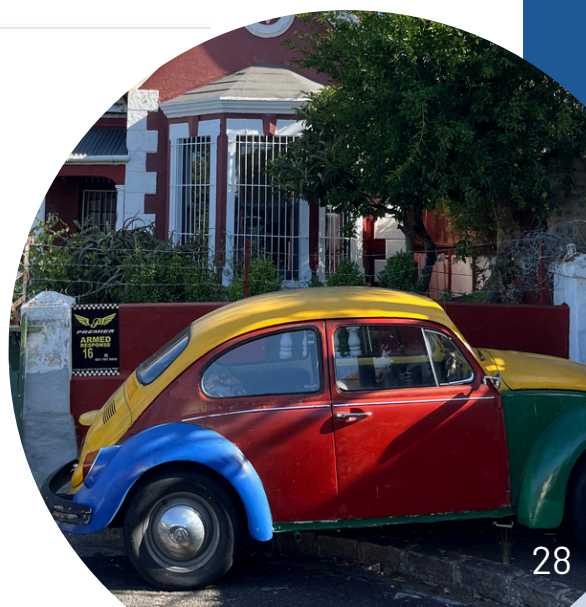
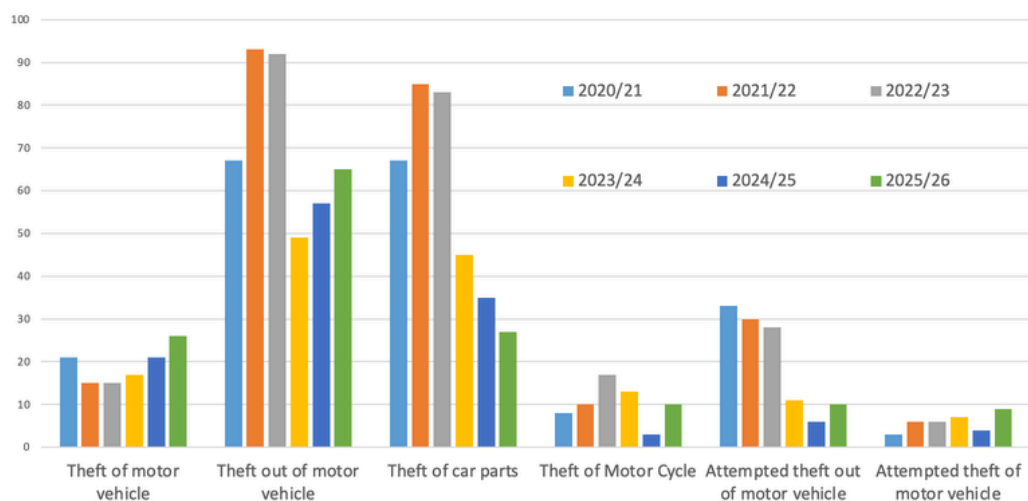
Vehicle-related crime remained a **prominent concern** during the reporting period, both within Observatory and across the wider policing precinct, accounting for **30%** of all reported incidents.

Proactive behaviour by residents and businesses—**together with visible patrols, CCTV monitoring and improved reporting**—contributed to several successful interventions. The increase in attempted vehicle-related crimes may indicate that more incidents were detected or disrupted before they could be completed.

Nevertheless, completed thefts of motor vehicles **increased by five cases** compared with the previous reporting cycle and remain a significant area of concern.



The vehicle-related incidents are broken down as follows:



Preventing Opportunistic Crime

Preventing opportunistic crime remains a core part of OBSID's public safety strategy. Through social media and other communication platforms, we continue reminding the community of the **simple precautions everyone can take** to protect their property and possessions.

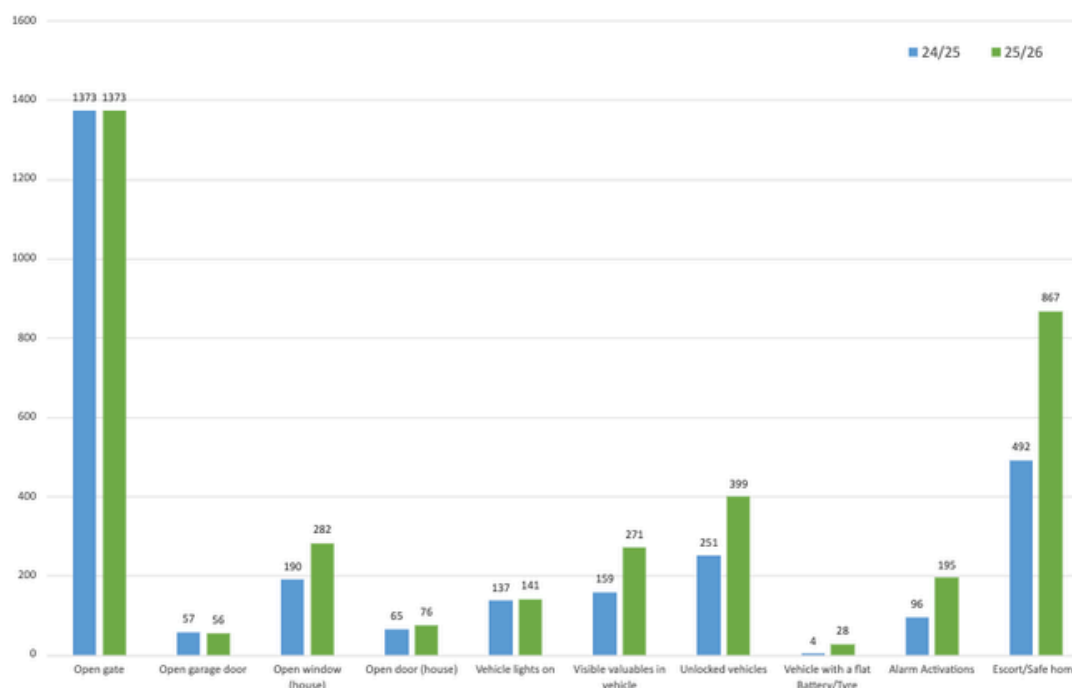
During their patrols, our Public Safety Officers routinely identify avoidable risks, including unlocked vehicles, open doors, unsecured garages and gates left open. With the introduction of **Notify Me**, it has become quicker and easier to alert registered vehicle owners, residents and businesses when these risks are identified. Each notification represents an opportunity to prevent an incident before it occurs.

I think OBSID are like our mom or dad...
"Have you closed your gate and locked your car?"

During the reporting period, our Officers recorded **2,793 property-risk notifications** during the year, alerting residents and businesses to unlocked vehicles, visible valuables, open doors and other avoidable risks. They also provided **895 safe-home escorts and 28 instances of vehicle-related assistance**, including jump-starts, the total number of proactive public-safety actions was **3,688**.

Public safety is a shared responsibility. Locking doors and vehicles, closing gates, keeping valuables out of sight and reporting suspicious activity all help remove opportunities for crime and reduce the risk of becoming a victim.

The graph below shows the different types of proactive actions taken by our public safety team:



Arrests and the Importance of Reporting Crime

During the reporting period, OBSID Public Safety Officers **assisted SAPS with 49 arrests**. Crime statistics—and ultimately the allocation of policing resources—depend on incidents being **formally reported**. When crimes are not registered with SAPS, official statistics may create the impression that **crime levels are lower** than the community's actual experience.



49

arrests supported by OBSID

This affects how resources are allocated, shifts are structured, hotspots are monitored and crime trends are addressed at station level, including at Woodstock SAPS. Reporting an incident to OBSID is essential for an **immediate operational response, but it does not replace opening a case with SAPS**.

There is also a more immediate benefit to reporting. When a suspect is identified or a useful description is provided, OBSID officers operating visibly throughout the area may recognise the person, help locate them and support the SAPS response. Even incidents involving relatively small losses can contribute to **identifying broader patterns** or repeat offenders.

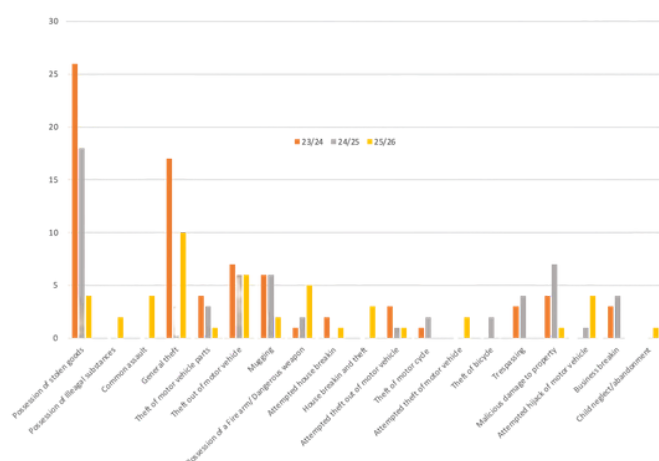
Victims may sometimes decide not to open a case because of the time involved, the value of the loss or empathy for the circumstances of the person responsible. These considerations are understandable, but the **cumulative effect of unreported crime extends beyond the individual incident**.

Compassion and accountability are not mutually exclusive. Reporting helps ensure that crime is properly recorded, patterns are recognised and appropriate resources are directed to the community.

Put simply: if we do not report it, it does not count.

Choosing whether to report a crime is therefore not only a personal decision. It affects the safety of the wider community.

This graph shows the offence categories associated with the 49 arrests supported by OBSID during the reporting period.



Community Involvement

Although we **patrol the streets 24/7**, we could be more effective if the community were more involved in **reporting suspicious activity**. The public safety officers cannot be everywhere all the time and if we can join forces with the community our resources can be more affectively utilised.

The **Woodstock Precinct Community Police Forum** has continued to work hard, assisting and holding accountable when required. Successes include **breaking down barriers** with PRASA and problem landlords in the greater precinct and providing scholar escorts in problem areas. Observatory CPF is a sub-sector 1 with a community meeting on the **1st Wednesday of the month** if you want to get involved.

The Challenges

OBSID officers complement, but do not replace, SAPS and municipal law-enforcement services. Effective intervention therefore depends on **prompt reporting, coordinated information-sharing and cooperation** between residents, businesses and authorised agencies.

Even though the number of cases reported to SAPS is decreasing, Observatory **remains vulnerable to criminal elements**, as SAPS's statistics cannot truly reflect what is occurring in our area.

The OBSID public safety officers, while not having **enforcement powers**, rely on the support of different law enforcement departments to handle the more serious complaints. It is important for our community to be **vigilant and supportive in these situations**. As the City of Cape Town progresses with processes to **reclaim public spaces**, the limited law enforcement presence means our officers often deal with issues related to the street-based community largely on their own.

Securitas & Senixa Contract Management

We continue to **enjoy excellent partnerships with Securitas and Senixa**. Weekly operational meetings are held to review crime statistics, discuss deployments and address any emerging concerns. Monthly performance assessments are also conducted with each service provider, with any issues identified addressed promptly.

OBSID and the SAPS

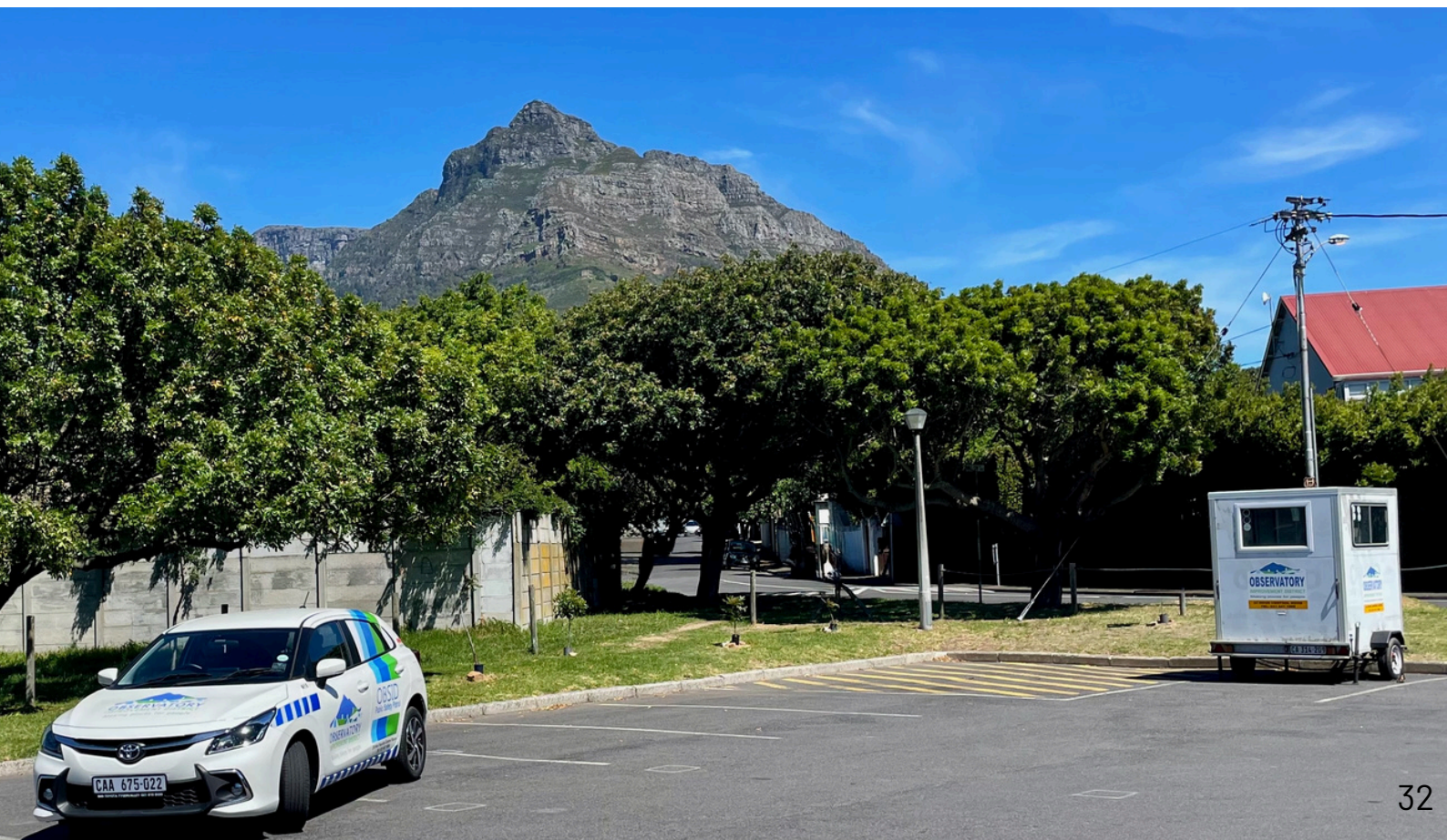
Our relationship with SAPS remains positive, with **open and effective communication** with the Station Commander, ensuring a coordinated approach to public safety in Observatory.

Get Involved – Keep Observatory Safe

You can make a real difference in public safety:

- 1 Report Suspicious Activity** – Call our control room whenever you see something unusual. Every alert helps our officers respond quickly.
- 2 Attend CPF Meetings** – Observatory CPF meets on the first Wednesday of every month. Join discussions, share concerns and help shape solutions.
- 3 Support Visible Patrols** – Be mindful of parking, business practices and anti-social behaviour to help officers focus on crime prevention.
- 4 Register for Notify Me!** – Empower our team to contact you if your property is at risk.

Together, residents and OBSID's public safety teams keep Observatory safe, welcoming and vibrant.



Public Spaces Projects

During the reporting period, OBSID delivered a new sustainability project and laid the foundations for broader placemaking, destination-marketing and business-development initiatives.

Community Composting Site:

OBSID established a dedicated site where residents can **divert their organic food waste** from landfill. The material will be converted into quality compost for gardens and future greening projects, supporting a more **sustainable and circular approach** to waste management. An additional benefit has been the activation and improvement of a previously unused site, transforming it into a **welcoming community asset**.

Promoting Observatory:

Our partnership with **What's on in Cape Town** marked the beginning of a promising programme to promote Observatory to a wider audience as a **destination to visit, explore and support**. Initiatives such as Thrifty Thursdays provide local businesses with a shared platform for collaboration, attract visitors to the area and represent an important step towards **re-establishing an active Observatory business forum**.



Acknowledgement & Thanks

A sincere word of thanks to the OBSID staff:



Leon Nzenza, Unathi Petu, Nicholas Jansen, Master Banda, Hugh Chimwa, Bonisile (Oscar) Mrwashu, Michael Manamela, Raymond Duarte, Thembela Radasi, Kholeka Mnukwa, Amanda Mjo, and Ruby Titus (from left to right)

Your efforts this year continue to be noteworthy and very much appreciated.

The OBSID cannot function without the ongoing support of many other entities and structures. To this end, we wish to express our sincere thanks to the following:

- **City CID Unit:** Joepie Joubert, Bonita Ascot, Marsha Van der Poel, Alma Stoffels, David John-Steyn and Nonhlanhla Ngubane
- **SAPS:** LT Colonel Pentz and LT Colonel Koopman – Station Commanders; Captain Nomabhunga – Vispol Commander; Stg Z Gcisa – Designated Liquor Officer; Captain Khewu – Crime Intelligence Officer; and R/Sgt Bergendal – SAPS Reservist
- **Local Government:** Councillor Yusuf Mohamed and Vivienne Sasman (Ward 57).

In addition, we express our thanks and gratitude to the following:

- **Community and Volunteers:** William Marera – Straatwerk OPHELP Projekte
- Susan Smith and the volunteers of the **LPR user group**
- **Service Providers and Suppliers:** CBA, Connect 1-2-3, Dr Wash Laundry, Gravit8, Green 4 Life Gardeners, Hawkes and Findlay, JJ Chembros, Narcom, Platform One, Mason Office Supplies, Maxibin, Niche Co, Observatory Petrol Station, Prime Cleaning Services, Sanitech, Securitas, Seacom, Senixa, Solution House Software, Straatwerk OPHELP Projekte, What's on in Cape Town, Uniforms Unlimited and Utility Cloud Consulting

Special thanks to:

- **Denzel Cornelius and Marchello Maasdorp (Securitas)** – for leading and supporting our Public Safety Officers.
- **Martin Field and Garthley Brown (Senixa).**
- **Cecil Kilpin** – Auditors.
- **Ursula Genthe, Accounts Star c.c.** – accounting and company secretarial services.
- **Rinchen Van Rijswijk** – leading our designs and communications.

Your collective contributions continue to make a meaningful difference in our work and community.



PART C

CORPORATE GOVERNANCE



1. Application of King IV

1.1 Commitment to Governance

In recognition of the fact that the Observatory Improvement District NPC (OBSID) is entrusted with public funds, particularly high standards of fiscal transparency and accountability are demanded. To this end, OBSID 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 17 voluntary governance principles.

The practices applied by the company are explained in this part (Part C) of the Annual Report. In determining which reporting practices to apply, the Board considered, among other factors, the City of Cape Town's policy and the reporting protocols appropriate to a non-profit entity such as OBSID.

1.2 Compliance with King IV

The Board is satisfied that OBSID has complied with the applicable principles set out in King IV during the reporting period, to the extent reasonably possible. Details are provided below.

Governance Structure

1.3 Board Composition

The Board is satisfied that the Board of the NPC is composed of a representative group of directors who are able to reflect and represent the interests of the diverse property owner groups within the OBSID footprint.

1.4 Board Observers

In terms of the By-law, City Councillors are designated as "board observers" by the Executive Mayor to oversee Board functions. This oversight entails receiving Board documentation and attending meetings to ensure the company executes its statutory mandate. The Executive Mayor has appointed **Cllr. Yusuf Mohammad** as Board Observer and **Ald. Matthew Kempthorne** as Alternate.

1.5 Appointment of the Board

An Annual General Meeting (AGM) is held each year to review OBSID's performance and confirm the mandate of members. The AGM provides an opportunity to elect new directors. Elected Board members assume responsibility for specific portfolios, and regular meetings enable directors to review operations and apply corrective measures where required.

1.6 Board Responsibilities

The Board provides oversight, governance and strategic guidance to ensure OBSID's long-term success. In executing these tasks, the Board:

- Identifies strategies to implement the OBSID business plan in a manner that ensures financial sustainability while considering stakeholder interests.
- Monitors compliance with applicable legislation, codes and standards.
- Approves the annual budget.
- Oversees preparation and approval of the annual financial statements for adoption by members.
- Exercises effective control of OBSID and monitors management's implementation of the approved budget and business plan.

1.7 Board Charter

The Board is satisfied that it has fulfilled its responsibilities under the Board Charter during the period under review.

1.8 Director Independence

During the reporting period, the Board formally assessed the independence of all non-executive directors, as recommended by King IV. The Board determined that all non-executive directors, including the Chairperson, are independent in terms of King IV's definition and the guidelines under Principle 7.28.

1.9 Board Committees

The Board is satisfied that its committees have fulfilled their respective responsibilities in accordance with their terms of reference during the reporting period.

1.9.1 Finance Committee (FinCom)

The Finance Committee provides independent assurance and assistance to the Board on financial control, governance and risk management. It consists of at least three independent directors. Members as at 30 June 2026 were: Justin Ashley, David Barraclough, Edwin Angless. One meeting was held during the financial year.

1.10 Attendance at Board and Committee Meetings

The Board convenes six times per year. An interim Board Information Pack is distributed monthly, and special meetings are called when necessary.

In the financial year under review, the Board held **six meetings**, plus the AGM.

Meeting Dates:

- 21 August 2025
- 16 October 2025
- 23 October 2025 (AGM)
- 6 November 2025
- 19 February 2026
- 23 April 2026
- 18 June 2026

Name of Director	Meetings Attended	Board Observer	Meetings Attended
Edwin Angless	7	Yusuf Mohamed	1
Justin Ashley	7	Matthew Kempthorne	4
David Barraclough	5		
Kari Cousins (Resigned 23 Oct 2025)	3		
Imile De Villiers (Resigned 24 May 2026)	5		
Sarah Driver-Jowitt (Resigned 23 Oct 2025)	2		
Benji Schaffer	3		
Janine Titley	6		
Maarten Turkstra	4		
Julie Van der Vlugt	7		
Henri Van Eetveldt	4		

Ethical Leadership

Directors are required to maintain the highest ethical standards. OBSID has adopted a **Code of Conduct for Directors**, which governs their legal, management and ethical responsibilities. The Code is publicly available at www.obsid.org.za.

- Upon appointment, directors must declare in writing any private interests that may present a conflict of interest. These declarations are kept in a confidential register maintained by the Chairperson and are updated regularly.
- Directors must further disclose potential conflicts on matters before the Board and must recuse themselves from deliberations and decisions where relevant.

This transparency ensures that directors are free of personal or commercial interests that may interfere with their ability to act independently and in the best interests of OBSID.

The Board is satisfied that directors complied with their duties under the Code during the review period. No changes to directors' declarations were recorded that could impact their independence.

Board Oversight of Risk Management

1.1 Risk Management Policy

The Board is responsible for implementing sound internal controls to safeguard company assets and funds, ensuring they are applied in support of OBSID's strategic objectives. Risk is considered at each Board meeting.

Internal controls include:

- A five-year strategic plan (approved by the City of Cape Town in 2022) implemented across company functions.
- Annual performance reviews, with results monitored quarterly.

1.2 Effectiveness of Risk Management

The Board conducted risk assessments during the review period to evaluate the effectiveness of the risk policy and identify emerging risks (King IV Principle 11.9(a)).

The Board is satisfied that OBSID's systems and processes to govern and manage risk are adequate and that it has executed its risk oversight responsibilities effectively.

2. Accountability and Performance

2.1 Performance Reviews

The Board undertook a comprehensive review of OBSID's performance against its approved Implementation Plan. The review considered operational delivery, financial and organisational management, stakeholder engagement and progress towards OBSID's longer-term strategic objectives.

OBSID remains committed to delivering measurable improvements in Observatory. The Board nevertheless recognises that challenges such as crime, pressure on public infrastructure, street homelessness and substance dependency cannot be resolved by OBSID alone. These challenges can, however, be disrupted, mitigated and positively influenced through consistent service delivery, appropriate investment and strong partnerships.

Public Safety and Security

OBSID's public safety statistics continued to demonstrate positive outcomes despite a challenging operating environment. The broader Woodstock policing precinct remained affected by significant crime pressures, including gang-related activity and instability in neighbouring Salt River.

Performance was supported by continued investment in CCTV, Licence Plate Recognition technology and intelligence-led deployment. These measures strengthened OBSID's ability to identify risks, allocate resources and respond proactively.

The 2026 community perception survey provided an important indication of the value placed on OBSID's public safety service. Respondents expressed strong support for the service and indicated that OBSID's interventions contributed positively to their perceptions of safety.

Maintenance and Cleansing

OBSID serves an active community that values a clean, functional and well-maintained public environment. During the year, the organisation's work extended beyond routine cleaning to include more proactive maintenance, particularly the clearing of stormwater drains and the reporting and follow-up of municipal infrastructure faults.

Looking ahead, OBSID should continue investing strategically in preventative maintenance. This will help protect public infrastructure, reduce avoidable deterioration and improve the overall appearance and functionality of the precinct.

Environmental Development

OBSID successfully introduced community composting as a new environmental service during the reporting period. In addition to diverting organic waste from landfill, the project demonstrates the organisation's ability to pilot innovative environmental initiatives that encourage community participation and support the City of Cape Town's broader sustainability objectives.

As the programme develops, it may provide a platform for further investment in greening, biodiversity, waste reduction and responsible environmental stewardship. Its performance and operational sustainability will require continued monitoring.

Social Development

OBSID's outreach and social development programmes continued connecting vulnerable individuals with healthcare, shelters, rehabilitation programmes, social assistance and other appropriate support services.

The complexity of street homelessness, substance dependency and untreated mental-health conditions reinforces the importance of sustained case management and effective partnerships. While meaningful individual outcomes were achieved, access to appropriate long-term mental-healthcare and supportive accommodation remains limited.

OBSID will continue strengthening existing partnerships while remaining open to new service providers, programmes and approaches capable of improving long-term outcomes.

Community Pride, Business and Economic Development

OBSID's partnership with What's on in Cape Town strengthened engagement with local businesses and provided a foundation for promoting Observatory as a destination. Activation initiatives, including improved retail lighting and collaborative events, were intended to support economic activity, encourage the use of public spaces and contribute to perceptions of safety.

During the reporting period, OBSID also advanced the development of the Obs Live project. Following year-end, the project reached approximately 90% completion and remained scheduled for launch in November 2026.

Obs Live represents more than a tourism initiative. It is a long-term investment in destination marketing, heritage interpretation, community pride and local economic activation.

Management and Administration

OBSID continued to demonstrate a strong commitment to governance, accountability and continuous improvement. This was supported by an engaged Board providing strategic direction, financial oversight and guidance to management.

Regular reporting, performance monitoring and engagement with the City of Cape Town provided a sound foundation for organisational stability and future development. The Board remains committed to ensuring that OBSID's growth and innovation are supported by appropriate governance, realistic planning and responsible financial management.

Performance Self-Assessment

The following scores represent the Board's qualitative assessment of organisational performance against the Implementation Plan. A score of 10 represents full achievement of the planned objectives.

Area of Implementation	Comments	Score /10
Management & Operations	Sound governance, financial oversight, advocacy and stakeholder coordination. Further improvement is required in expectation management and the timely progression of projects dependent on external approvals.	8
Public Safety	Technology investment, intelligence-led deployment and proactive community-safety interventions delivered strong results. Vehicle-related crime and wider precinct pressures require continued attention.	9
Maintenance & Cleansing	Core cleansing services were maintained, with increased attention given to stormwater drains and municipal infrastructure reporting. Growing pressure on public spaces remains a challenge.	8
Environmental Development	Community composting, recycling, greening and beautification initiatives were advanced. New programmes require continued monitoring and development.	8
Social & Economic Development	Service linkages, responsible-giving initiatives and destination-marketing foundations were strengthened. Long-term reintegration, employment and broader economic-development outcomes remain areas for improvement.	6
Communication	Community reporting and engagement methods were strengthened, while the partnership with What's on in Cape Town expanded OBSID's promotional reach and business engagement.	9

2.2 Delegated Limits of Authority

The Board reviewed the procurement policy and is satisfied that the delegated limits of authority are reasonable and sufficient to allow the business to function effectively.

2.3 Supplier Code of Conduct

The Board undertook ad hoc reviews of the Supplier Code of Conduct to ensure alignment with OBSID's ethical standards and business practices. The Board is satisfied that current suppliers meet OBSID's requirements.

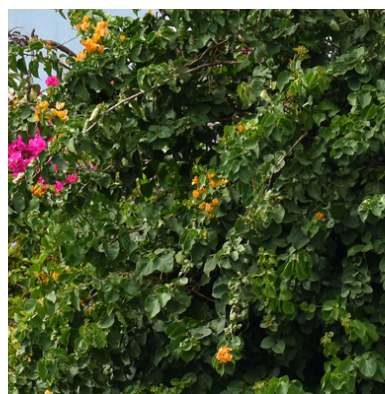
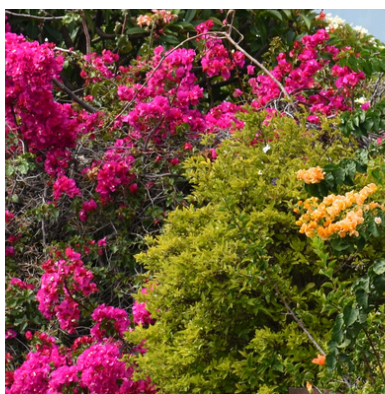
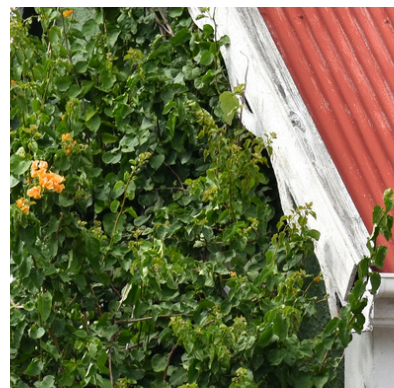
Annexure: King IV™ Application Register

King IV Principle	Application by OBSID	Status
1. The governing body should lead ethically and effectively.	The Board adopts and enforces a Code of Conduct for Directors. Members declare conflicts of interest and recuse themselves where necessary.	Applied
2. The governing body should govern the ethics of the organisation.	Ethical conduct is embedded in the Board Charter and overseen through annual reviews. Supplier Code of Conduct is applied.	Applied
3. The governing body should ensure that the organisation is a responsible corporate citizen.	OBSID invests in community safety, urban management, heritage and environmental initiatives for the benefit of all stakeholders.	Applied
4. The governing body should appreciate that the organisation's core purpose, risks and opportunities are inseparable from its strategy.	The Board reviews the strategic plan annually, monitors risks at each meeting and adapts operations accordingly.	Applied
5. The governing body should ensure reports enable stakeholders to make informed assessments of performance.	Annual Report, audited financial statements and AGM provide transparent disclosure. Monthly Board packs and financial reports are produced.	Applied
6. The governing body should serve as the focal point and custodian of corporate governance.	The Board Charter defines responsibilities. Regular meetings and oversight committees ensure governance.	Applied
7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence.	The Board is representative of property owner groups. Independence is formally assessed.	Applied
8. The governing body should ensure that arrangements for delegation of authority promote independent judgment and assist with balance of power.	Delegated limits of authority are reviewed annually. Sub-committees report directly to the Board.	Applied
9. The governing body should ensure the evaluation of its performance and that of its committees and individual members.	Annual performance review process is in place. Committee performance is evaluated against terms of reference.	Applied
10. The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and effective exercise of authority.	CEO and operational staff act under clear mandates. The Board retains oversight and approves strategic and financial decisions.	Applied

King IV Principle	Application by OBSID	Status
11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Risk management policy is in place. Risks are reviewed at every Board meeting. Strategic plan and controls are applied.	Applied
12. The governing body should govern technology and information.	Information security, data protection and communication systems are reviewed regularly. Oversight is via Finance Committee.	Applied
13. The governing body should govern compliance with applicable laws and standards.	Compliance with Companies Act, CCT By-laws and relevant policies is monitored.	Applied
14. The governing body should ensure that internal audit is effective.	Internal financial controls are reviewed by the Finance Committee. External audits are conducted annually.	Applied
15. The governing body should ensure assurance services and functions enable an effective control environment.	The Finance Committee provides independent assurance. An Annual external audit ensures accountability.	Applied
16. In the execution of governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach.	Stakeholder engagement is via AGM, newsletters, community forums and website updates.	Applied
17. The governing body should ensure that responsible investment is practised.	OBSID funds are invested responsibly and aligned with the organisation's mandate. No speculative or high-risk investments are permitted.	Applied

PART D

FINANCIAL INFORMATION



Noting of Board Approved Surplus Fund Utilisation 2025-26

Noting of Surplus Funds Utilisation 2025-26

Line Item	Approved Surplus	Roll-overs	Adjustment Budget	Adhoc Adjustments	Total
Revenue					
Accumulated Surplus (Projects + Capital)	-R590,775.00			-R200,571.00	-R791,346.00
Total Surplus funding in the budget	-R590,775.00	-	-	-R200,571.00	-R791,346.00
Expenditure					
Core Business					
Augmentation of budget			R24,471.00	R21,387.00	R45,858.00
Projects					
Heritage obs Live	R157,500.00		-R16,250.00		R141,250.00
Storm water drain cleaning	R63,841.00		R11,779.00		R75,620.00
Anson Road	R60,000.00		-R20,000.00	R1,900.00	R41,900.00
Marketing:What's On in Cape Town	R52,000.00		-	R53,756.00	R105,756.00
Composting	-		-	R182,052.00	R182,052.00
Capital Expenditure (PPE)					
CCTV / LPR Cameras	R257,434.00		-	-R63,324.00	R194,110.00
Computer Equipment					-
Fence / Wall					-
Office Equipment					-
Office Furniture				R4,800.00	R4,800.00
Plant and Equipment					-
Vehicles					-
Total Expenditure funded from Surplus	R590,775.00	-	R0.00	R200,571.00	R791,346.00
Difference	0			0	0

**OBSERVATORY IMPROVEMENT DISTRICT NPC
(Registration number 2008/020680/08)
Annual Financial Statements
for the year ended 30 June 2026**

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

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	Improve and promote the improvement area by providing and procuring the provision of services to and in the improvement area
Directors	ES Angless JJ Ashley J Van Der Vlugt DA Barraclough J Titley BD Schaffer MJ Turkstra H van Eetveldt
Business address	13A St Michael Road Observatory Cape Town Western Cape 7925
Postal address	13A St Michael Road Observatory Cape Town Western Cape 7925
Bankers	First National Bank
Auditors	Cecil Kilpin & Co. Chartered Accountants (SA) Registered Auditor
Company registration number	2008/020680/08
Tax reference number	9024/005/19/2

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

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Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. 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 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 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 _____
Date: 27/08/26

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

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 Observatory Improvement District NPC for the year ended 30 June 2026.

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 the 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	Resigned 23 October 2025
J Van Der Vlugt	
DA Barraclough	
SB Driver-Jowitt	Resigned 23 October 2025
IJ De Villiers	Resigned 21 May 2026
J Titley	
BD Schaffer	Appointed 23 October 2025
MJ Turkstra	Appointed 23 October 2025
H van Eetveldt	Appointed 23 October 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 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.

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Directors' Report

6. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2026.

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 2027 financial year.

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

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 2026; 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 2026, and its financial performance and cash flows for the year then ended, in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 2026", 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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: 31 August 2026

PARTNERS: M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA

ASSURANCE: L STRATFORD CA (SA), RA | ACCOUNTING: J DE NOBREGA B.ACC, PA (SA)

Addresses: 1 Waterford Mews, Century Boulevard, Century City, 7441 PO Box 74, Century City, 7446

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Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Statement of Financial Position as at 30 June 2026

	Note(s)	2026 R	2025 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	740,856	660,275
Current Assets			
Trade and other receivables	3	61,793	128,902
Cash and cash equivalents	4	4,013,639	3,765,579
		4,075,432	3,894,481
Total Assets		4,816,288	4,554,756
Equity and Liabilities			
Equity			
Accumulated surplus		4,539,611	4,242,116
Liabilities			
Current Liabilities			
Trade and other payables	5	276,677	312,640
Total Equity and Liabilities		4,816,288	4,554,756

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Statement of Comprehensive Income

	Note(s)	2026 R	2025 R
Revenue	6	12,558,940	11,142,079
Other income		5,508	54,041
Operating deficit	7	(12,563,446)	(11,219,617)
Operating surplus (deficit)		1,002	(23,497)
Investment revenue	8	296,493	330,909
Surplus (deficit) for the year		297,495	307,412
Other comprehensive income		-	-
Total comprehensive income for the year		297,495	307,412

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 July 2024	3,934,704	3,934,704
Surplus for the year	307,412	307,412
Other comprehensive income	-	-
Total comprehensive income for the year	307,412	307,412
Balance at 01 July 2025	4,242,116	4,242,116
Surplus for the year	297,495	297,495
Other comprehensive income	-	-
Total comprehensive income for the year	297,495	297,495
Balance at 30 June 2026	4,539,611	4,539,611
Note(s)		

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Statement of Cash Flows

	Note(s)	2026 R	2025 R
Cash flows from operating activities			
Cash paid to suppliers and employees		12,631,557	11,075,946
		(12,475,960)	(11,098,364)
Cash generated from (used in) operations	11	155,597	(22,418)
Interest income		296,493	330,909
Net cash from operating activities		452,090	308,491
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(204,030)	(485,474)
Proceeds from sale of property, plant and equipment	2	-	52,174
Net cash from investing activities		(204,030)	(433,300)
Total cash movement for the year		248,060	(124,809)
Cash and cash equivalents at the beginning of the year		3,765,579	3,890,388
Total cash at end of the year	4	4,013,639	3,765,579

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

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, 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:

Item	Depreciation method	Average useful life
CCTV/LPR Equipment	Straight line	5 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.

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Accounting Policies

1.2 Property, plant and equipment (continued)

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

1.3 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. 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 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 indices or statistics) to compensate for the lessor's expected inflationary cost increases.

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

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Accounting Policies

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.

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 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.

1.9 Finance income

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

1.10 Other income

Other income consists of profit on disposal of assets, sundry income - wastemart, donations and recycle bags.

1.11 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.

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Notes to the Annual Financial Statements

	2026 R			2025 R		
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
Furniture and fixtures	82,060	(74,815)	7,245	77,260	(73,690)	3,570
Motor vehicles	342,731	(178,760)	163,971	342,731	(142,322)	200,409
Office equipment	22,973	(22,155)	818	22,973	(21,924)	1,049
IT equipment	112,108	(108,618)	3,490	109,540	(102,966)	6,574
CCTV/LPR Equipment	468,787	(95,000)	373,787	419,822	(186,271)	233,551
Other fixed asset - Fence	235,750	(44,205)	191,545	235,750	(20,628)	215,122
Other fixed asset	5,140	(5,140)	-	5,140	(5,140)	-
Total	1,269,549	(528,693)	740,856	1,213,216	(552,941)	660,275

Reconciliation of property, plant and equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	3,570	4,800	-	(1,125)	7,245
Motor vehicles	200,409	-	-	(36,438)	163,971
Office equipment	1,049	-	-	(231)	818
IT equipment	6,574	5,120	(1,780)	(6,424)	3,490
CCTV/LPR Equipment	233,551	194,110	-	(53,874)	373,787
Other fixed asset - Fence	215,122	-	-	(23,577)	191,545
	660,275	204,030	(1,780)	(121,669)	740,856

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
CCTV/LPR Equipment	3	254,031	-	(20,483)	233,551
Other fixed asset - Fence	235,750	-	-	(20,628)	215,122
	273,361	485,473	1	(98,560)	660,275

3. Trade and other receivables

Deposits	60,493	58,902
Rent Control	1,300	70,000
	61,793	128,902

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	191	2,893
Bank balances	4,013,448	3,762,686
	4,013,639	3,765,579

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Notes to the Annual Financial Statements

	2026 R	2025 R
5. Trade and other payables		
Trade payables	6,575	10,859
Accrued expenses	55,000	119,010
Deposits - Keys	52,016	45,366
VAT	46,433	26,033
Provision for audit fees	30,000	24,750
Provision for leave pay	83,669	83,638
PEP Control (Public Employment Program)	2,734	2,734
Sundry creditors	250	250
	276,677	312,640
6. Revenue		
Revenue - Additional Rates Received	11,953,269	10,693,053
Revenue - Additional Rates Retention Received	605,671	449,026
	12,558,940	11,142,079
7. Operating deficit		
Operating deficit include the following expenses:		
Operating lease charges		
Premises		
• Contractual amounts	398,066	398,066
Loss on sale of property, plant and equipment	1,780	-
Depreciation	121,669	98,560
Employee costs	2,597,852	2,555,249
8. Investment revenue		
Interest revenue		
Bank	296,493	330,909
9. Auditor's remuneration		
Fees	30,000	24,750
Adjustment for previous year	2,250	-
	32,250	24,750
10. Taxation		
Non provision of tax		
No provision has been made for 2026 tax as the company is exempt from income tax under 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 2026

Notes to the Annual Financial Statements

	2026 R	2025 R
11. Cash generated from (used in) operations		
Net profit before taxation	297,495	307,412
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	121,669	98,560
Loss (profit) on sale of assets and liabilities	1,780	(52,174)
Adjust for items which are presented separately:		
Investment income	(296,493)	(330,909)
Changes in working capital:		
(Increase) decrease in trade and other receivables	67,109	(68,000)
Increase (decrease) in trade and other payables	(35,963)	22,693
	155,597	(22,418)
12. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Heritage Obs Live - Project	-	60,000
This committed expenditure related to Website design and development and was financed by existing cash resources.		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	516,426	453,103
- in second to fifth year inclusive	748,633	1,025,902
	1,265,059	1,479,005
Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.		
13. Related parties		
Relationships		
A finance agreement was entered into between the City and a City of Cape Town CID's management body which provides for the determination and payment of the additional rate by the City and financial oversight of the management body		
Related party balances and transactions with other related parties		
Related party transactions		
Amounts received from the City of Cape Town		
Revenue - Additional Rates Received	11,953,269	10,693,053
Revenue - Additional Rates Retention Received	605,671	449,026

Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2026

Notes to the Annual Financial Statements

	2026 R	2025 R
14. Directors' and prescribed officer's remuneration		
Executive		
Prescribed officers		
2026		
M Tyrrell	Emoluments 667,800	Bonus 55,650 Total 723,450
2025		
M Tyrrell	Emoluments 689,000	Total 689,000

Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2026

Detailed Income Statement

	Note(s)	2026 R	2025 R
Revenue			
Revenue - Additional Rates Received		11,953,269	10,693,053
Revenue - Additional Rates Retention Received		605,671	449,026
	6	12,558,940	11,142,079
Other income			
Insurance proceeds		4,478	-
Profit on Disposal of Assets		-	52,174
Sundry income		1,030	1,867
		5,508	54,041
Expenses (Refer to page 16)		(12,563,446)	(11,219,617)
Operating surplus		1,002	(23,497)
Investment income	8	296,493	330,909
Surplus for the year		297,495	307,412

Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2026

Detailed Income Statement

	Note(s)	2026 R	2025 R
Operating expenses			
AGM expenses		4,334	16,853
Accounting services		73,750	66,675
Advertising		6,187	5,694
Auditors remuneration	9	32,250	24,750
Bank charges		12,585	11,864
Catering and food		-	1,300
Cleansing services		851,153	573,669
Communication		142,139	140,078
Computer expenses		25,372	24,355
Depreciation		121,669	98,560
Environmental upgrade		230,411	223,757
Insurance		39,895	36,035
Lease rentals on operating lease - Office equipment		19,358	17,829
Legal expenses		-	1,800
Loss on sale of assets		1,780	-
Minor tools and equipment		1,535	8,414
Motor vehicle expenses		73,738	62,699
Office rental		398,066	398,066
Office security		12,102	10,706
Printing and stationery		21,467	18,511
Professional fees		2,670	-
Project - Anson Road Beautification		41,900	-
Project - Composting		182,052	-
Project - Heritage Observatory Live		141,250	-
Project - Promoting Observatory		105,756	-
Projects - Storm water drain		75,620	12,159
Protective clothing		20,025	12,668
Public safety		5,753,798	5,858,627
Public safety - CCTV monitoring		1,290,330	621,337
Rates and services		66,208	71,872
Refreshments and teas		44,894	39,564
Repairs and maintenance		11,579	21,604
Salaries and wages		2,597,852	2,555,249
Secretarial fees		12,050	9,860
Shelter fees		-	11,740
Social upliftment		112,315	220,965
Staff clothing		17,462	23,542
Staff welfare		650	70
Telecommunications		16,172	16,745
Training		3,072	2,000
		12,563,446	11,219,617

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2026

Supplementary Information

1. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was identified by management during the current year. In addition, no fruitless and wasteful expenditure was brought forward from the prior year. Consequently, no amounts were written off or recovered during 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 and using funds for purposes other than those originally approved. No unauthorised expenditure was identified by management during the current year. In addition, no unauthorised expenditure was brought forward from the prior year. Consequently, no amounts were written off or recovered during the current year.





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