

20 21

ANNUAL
REVIEW



Making places for people

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OBSID CHAIRPERSON'S REPORT 2021



OCTOBER 2020

This constitutes the Observatory Improvement District's Board Chairperson's report for the financial year from 1 July 2020 until 30 June 2021. It focuses on this period, but with some reflection on the period June 2021-October 2021, given the interest our members show in recent progress of the OBSID's programmes and projects. In some places I also provide a longer-term view, given OBSID is coming to the end of its five year business plan and in the process of applying for its new five year term.

The report is intended to provide a strategic and governance overview of the health of the OBSID as seen from its Board of Directors and its Chairperson in particular. It is intended to complement the management overview and report provided by the Chief Executive Officer (CEO).

I have been a director of the OBSID Board for four years, and Chairperson for the past two years. As communicated at last years' AGM, I am resigning from OBSID at this AGM as I have relocated to Paarl and wish to focus my efforts on new projects.

The other board members resigning this year are Tom Figl, who has served on OBSID's Board since 2018, as well as Edwin Angless and Claire Everatt - the latter two are available for re-election. We thank Tom for his years of service, always representing innovative ideas and care for the workers and business people of Obs in our deliberations.

Making Places for People

The art of precinct management is not for the faint hearted, and the OBSID team has once again proven their worth in the year that has been.

Not only are we closing another successful, if complicated year, we are also closing a five year term and entering into a new and ambitious era with you as members and the wider Obs community.

We have managed to keep a very lean operational core, with operational expenses remaining relatively flat while we have increased services and initiated new projects.

Our largest programme remains public safety, with OBSID engaged daily in proactive measures to prevent crime, respond to support residents when they need it and this capacity has been enabled by investment in a third petrol vehicle and additional patrollers.

Our social development programme has also

grown substantially with a focus on sustainable partnerships and impactful pathways of support through workplace development, a full-time qualified social worker joining our team, and piloting Obz Rainbow House being just some of the highlights.

Our cleaning teams are on the streets daily, although we rely more and more on residents to work with us to prevent dumping and overflowing bins to keep Obs looking clean. Recently, the Obs team have been investigating recycling options for the area.

The OBSID team and community partners did not stop there - they have ambitiously taken on several aspirational placemaking projects - including a community greening project, a heritage project and a process looking at the Village Green. All of these have also been very valuable in providing insights into what you, the community, want and need from Obs and how this can inform our strategy and plans for the next 5 years.

THE BOARD

The last AGM took place on 28 October 2020, both in-person and virtually. It successfully approved the budget and implementation plan for the OBSID for the 2021/22 financial year, re-elected myself, Jodi Allemeier as well as Justin Ashley and we welcomed two new board members, Kari Cousins and Makgosi Letimile.

The first meeting of the board re-elected myself, Jodi Allemeier, as Chair and Claire Everett as Vice Chair. The role of the board is to:

- Provide strategic direction for the OBSID
- Adopt its budget and implementation plan
- Approve OBSID policies
- Ensure oversight of OBSID implementation and adherence to policy
- Report to members

This year, we had the additional task of developing the next term's five year business plan.

Most board members have been attending board meetings regularly having read documentation and are available for and contribute to urgent decisions. The Board has been able to fulfil its governance and oversight role, guided by the various policies and plans that govern OBSID, and the principles that underpin these.

The Board undertook training with the City of Cape Town on our responsibilities as Directors, adopted amendments to our Code of Conduct to strengthen it, and adopted a new donations policy to support OBSID's ambitions to have well-governed processes of diversifying its income and enable support for special projects.

My thanks go to Councillor Errol Anstey, the City designated political observer on the OBSID Board, for his attendance, inputs and insights.

This year has been another extraordinary year. In addition to bi-monthly meetings, the Board has been called on to provide guidance and oversight as OBSID navigated the impacts of Covid19, to participate on special project working groups, and to participate in strategic planning processes relating to the new term.

The five year strategic planning process took into account community surveys, reviews of frequent feedback to OBSID, insights from Obs related chat groups and social media pages, trends in CIDs and BIDs globally, pressures to service delivery locally, historic financial and operational performance of OBSID, and options

for operationalising projects that you, our members, have supported and/or requested during the past five years, as well as the financial impact on residents' overall rates bill and value for money in this regard.

We know that there are many issues on the hearts of Obs residents. We absolutely cannot achieve the common outcomes of a safer and healthier community for all of us without working together, without communicating regularly and openly about the complexities of these challenges, and without trying new things while keeping a steady investment in the things we know work.

The five year business plan thus includes many of the familiar basic OBSID services that you have come to rely on, phased introduction of expanded services in core programmes of public safety, cleaning, social development, and moved to operationalise what have to-date been pilot projects so that they can be relied on going forward. We also seek to introduce, largely at the request of the City, minor infrastructure maintenance services. Finally, we'll keep sight of aspirational special projects and assign budget and resources to these as concepts are defined.

This year's annual report is not only accompanied by an annual implementation plan as is usually the custom, but is also accompanied by the next 5 year cycles' proposed business plan. We encourage you to familiarise yourself with this plan and our proposed phased approach to introducing new services over the next five years.

OBSID CEO, team contractors and partners

This has been the third full year that Amanda Kirk has been the OBSID CEO. At the end of this financial year, we welcomed Amanda on a permanent contract to ensure continuity and reduce risk of loss of institutional knowledge and vital skills to the organisation.

Amanda is supported by OBSID's precinct manager, Stoney Steenkamp, and social worker Zusakhe Voyi who joined this year, taking over from Bongji Sika, and works closely with Amanda Mjo (our workplace rehab coordinator), and the OBSID team of cleaners-and-greeners who have gone above and beyond to serve the community of Obs in this year of high need and high delivery.

Working with them is a growing number of contractors and partners. Securitas remains our security provider, with Leon Nzenza working as

an integral part of our planning and strategies. I encourage you all to follow OBSID's regular safety updates on social media, and support the community's recent efforts to explore a neighbourhood watch approach that is suitable to Obs. I also ask you to work with our public safety officers in any way you can (sometimes as simple as making sure your car is locked) to proactively prevent crime in Obs.

Contractors and partners in social development include Streetscapes, Straatwerk, AfrikaBurn, ObsPastaKitchen, TB/HIVCare, Cape Town Drug Counselling Centre and (recently) The Rehoming Collective. This important network of expertise and care is critical to Obs' response to working with vulnerable residents and we encourage all community members to familiarise themselves with the offerings of these organisations and lean in to support their important work.

Our cleaning and greening programmes, and placemaking projects have enjoyed the collaboration of Straatwerk, Green4Life, Communitree, OpenStreets and Social Trends Development Services this year. It's been wonderful to see new faces engaged in projects working with these partners, coming together through plants, research and story-telling stories to collectively make places for all of Obs. The outputs of these partnerships have also informed a lot of our thinking for our five year plan.

Finally, many thanks go to the OCA for participating in special projects, working groups, supporting participatory processes and sharing their communications channels to ensure that residents of Obs are able to engage with these initiatives.

This team, and the employees of our contractors, are Observatory's "first responders". Even when you perhaps should be calling SAPS, or reporting an issue directly to the City, it is often OBSID who you call when the worst imaginable happens and them who receive requests for all manner of support - sometimes amusing and quirky, sometimes sharing in your frustration helping you to navigate bureaucratic services, and sometimes experiencing and sharing in your trauma. I wish to thank them for the incredible personal sacrifices they make every day for the community of Observatory.

Finance and Projects

We are in good standing financially and with the City.

We have once again received a clean audit and are spending our resources on improved services and additional projects as mandated by all of you - reserves built up in previous years were started to be spent in 2019/20 and we continued with this in 2020/21 with additional security vehicle and patrollers, expanded social development services and our investment in the Obs Rainbow House pilot as well as investment in the placemaking special projects.

We have continued to keep our operational and staffing costs consistent as a proportion of overall spend to ensure that you are receiving value for money.

All of this has also offered valuable learnings in terms of setting in place the new-term business plan and budget.

Relationship with City of Cape Town

Our relationship with the City of Cape Town is essentially two-fold. The CID office regulates our activities and ensures that we fulfil essential governance and reporting requirements. We maintain a good relationship with this office and are thus in good standing.

However, in terms of service coordination of city services, we have a limited engagement or influence. Strengthening these relationships is necessary for successful function of OBSID. OBSID submitted comments to the City's draft amended SRA By-Law and Policy (in the 2021/22 financial year) which included requests for improved coordination structures to better partner with CIDs in this regard.

OBSID also submitted comments on the draft LSDF from the perspective of impacts on urban management and the references to the role of CIDs in the district. These comments are available on our website.

Conclusion

Each period of Obs' history has made it what it is today - Obs has faced challenges in the past - and each crisis has spurred the committed residents, NGOs and business people that call Obs home to come together and adapt and create new ways of working together in neighbourly and active ways.

The current time is no different and OBSID is also adapting its role in the neighbourhood. We have strived to continue to deliver good service levels, while managing resources efficiently, and developing an aspirational pipeline of projects that will bring the people of Observatory together in new ways.

In my final year serving OBSID, I have enjoyed assisting the organisation through the process of planning its next term. It's been an honour working with and for the community of Obs over the past 4 years and I wish all of you the best in taking forward this important work. My many thanks go to Amanda Kirk and the OBSID team, the Board of Directors and all of you.

I'll see you all in the places we make for people,

JODI ALLEMEIER
OBSID BOARD CHAIRPERSON

ANNUAL REVIEW

2020 / 2021



INTRODUCTION

As the impact of the Covid-19 pandemic continues to be felt, disruption to services, rising unemployment, increased crime and increases in the number of people living on the streets have been noted throughout Cape Town. Observatory is no exception, but we are making inroads in dealing with these inner city challenges. OBSID is thriving in the “new normal”, doing what we can to improve the cleanliness and safety of the suburb.

Public safety, keeping Obs clean, and helping those living on the streets in our suburb in a responsible way are always our first priorities.

OBSID was designated an essential service during lockdown and maintained service levels throughout all of the ongoing Covid lockdown levels in all core programmes, with expansion in critical aspects of our work, most notably in public safety and social development. We also grew our projects portfolio.

We're aware of the risks associated with work in public spaces and have taken all measures to protect our staff and the community with strict hygiene protocols and PPE, both in the office and out on the streets.

“Do what you can, with what you have, where you are” – Theodore Roosevelt

This quote perfectly describes the OBSID's work in Observatory. Working within budget constraints and mindful of ensuring that we provide good value for money, we have continued to deliver well on our core programmes during this most difficult of years and have also been able to develop and launch a range of projects in line with our public spaces policy and focus on supporting those living on the streets.

“And here you are, living despite it all” – Rupi Kaur

This year has been very hard, very long and full of new pressures for the team to navigate. We're tired but not beat!

We've come through admirably, keeping our sense of humour, our commitment to teamwork and to serving the community of Observatory to the best of our abilities, often in the face of unfair or misplaced criticism.

What has been consistent is the team's incredible commitment to their work, their willingness to go the extra mile and their determination not to let the community down.

I want to give thanks to each and every OBSID staff member, the OBSID Board members as well as each member of the Securitas public safety team for their efforts this year, often in extremely difficult and challenging circumstances.

Special thanks go to Robert Witbooi and Charl Brooks of Securitas for their efforts in supporting and strengthening the OBSID's public safety programme.

After preceding years of change management, focus on internal controls and processes, the stabilisation of services, changes to service providers, staffing changes and office moves, this year has allowed the OBSID to think about expansion of its projects and services, ever mindful of our obligations to rate payers to deliver value for money as well as our legal and governance obligations.

Board of Directors

The Board of Directors is stable and well-functioning and was very responsive in the support provided to the OBSID CEO during a turbulent year.

All Board governance processes are in place, including a Code of Conduct that has been adopted by all Board members.

The Board currently comprises 9 members and meets at least 6 times a year.

In addition to regular Board meetings, the majority of members participated in working groups in support of the public spaces policy activation as well as considering the feasibility of extending OBSID boundaries in different ways.

Corporate governance

We are compliant with all SARS, CIPC and City of Cape Town requirements.

Human resources

HR systems are stable and functioning well. We assisted staff with travel stipends during the year when transport costs escalated and transport options reduced, conducted full year individual performance reviews that informed annual remuneration reviews and were in a position to pay out discretionary bonuses to all staff in terms

of our remuneration policy in December 2020.

Staff attendance is very satisfactory, with little to no unplanned absenteeism.

During the reporting period, there was one staff exit in the social development programme. Bongzi Sika resigned effective 30th April 2021 and was replaced by Zusakhe Voyi, a registered Social Worker who joined the OBSID on the 10th June 2021.

Finance systems

We continue to enjoy solid working relationships with both our accounting service provider, Accounts Star c.c. and our auditors – Cecil Kilpin and Co.

We received an unqualified audit report for the 2019/2020 year and expect the same for this reporting year.

Internal financial management processes and controls are in place and effective.

Communications

We continued to roll out our communications strategy in the reporting year, across our website and social media platforms.

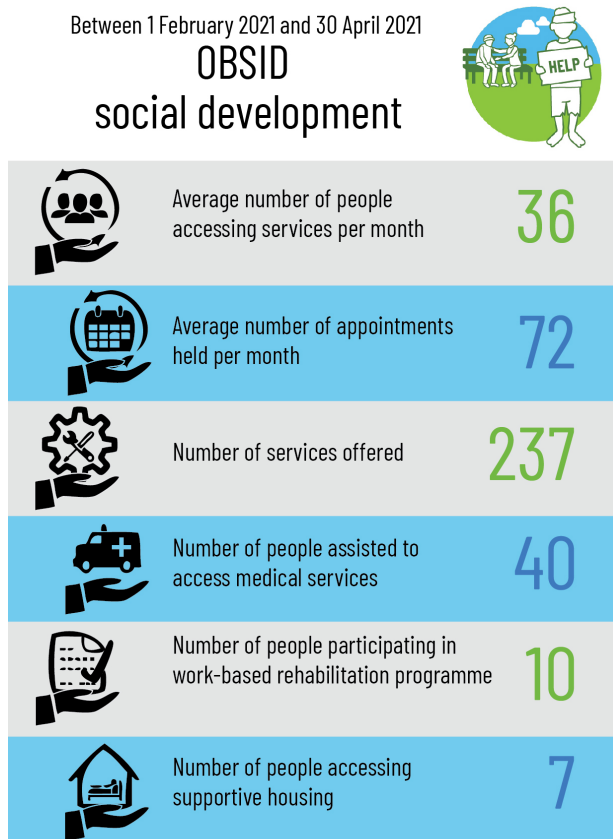
We sent out regular member updates and produced one PR piece about our work that was published in community newspapers and online.

Our website is up to date and compliant with City CID management unit requirements in terms of the information that is accessible on the site. The OBSID site is POPIA compliant.

We've enjoyed significant growth on our social media audience, due to our mix of informative and interesting content across platforms.

We also engage with the community via multiple WhatsApp groups as well as Observatory focussed social media pages.

Infographics have proven very useful in giving the community insight to our work, see below for an example that has been published during the reporting period. These are used in blog posts, member updates and on social media channels.



As communicated in last year's review, we continue to roll out our new strapline, "Making places for people" and intend to finalise this rollout in the next review period.

Lastly, we take a regular slot at the Observatory Civic Association's (OCA) Management Committee meetings to provide updates on our work, and have enjoyed a wider reach for our communications via the OCA's web letter.

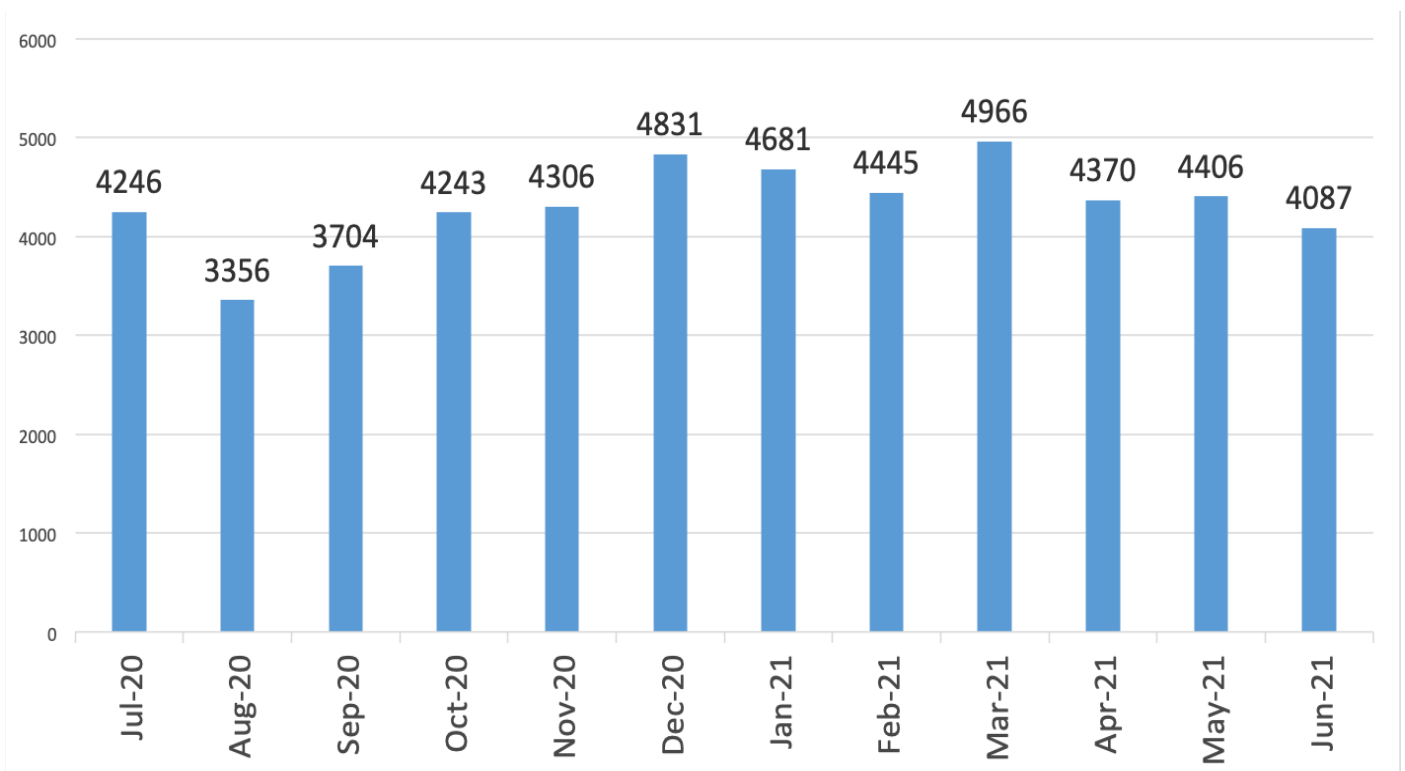
KEEPING OBSERVATORY CLEAN

The OBSID cleaning team has had another busy year with close to 50 000 bags of refuse being collected from the public spaces of Observatory! This includes emptying of bins in public spaces and basic maintenance of the parks in Observatory – these responsibilities have devolved from the City to OBSID over time.



The OBSID urban management team works staggered shifts, seven days a week, tackling hotspots, collecting dumping, completing dumpsite runs and picking up litter. In addition, they do weeding, deep cleaning and drain cleaning across Observatory.

The below graph reflects the total number of bags that have been collected per month in this financial year:

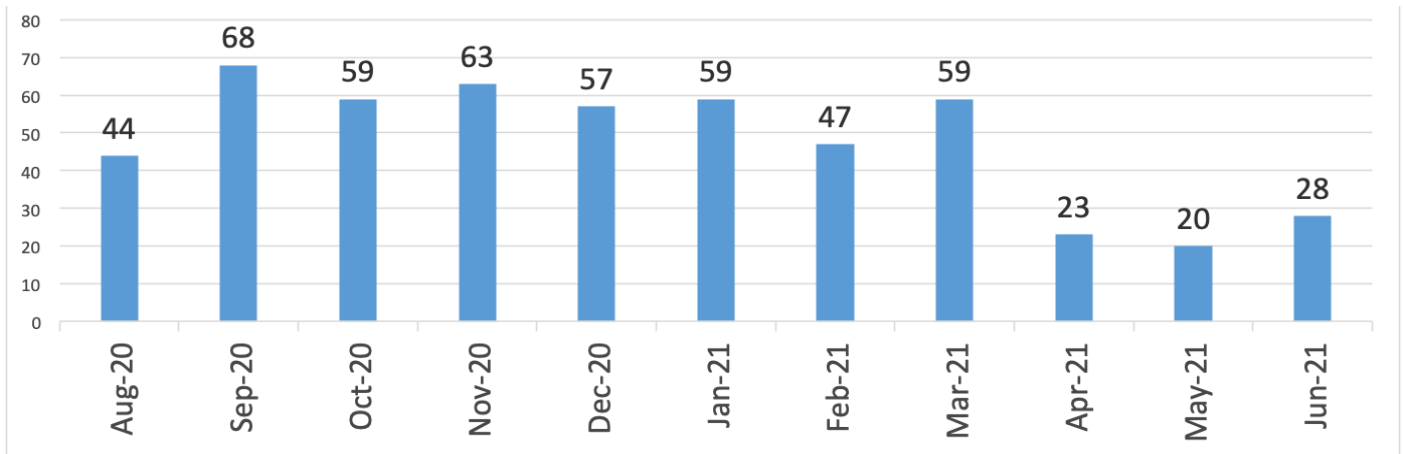


Our team works in their individually designated sectors from Mondays to Fridays, with a smaller team concentrated on bins in public spaces, the business precinct and pedestrian routes over weekends. We complete a once daily bag collection and thrice weekly dump runs.

Dumping remains a challenge – OBSID seems to be a victim of its own success as people know we’ll clean up after them, so they feel more empowered to break bylaws and dump in public places.

Restaurants along Lower Main and residents living just off Lower Main are significant contributors to the figures below:

The below graph reflects the total number of illegal dumping incidents attended to per month this financial year:



Our work-based rehabilitation team provides 4 hours of daily cleaning in the public spaces from Mondays to Fridays, always starting on the Village Green, then moving along and under the Station Road bridge, then deployed into sectors as determined by the Area Manager.

The City of Cape Town’s winter readiness programme did not extend to Observatory this year, so the work-based rehabilitation team was tasked to clean drains that were either partially or fully blocked in preparation for the winter rains. The team were trained on how to safely tackle this and provided with drain hooks. The work-based rehabilitation team cleaned 62 drains during April 2021.

Partnerships in urban management

Our outsourced arrangements with Straatwerk – focussed on graffiti removal - and Green4Life Gardeners – focussed on the green spaces of Observatory - both delivered exceptional results and both contracts have been continued in the new financial year. We are confident that their standards and response times will remain at the levels we expect.



City infrastructure in Observatory

City infrastructure faults resulted in 1139 C3's (service request) being logged with the City during this reporting period, an increase of 35% on the prior year.

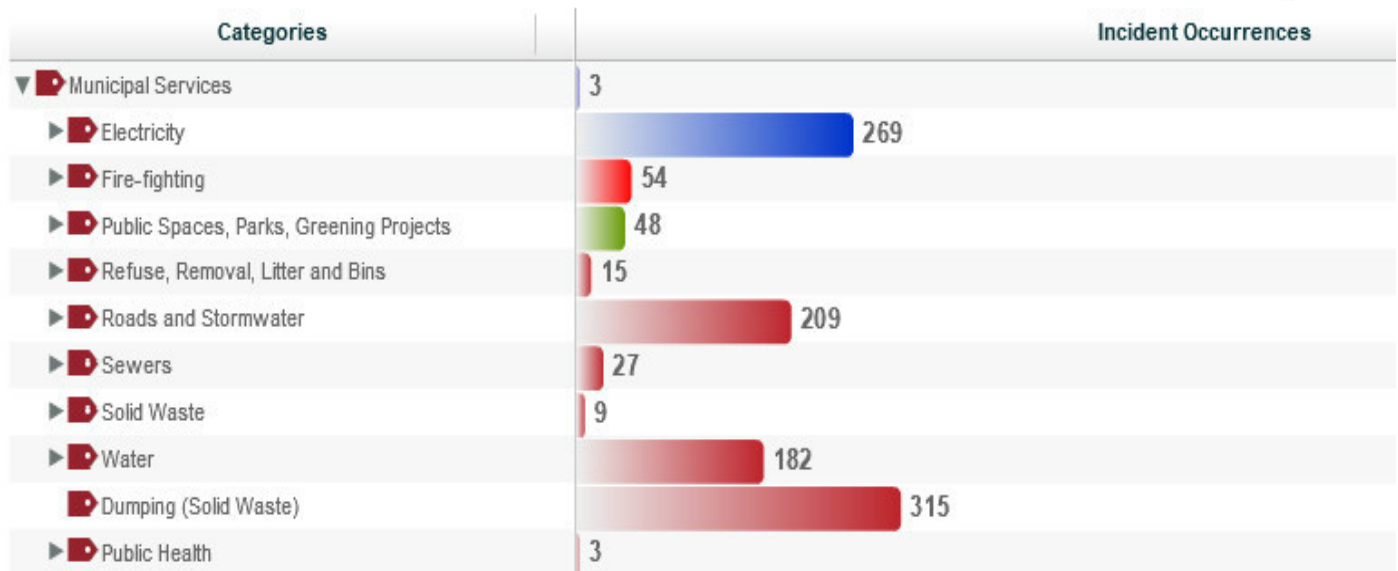
A positive spin off from the appointment of Securitas as public safety service provider is access to the Incident Desk system, which contains social development and urban management reporting modules. This allows us to accurately record C3 reports and facilitate better follow up and escalation of outstanding issues as necessary.

The graph below indicates the range and types of issues reported to the City during this period:

MUN SERVICES BY CATEGORIES

Start Date: 01/07/2020 End Date: 30/06/2021

Total Incidents: 1,134



SOCIAL ISSUES

At year end, we recorded **146** active clients of the social development programme.

The challenge of dealing with people living in public spaces is never ending and increasing. Observatory has a generous community, many of whom are keen to give handouts and many of who support a daily meal service that has definitely resulted in more people calling the public spaces of Observatory their home.

OBSID has continued to significantly deepen our impact on homelessness in Observatory and has developed an integrated social development programme comprising supportive accommodation, our sheltered work programme and other containment measures, in depth case management and other support services – which could serve as a model to other CID's grappling with the same issues related to homelessness in their boundaries.

Our social development programme is strong. We have a sound programme framework that includes outreach, individual case management, linkage services and access to work-based rehabilitation

and supportive housing.

We've seen significant impact through our linkage work – attending hospital and clinic visits with clients, thereby ensuring that they are able to access healthcare and other services. We've seen more and more of those living on the streets of Observatory receiving medical treatment, resuming chronic medication use and being assessed for participation in Opioid Substitution Therapy (OST) through TB HIV Care.

We have a team of medical doctors that is a wonderful resource and they have guided our team through a number of clients presenting with medical issues in the past year.

Our work-based rehabilitation programme offers daily structure, group sessions, a participation stipend and the chance to belong to something and practice life and work skills. Clients of the work-based rehabilitation programme are drawn from the chronic homeless population of Observatory (having been on the streets for longer than 10 years).



Partnership with Khulisa Streetscapes:

OBSID has been partnering with Khulisa Streetscapes on the provision of social development services since early 2019. In 2020, this partnership expanded further into the provision of supportive housing through a pilot project co-funded by the OBSID – the Obz Rainbow House.

In early 2021, citing funding and capacity constraints, Khulisa Streetscapes withdrew from the Observatory programmes.



The Obz Rainbow House

Opened in lockdown last year The Obz Rainbow House has been a place of refuge for members of the street based community of Observatory who were looking to take the next step, get off the streets and find work and shelter. Daily support and work, hot meals, a sense of community and a warm bed has given the group living here a new lease on life.

After Khulisa Streetscapes' exit, the OBSID Board agreed to take over operational and funding responsibility for the supportive housing pilot project until the end of the agreed period and have exhausted all efforts to secure a funding and operational partner for the project.

City / provincial funding has not been forthcoming and there seems to be little interest in partnering with community projects of this nature.

As a result, OBSID's ability to continue to find the project in full has come to an end. Residents of the house are currently being supported to activate individual exit strategies to ensure they don't end up living back in public spaces.

The residents have learnt critical life skills that will assist them if they move into shared living spaces, back to family or even if they secure

accommodation on their own in the future – such as cooking, cleaning, meal planning and adhering to rules and behaviour frameworks. It's been a wonderful initiative to be part of.

Partnership with TB / HIV Care

OBSID partnered with TB / HIV Care at the beginning of 2020 on their PWID (People Who Inject Drugs programme) and this partnership continued through the reporting period. OBSID provides safe needle disposal facilities, as well as issuing harm reduction packs which has led to a reduction in the number of used needles in the public spaces and allowed individuals living on the streets to gain access to OBSID's social development services when accessing needle exchange services.

Learning and development

In the last quarter of the reporting period, everyone involved in social development programmes (supervisors, Area Manager, Programme Coordinator and CEO) completed a harm reduction training programme in partnership with SANPUD (South African

network for People who Use Drugs), deepening our understanding of the challenges our clients face as regards substance use and better understanding how we respond to this in our work-based rehabilitation and supportive housing programmes as well as in our interactions with those living on the streets.

The work-based rehabilitation team attend Working on Wellness (life skills, breathing techniques and yoga) sessions with the Obs Pasta Kitchen each Wednesday and have completed an 8-week programme on GBV / gender rights with Mosaic. Daily group sessions cover topics such as life skills, money management, anger management and dealing with stress.

The Dignity Project

OBSID continued its partnership with Afrikaburn Outreach to manage toilets in the public spaces to tackle the issue of human waste. The units, serviced by Sanitech, and maintained by the OBSID cleaning team, have led to a significant reduction in human waste in the centre of Observatory.

During the first 6 months of the pandemic in Cape Town, our partnership expanded to include the installation of 4 1000litre handwashing stations in the public spaces of Observatory, with support from Enviro Wildfire.

These stations proved essential when City bathrooms were closed and those living in public spaces needed access to water for washing themselves and their belongings.

Unfortunately, over time, the units were vandalised more and more regularly, until the cost and hassle of repair and refilling outstripped the perceived value to the community and the units were uplifted.



PUBLIC SAFETY

We have a very well-organized, extensive public safety service in Observatory in partnership with our safety contractor, Securitas. This includes 24/7/265 foot and vehicle patrols backed up by a control room and technology such as licence plate recognition (LPR) systems.

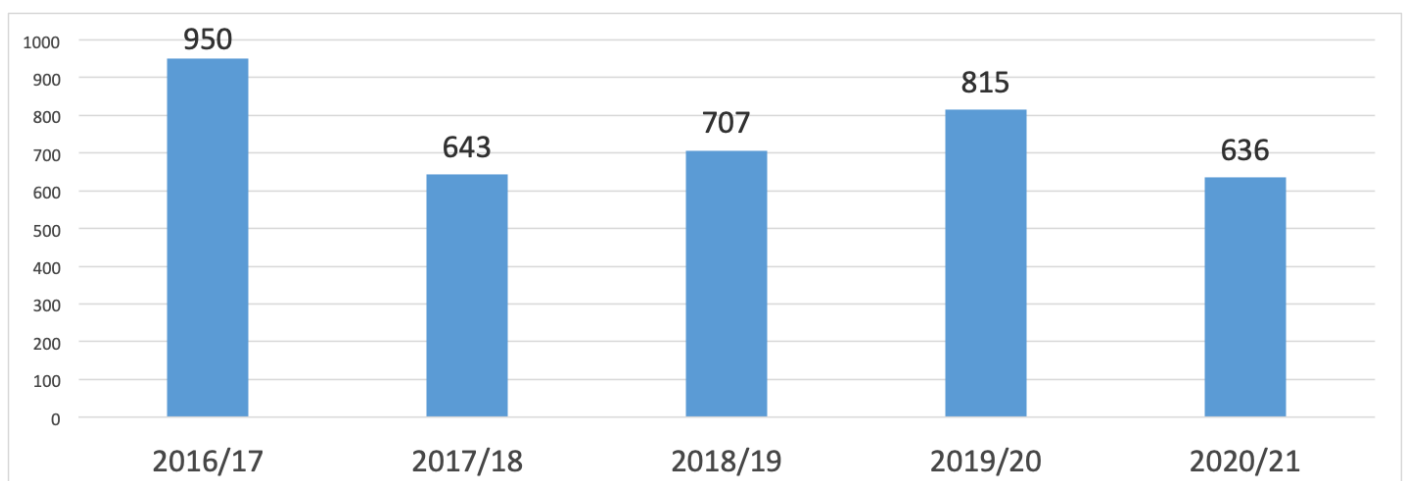
With already high levels of unemployment, the impact of the Covid-18 pandemic and increasing poverty there has been an overall upward trend in criminal incidents across Cape Town. In the first half of 2021, we have noted a slight increase in incidents in Observatory, mostly vehicle related thefts and muggings / assaults. We're 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

We recorded 636 incidents during the year, a significant drop from 2019/20 and the lowest annual total since 2016.

The below graph reflects the annual reported incidents for the past 5 years:

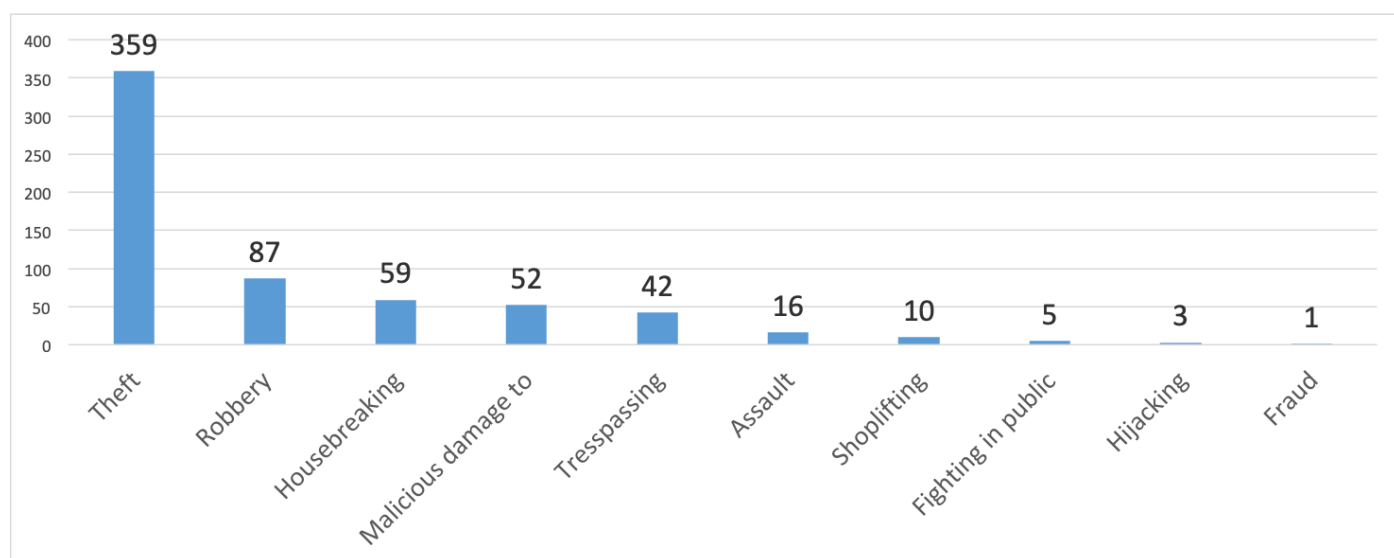


As part of our deployment adjustments, we added a third public safety vehicle onto all shifts in July 2021 and expanded our foot patroller complement by three officers in the same time period on an ad hoc basis. This expanded deployment has definitely contributed to the reduction in recorded crime incidents in the area.

Theft continues to be our higher crime category and accounted for more than 50% of the reported incidents broken down as follows – (120) general theft, (67) theft out of motor vehicle, (67) theft of car parts, (33) attempted theft out of motor vehicle, (3) attempted theft of motor vehicle, (21) theft of motor vehicle, (19) attempted theft, (11) theft of bicycle, (8) theft of motorcycle and (10) theft of cell phone.

Robbery was the second highest contributor with 87 incidents reported broken down as follows – (31) common robbery / mugging, (17) attempted robbery / mugging, (17) armed robbery, (2) house robbery, (6) business robbery and (14) robbery with weapon other than a firearm.

The below graph indicates the type and number of incidents reported this year:



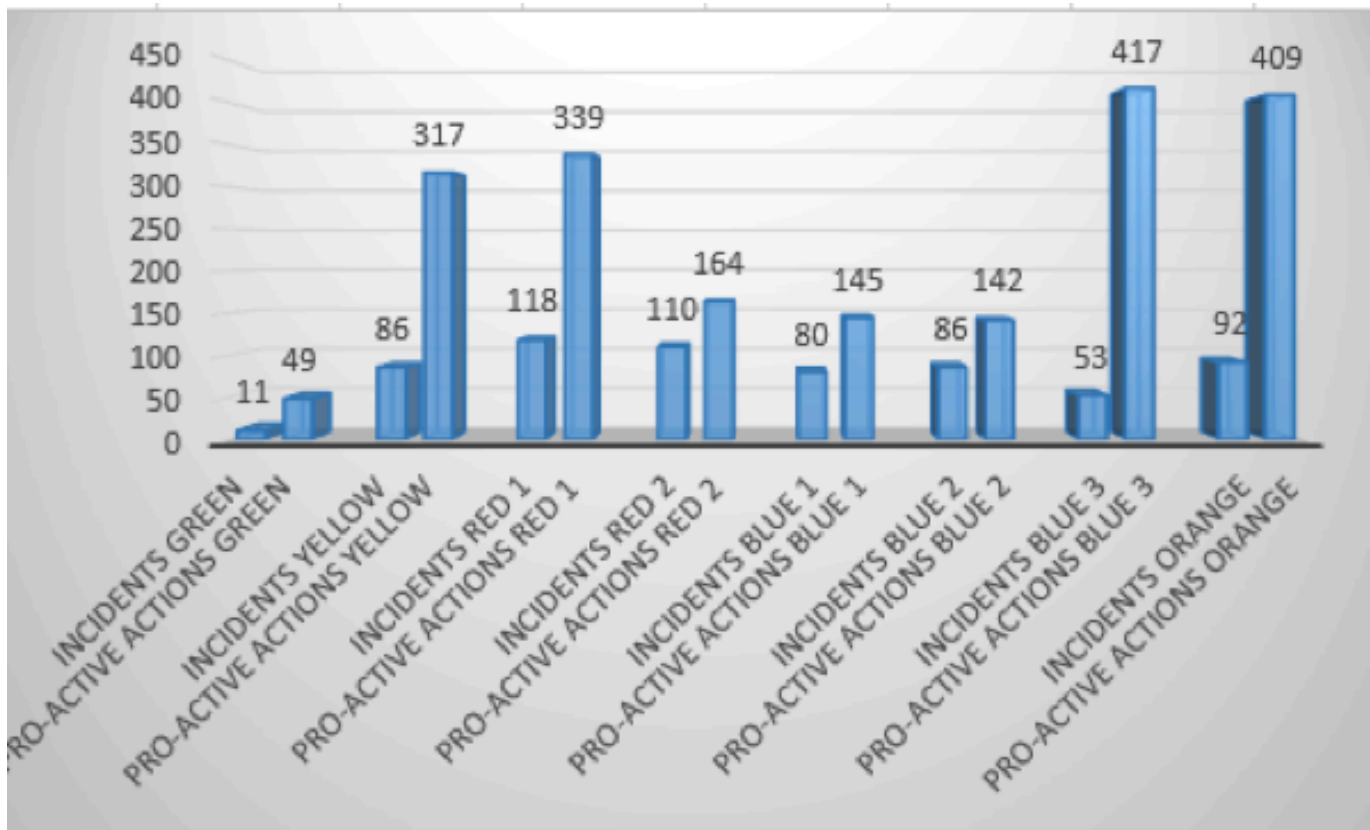
Once tertiary institutions reopened and our student population returned, nightlife increased, with some patrons overindulging. Foot traffic through the streets between places of residence and the entertainment venues has significantly increased with curfew hours being ignored in many instances.

Criminal elements have noted these behaviours and are taking advantage. Two thirds of all robberies occurred after 23h00 – and a third of these occurred during curfew hours.

The trend of opportunistic crime in Observatory continued throughout the year.

Even though crime and the perceived increase in incidents were often the topic of discussion on various social media platforms a considerable amount of time was spent by our deployed personnel informing owners or residents of unlocked vehicles, open doors, and open garages or premises gates, indicating a careless attitude towards security. This pro-active approach by the public safety team assisted in reducing the amount of incidents reported for the year.

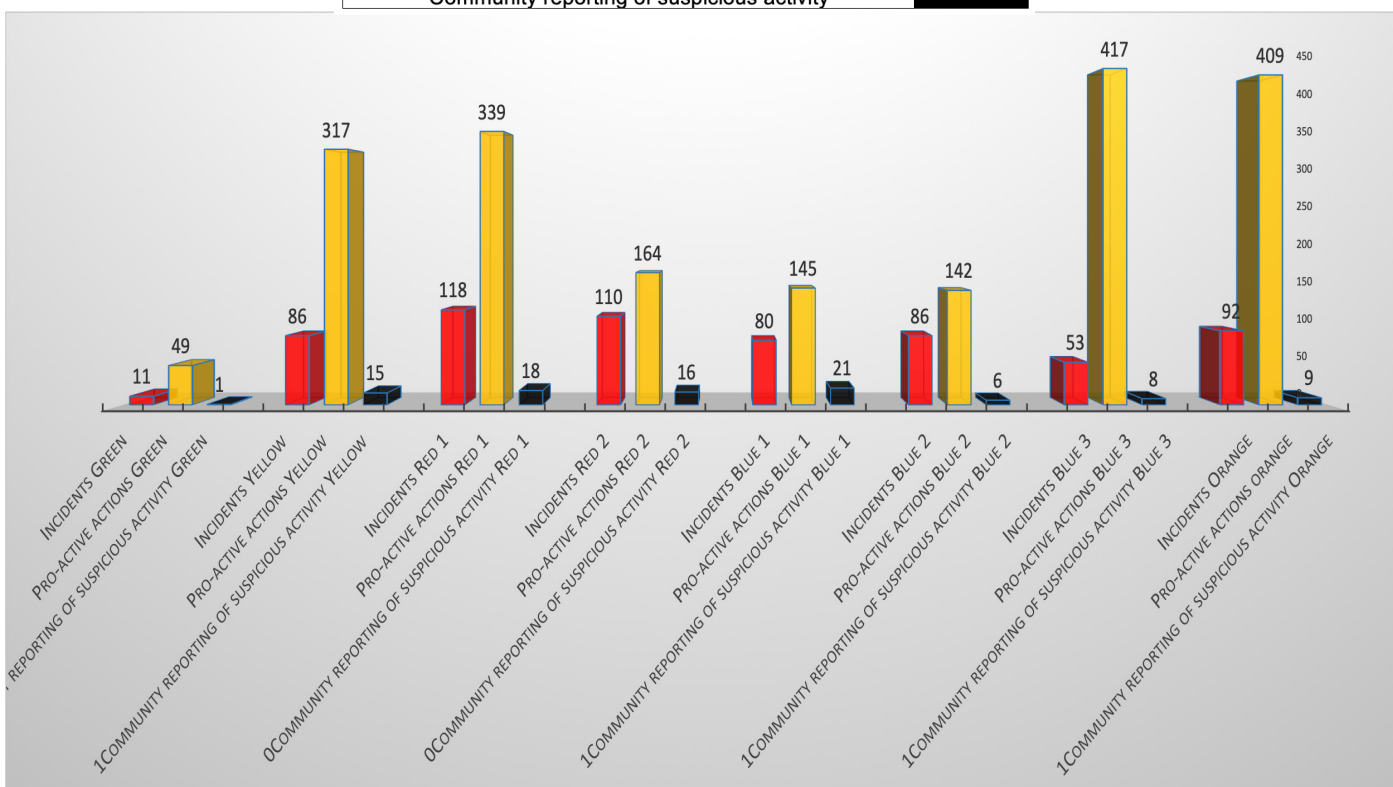
The below graph reflects the number of incidents reported in the various sectors compared to the amount of pro-active actions taken by the OBSID public safety members:



The next graph reflects the incidents reported in the areas, the pro-active actions taken by the public safety officers and the number of community reports related to concerns around public safety:

Guide:

Incidents	█
Pro-active actions	█
Community reporting of suspicious activity	█



Community involvement

Although we are patrolling the streets 24/7 we could be more effective if the community was 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.

If the community served as “our eyes and ears” (as we do for SAPS and law enforcement), we could be responding to in-progress activities as opposed to trying to find incidents by doing random patrols. This would allow for focussed which would reduce the reaction times by the public safety patrol vehicles as they would already be near hot spots and other areas of concern.

Active citizenry is needed – the residents of Obs must report incidents to the police to help tackle crime, and get the SAPS resources we need in the area. Residents also need to be more vigilant about their property and possessions.

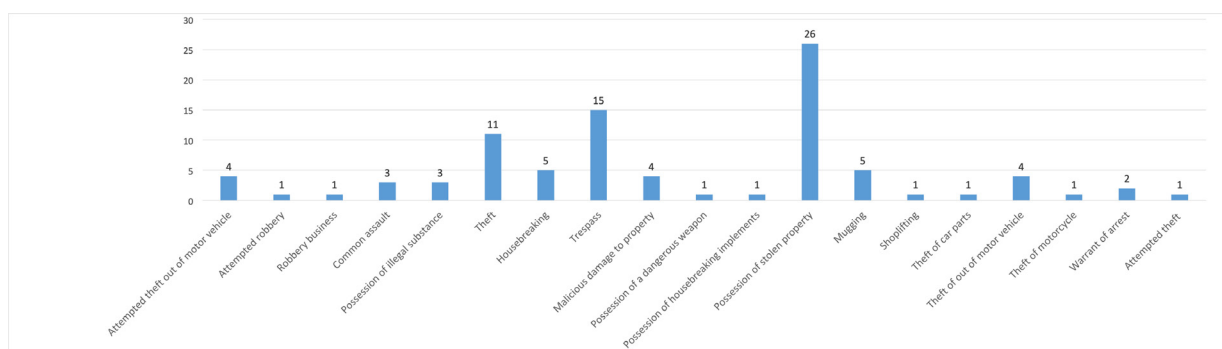
We trialled the Buzzer app during this reporting period to provide the community with another channel to sue to alert us to incidents. There was a disappointingly low community engagement with the app, despite a wide communication campaign about its benefits and ease of use. We hoped for a greater adoption of the app, and a reduction in the reliance on WhatsApp groups - Buzzer linked the community directly with the OBSID control room as well as with neighbours and people nearby. It also facilitated a reduction in duplicate reporting as incidents were closed out when attended to – reducing the spread of misinformation.

Buzzer ran into technical difficulties in early 2021, so this trial has been terminated.

Arrests

The public safety officers assisted SAPS in making 90 arrests during this period. Unfortunately, in 32 cases the complainants did not want to open a criminal case and the suspects had to be released.

The graph indicates the categories of offences that suspects were detained for:



The challenges

The public safety team have faced many challenges during this period and these challenges are not likely to decrease soon.

With a third of complainants reluctant to open cases, Observatory remains vulnerable to criminal elements as SAPS's statistics aren't a true reflection of what is occurring in our area. This lack of active citizenry makes the public safety officers despondent and it makes OBSID attractive to the criminal elements. It could be said that 1/3 of people suspected of being involved in crime were released to continue with their criminal activities in the OBSID and other areas.

The court findings as reported last year, coupled with the National Disaster Management Regulations have changed the way peace officers operate – in some instances resulting in a complete hands off approach – leaving the OBSID public safety officers to deal with most of the complaints from the community themselves.

The OBSID public safety officers do not have enforcement powers and are dependent on the different law enforcement departments to deal with the more serious complaints. The blanket court order by the Cape Town High Court have left the public safety officers to deal with homeless complaints to the best of their ability with the means available to them.

The lack of law enforcement being able to enforce by-laws have resulted in many people now living around the Village Green. The people living on the streets are vulnerable and criminal elements are taking advantage of them. The people living on the streets cannot act against the criminal elements nor can they inform on them as this will leave them exposed to retaliation. Criminal elements are also moving into the area for short periods to commit crimes before they move on.

We have observed an increase in foot traffic in the OBSID precinct and when people are approached by the public safety officers they mention that they either live in the area, have moved into the area or that they are visiting people living in the area.

With the increase in foot traffic we have noticed an increase in opportunistic crimes like theft of car parts, general theft where criminals jump over the walls to steal items from the property and theft out of motor vehicles.

A long term strategy to reduce the risk of incidents will be to get the Observatory CPF functioning again and to have a strong neighbourhood watch presence on the streets.

The short term strategy is to monitor the crime patterns on a daily, weekly and monthly basis to direct our deployments and to remain responsive to changes in patterns requiring changes in deployments.

Securitas contract management – monthly assessments and related

We continue to enjoy an excellent working relationship with Securitas. Weekly site meetings are held to review crime statistics, discuss deployments and address any areas of concern. Two different monthly assessments are completed each month and areas of focus arising from these assessments are actioned immediately.

OBSID and the SAPS

Our relationship with SAPS remains a very positive one with good channels of communication to the Station Commander and Visible Policing Commander. The SAPS Crime Intelligence Officer now attends our weekly public safety meetings and shares SAPS statistics for the area with us – allowing for comparison between OBSID statistics and SAPS statistics.

The Woodstock Community Policing Forum (CPF) held its Annual General Meeting towards the end of the reporting period and we are now waiting for SAPS to commence processes to facilitate the establishment of the Observatory sector CPF (inactive since 2017) which OBSID will support.

PUBLIC SPACES PROJECTS

The OBSID has been striving to incrementally strengthen its capacity to explore projects to enhance the value and use of public space (arts, sports, heritage, and culture) and provide support to building the local economy in Observatory.

While a number of community-based activities were initiated in the past related to public space, these interventions were not guided by an adopted policy.

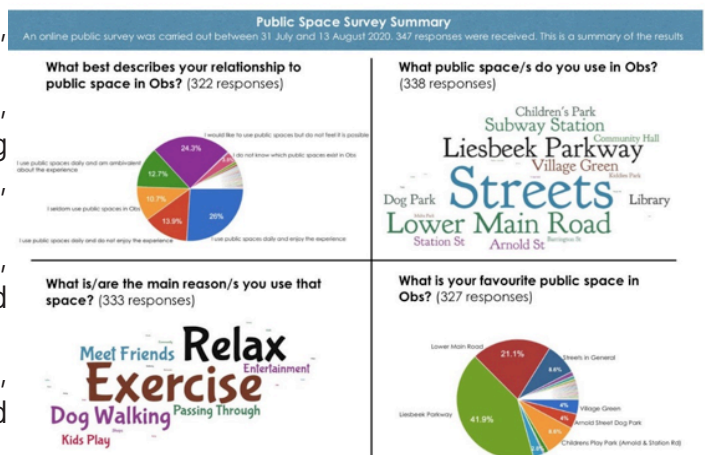
During this reporting period, OBSID initiated a process to formulate a Public Spaces Policy aimed at achieving the following:

- Define the scope of public space interventions as per OBSID'S mission and core functionalities
- Outline a process through which OBSID will engage directly with the improvement of public space in Observatory
- Establish a process to support individuals and organisations with a vested interest in Obs to implement actions that improve public space in the neighbourhood
- Provide transparency on OBSID's decision-making process to support ideas for the improvement of public space in Obs.

In alignment with OBSID's mission, this policy aims to be guided by the organisation's commitment to the following principles:

- Developing and sustaining a safer, cleaner, and smarter public space throughout Observatory
- Nurturing the unique ambience, charm, and diversity of Observatory village as a meeting place of artists, intellectuals, professionals, workers, residents, and visitors
- Fostering cooperation between residents, ethical businesses, other stakeholders and the City;
- Contributing to a commercially attractive, artistically vibrant, ecologically sustainable, and family-friendly environment
- Making places for people.

A key activation arising from the finalisation of the policy was a public call for online submissions from people working, studying, or living in the area, as well as local businesses.



Public participation

The survey asked respondents to indicate their willingness to join a working group, comprising community members, OCA ManComm members and OBSID Board members to provide input and recommendations on possible public spaces activations to the OBSID Board for final approval.

The role of the working group was limited to projects and discussions related to public space projects and proposals, serving as another layer of community representation and involvement.

A public call for ideas for projects was widely circulated on various channels and 8 submissions were received. The working group met both

face to face and online to understand the context of some of the submissions and to make recommendations to the OBSID Board. The group's recommendations that 2 project ideas should form the basis for feasibility and scoping studies, 2 project ideas could be activated (1 later put on hold whilst a feasibility study was completed on the proposed location) and 1 other potentially included in the OBSID's business development programme.

The OBSID Board reviewed recommendations and approved 3 projects in the reporting period. In addition, a public art activation was approved at the location of the Obz Rainbow House (OBSID's social development supportive housing pilot project).

Turning ideas into action – projects undertaken in the reporting period

- **Obz Rainbow House mural:** With the support of the landlord, OBSID commissioned a mural for the Rainbow House through a public call, intended to brighten up a corner near the station. The Kiff Collective (who teach art to offenders and parolees) were awarded the contract and in conjunction with the residents of the house, came up with the design and house name – also nodding their head to the year of Covid, forcing many of us into remote work with all the “oddness” that came with it.



- **Reimagining the Village Green:** OBSID partnered with Open Streets to undertake a feasibility study around the Village Green. This project has developed a suggested implementation plan for the Observatory Village Green public space and its surrounding context and we hope to engage our members and the wider community with the findings in the next reporting period.

The plan and its outcomes will address the proposed transformation of this space in a way in a manner that is citizen supported, institutionally underpinned, and both socially and financially sustainable.

- **Strategic green infrastructure:** OBSID partnered with Communitree to activate a greening strategy intended to restore indigenous vegetation in the public spaces.

Through community training conducted over 6 sessions, we aim to roll out restorative practices to private and kerbside gardens by a group of “greeners” who have gained the skills and knowledge to propagate and plant responsibly.

Sixteen people (including 4 residents of the Obz Rainbow House) were active in the pilot phase, attended training and propagated over 500 cuttings, planted out the first public space in June 2021 and are currently involved in the maintenance and care of the site. Further activations will follow in the next reporting period and beyond – this is intended as a long term activation for Observatory.



- **Telling the story of Observatory through heritage and memorialisation:** after two public calls for proposals, and an in-depth review of submissions in collaboration with representatives of the OCA, OBSID commissioned a partner, Social Trends Development Services c.c. to deliver a road-map to commemorate key aspects of the heritage and history of Observatory, ensuring that both the process and the outcome are underpinned by community engagement, inclusivity and representivity across the whole neighbourhood. This project will roll out in the first quarter of the next reporting period.

ACKNOWLEDGEMENTS AND THANKS

A sincere word of thanks to the **OBSID staff** – Ibrahim Chiwaya, Nicholas Jansen, Master Banda, Hugh Chimwa, Bonisile (Oscar) Mrwashu, Jacques Wiesner, Mickael Rabbaney, Raymond Duarte, Stoney Steenkamp, Leon Nzenza, Amanda Mjo, Riedoewaan Galant and Stephen Besa, as well as our colleague who left during the year – Bongji Sika.

Your efforts this year have been remarkable and we're able to keep on doing what we do as a result of your commitment, energy and willingness to go the extra mile.

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:

- **Eddie Scott, Joepie Joubert, Runan Rossouw, Bonita Ascot, Alma Stoffels** and **Nonhlanhla Ngubane** at the City CID Unit;
- SAPS – **Lieutenant Colonel van den Berg** VisPol Head, **Colonel Matroos** – appointed in 2021 as Statin Commander, **Warrant Officer Muller** – Designated Liquor Officer;
- **Priscilla Booyesen** and her team at Solid Waste;
- **George Kiewiets** and his team inside of PRASA;
- **The Observatory Civic Association;**
- **Councillor Paddy Chapple** (Ward 57)
- **Councillor Errol Anstey** (OBSID Board observer).

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

- **Kirsten Wilkins and Open Streets Cape Town;**
- **Frances Taylor and Communitree;**
- **Josette Cole – Social Trends Development Services c.c.;**
- **Susan Smith** and the volunteers of the LPR user group;
- **Jesse Laitinen** and the team at Khulisa Streetscapes, including the LaundRecycle team;
- **The Bhekamuzi Family Trust;**
- **TB/HIV Care;**
- **The Obs Pasta Kitchen and Ladles of Love;**
- Our service providers and suppliers **Catalyst Communications, CBA, Connect 1-2-3, Dr Wash laundry, Gravit8, Green 4 Life Gardeners, Hawkes and Findlay, JP Tek, Narcom, Omnivision, Mason Office Supplies, Niche Co., Observatory Petrol Station, Prime Cleaning Services, Sanitech, Securitas, Seacom, Solution House Software, Straatwerk OPHELP Projekte, theShahmen Design, Uniforms Unlimited and Utility Cloud Consulting.**

Special thanks to:

- **Charl Brooks, Robert Witbooi** and the **deployed team at OBSID – Securitas;**
- **Cecil Kilpin Auditors;**
- **Ursula Genthe, Accounts Star c.c.** – accounting services.



ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR 2020/2021

(Registration number 2008/020680/08)

OBSERVATORY IMPROVEMENT DISTRICT NPC
(Registration number 2008/020680/08)
Annual Financial Statements
for the year ended 30 June 2021

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Improve and promote the improvement area by providing and procuring the provision of services to and in the improvement area
Directors	ES Angless N Moodley JK Allemeier JJ Ashley CA Everatt TH Figl JN Cronje K Cousins M Letimile
Business address	13A St Michael's Road Observatory Cape Town 7925
Postal address	13A St Michael's Road Observatory Cape Town 7925
Auditors	Cecil Kilpin & Co. Chartered Accountants (SA) Registered Auditor
Company registration number	2008/020680/08
Tax reference number	9024/005/19/7

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

Index

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

Index	Page
Independent Auditor's Report	3 - 4
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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	19

Independent Auditor's Report

To the Members of Observatory Improvement District NPC

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 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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 2021", which includes the Directors' Report as required by the Companies Act 71 of 2008 and the supplementary information as set out on page 19. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the Directors for the Annual Financial Statements

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

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Cecil Kilpin & Co.
Registered Auditor
Per Partner: Sidney Schonegevel

Century City
Date: 30/08/2021

Observatory Improvement District NPC

(Registration number: 2008/020316/004)

Annual Financial Statements for the year ended 30 June 2021

Directors' Responsibilities and Approval

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

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

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


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

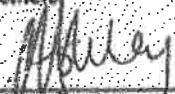
The directors have reviewed the company's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 3 to 4.

The annual financial statements set out on pages 5 to 18, which have been prepared on the going concern basis, were approved by the directors and were signed on its behalf by:

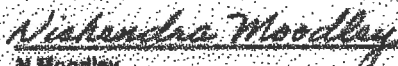
Approval of annual financial statements


JK Anemele


JJ Ashley


ES Angless


CA Everett


Niskendra Moodley

Date: 27/8/2021

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

Directors' Report

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

1. Nature of business

Observatory Improvement District NPC was incorporated in South Africa with interests in the Non-profit industry. The company operates in South Africa, rest of Africa and Europe.

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

2. Review of financial results and activities

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

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

3. Directors

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

Directors	Changes
ES Angless N Moodley JK Allemeier	Resigned and re-appointed on 26 November 2020
JJ Ashley	Resigned and re-appointed on 26 November 2020
CA Everatt TH Figl JN Cronje MFG Krause	Resigned 23 November 2020
K Cousins	Appointed 26 November 2020
M Letimile	Appointed 26 November 2020

4. Events after the reporting period

The directors are not aware of any other 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 2021

Directors' Report

6. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2021.

At the AGM, the shareholders will be requested to reappoint Cecil Kilpin & Co. as the independent external auditors of the company and to confirm Mr Sidney Schonegevel as the designated lead audit partner for the 2022 financial year.

7. Secretary

The company secretary is U Genthe.

Postal address

13A St Michael's Road
Observatory
Cape Town
7925

Business address

13A St Michael's Road
Observatory
Cape Town
7925

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	126 846	200 384
Current Assets			
Trade and other receivables	3	120 251	400 732
Cash and cash equivalents	4	2 284 130	3 038 388
		2 404 381	3 439 120
Total Assets		2 531 227	3 639 504
Equity and Liabilities			
Equity			
Retained income		2 067 163	3 501 491
Liabilities			
Current Liabilities			
Trade and other payables	5	452 171	138 013
Current tax payable		11 893	-
		464 064	138 013
Total Equity and Liabilities		2 531 227	3 639 504

Observatory Improvement District NPC
 (Registration number: 2008/020680/08)
 Annual Financial Statements for the year ended 30 June 2021

Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue	6	6 748 662	6 163 162
Other income	7	2 688	308 318
Operating expenses		(8 266 810)	(6 887 817)
Operating (deficit) surplus	8	(1 515 460)	(416 337)
Investment revenue	9	93 025	212 436
Deficit before taxation		(1 422 435)	(203 901)
Taxation	10	(11 893)	-
Deficit for the year		(1 434 328)	(203 901)
Other comprehensive income		-	-
Total comprehensive deficit for the year		(1 434 328)	(203 901)

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 July 2019	3 705 392	3 705 392
Deficit for the year	(203 901)	(203 901)
Other comprehensive income	-	-
Total comprehensive loss for the year	(203 901)	(203 901)
Balance at 01 July 2020	3 501 491	3 501 491
Deficit for the year	(1 434 328)	(1 434 328)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(1 434 328)	(1 434 328)
Balance at 30 June 2021	2 067 163	2 067 163

Note(s)

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash used in operations	11	(828 857)	(757 649)
Interest income		93 025	212 436
Net cash from operating activities		(735 832)	(545 213)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(18 426)	(85 416)
Total cash movement for the year		(754 258)	(630 629)
Cash at the beginning of the year		3 038 388	3 669 017
Total cash at end of the year	4	2 284 130	3 038 388

Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS for SME's requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Key sources of estimation uncertainty

1.2 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

Item	Depreciation method	Average useful life
Security equipment	Straight line	3 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	4 years
IT equipment	Straight line	3 years
Other fixed assets	Straight line	5 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 surplus or deficit 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 2021

Accounting Policies

1.2 Property, plant and equipment (continued)

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

1.3 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.4 Tax

Current tax assets and liabilities

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

Tax expenses

The non-profit company is taxed in terms of section 10(1)(e) of the Income Tax Act, 1962. In terms of this section investment income is exempt up to a maximum of R50,000 per annum. Therefore, taxation is calculated and provided for on investment income greater than R50,000 per annum less a portion of deductible administrative expenses.

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.

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Accounting Policies

1.5 Leases (continued)

Operating leases – lessee

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

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

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

1.6 Impairment of assets

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

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

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

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
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2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	73 335	(43 109)	30 226	70 795	(35 558)	35 237
Motor vehicles	231 268	(183 990)	47 278	231 268	(169 071)	62 197
Office equipment	21 819	(21 809)	10	24 119	(24 108)	11
IT equipment	82 791	(53 876)	28 915	102 952	(76 551)	26 401
Security equipment	177 256	(156 839)	20 417	177 256	(100 720)	76 536
Other fixed assets	5 140	(5 140)	-	24 469	(24 467)	2
Total	591 609	(464 763)	126 846	630 859	(430 475)	200 384

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	35 237	2 540	-	(7 551)	30 226
Motor vehicles	62 197	-	-	(14 919)	47 278
Office equipment	11	-	(1)	-	10
IT equipment	26 401	15 886	(1)	(13 371)	28 915
Security equipment	76 536	-	-	(56 119)	20 417
Other fixed assets	2	-	(2)	-	-
	200 384	18 426	(4)	(91 960)	126 846

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	43 881	-	-	(8 644)	35 237
Motor vehicles	23 602	44 995	-	(6 400)	62 197
Office equipment	16	-	(5)	-	11
IT equipment	4 482	30 700	(1)	(8 780)	26 401
Security equipment	131 551	9 721	(4)	(64 732)	76 536
Other fixed assets	1 373	-	-	(1 371)	2
	204 905	85 416	(10)	(89 927)	200 384

3. Trade and other receivables

Deposits	86 825	86 825
Prepayments	33 426	313 907
	120 251	400 732

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

	2021 R	2020 R		
4. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	3 195	68		
Bank balances	1 278 020	814 117		
Fixed deposits	1 002 915	2 224 203		
	2 284 130	3 038 388		
Investec Bank Fixed Deposit	Reinvested amount	Term	Interest	Maturity date
Account number 1100544020500	1 002 915	12 months	6.60% - interest capitalised monthly	30/06/2021
5. Trade and other payables				
Trade payables	207 301	3 001		
VAT	71 859	8 893		
Accrued expenses	148 745	107 653		
Deposits received	24 266	18 466		
	452 171	138 013		
6. Revenue				
Rendering of services	6 748 662	6 163 162		
7. Other income				
Other income	2 688	2 417		
Retention refunded	-	305 901		
	2 688	308 318		
As at 30 June 2021 the retention held by City of Cape Town amounted to R208,722.				
8. Operating (deficit) surplus				
Operating (deficit) surplus for the year is stated after accounting for the following:				
Operating lease charges				
Premises				
• Contractual amounts	326 779	299 078		
Property, plant and equipment	(4)	(10)		
Depreciation on property, plant and equipment	91 960	89 927		
Employee costs	1 843 231	1 614 894		
9. Investment revenue				
Interest revenue				
Bank	93 025	212 436		

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
10. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - current year	11 893	-
<p>The non-profit company is subject to tax at the company rate of 28% on the net investment income, in excess of R 50,000, in terms of Section 10(1)(e) of the Income Tax Act.</p>		
11. Cash used in operations		
Deficit before taxation	(1 422 435)	(203 901)
Adjustments for:		
Depreciation and amortisation	91 960	89 927
Deficit on sale of assets	4	10
Interest received	(93 025)	(212 436)
Changes in working capital:		
Trade and other receivables	280 481	(299 124)
Trade and other payables	314 158	(132 125)
	(828 857)	(757 649)
12. Auditor's remuneration		
Fees	19 250	17 500
Adjustment for previous year	-	(1 350)
	19 250	16 150

Observatory Improvement District NPC

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Annual Financial Statements for the year ended 30 June 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
13. Prescribed officer's remuneration		
Executive		
Prescribed officers		
2021		
Chief Executive Officer	Emoluments	Total
Mrs AJ Kirk	406 907	406 907
2020		
Chief Executive Office	Emoluments	Total
Mrs AJ Kirk	393 285	393 285

14. Going concern

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

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Annual Financial Statements for the year ended 30 June 2021

Detailed Income Statement

	Note(s)	2021 R	2020 R
Revenue			
Income - Services Rendered		6 748 662	6 163 162
Other income			
Other income		2 688	2 417
Retention refunded		-	305 901
		2 688	308 318
Operating expenses			
Accounting fees		55 475	50 775
AGM expenses		7 592	8 548
Auditors remuneration	12	19 250	16 150
Bank charges		11 274	10 047
Cleaning		97 876	96 490
Communications		114 765	146 584
Compensation for Occupational Injuries & diseases		40 953	26 312
Computer expenses		23 021	31 270
Consulting fees		-	6 375
Covid-19 expenses		35 211	224 931
Depreciation, amortisation and impairments		91 960	89 927
Donations		-	150
Employee cost - PAYE & UIF		283 252	252 030
Employee costs		1 843 231	1 614 894
Environmental upgrading		111 780	120 493
Insurance		20 318	18 904
Law enforcement officers		-	320 332
Lease rentals on operating lease		326 779	299 078
Motor vehicle expenses		30 392	20 688
Printing and stationery		16 334	14 462
Projects - Business Dev't		6 324	-
Projects - Public Spaces		263 849	-
Projects - Social Upliftment		425 006	360 892
Projects - Supportive Housing		378 425	-
Projects - Other		-	33 241
Rates and municipal services		42 354	50 836
Repairs and maintenance		8 412	6 845
Scrapping of assets		4	10
Secretarial fees		11 321	7 113
Security		3 901 885	2 990 336
Small tools under R7000		1 832	1 825
Social upliftment		59 305	22 618
Staff clothing		5 559	9 272
Staff welfare		18 700	19 999
Telephone		14 371	16 390
		8 266 810	6 887 817
Operating deficit	8	(1 515 460)	(416 337)
Investment income	9	93 025	212 436
Deficit before taxation		(1 422 435)	(203 901)
Taxation	10	(11 893)	-
Deficit for the year		(1 434 328)	(203 901)



NOTING OF ADDITIONAL SURPLUS FUNDS UTILISED IN 2020 / 2021

(Registration number 2008/020680/08)

2020/2021 - noting of additional surplus utilisation

Adjustment budget

Line Item	
Revenue	
Accumulated Surplus (Business Plan)	- 185,000
Accumulated Surplus (Projects + Capital)	- 1,434,691
Total Surplus funding in the budget	- 1,619,691
Expenditure	
<u>Employee Related</u>	
Allowances: Locomotion	14,000
Bonus	115,182
<u>Programmes (as per business plan)</u>	
Public Safety	185,000
<u>Projects</u>	
Business development: place marketing and signage	4,000
Business development: event support	2,324
Public spaces: infrastructure and greening	79,974
Public spaces: consulting	58,875
Soc dev: work programme	381,327
Soc dev: supportive housing	378,426
Public spaces: feasibility study	125,000
Public spaces: ablutions	43,680
COVID-19 PPE, sanitiser, cleaning solutions and materials, etc.	35,211
COVID-19 additional public safety	177,852
<u>Capital Expenditure (PPE)</u>	
Computer Equipment	16,300
Office furniture	2,540
Total Expenditure funded from Surplus	1,619,691
Difference	-