

# 20 22

ANNUAL  
REVIEW



Making places for people



We make sure that our programmes and services are developed and implemented in order to deliver against our mission.

## Contribute to Obs

Develop and sustain a safer, cleaner and smarter public space throughout Observatory;

Contribute to a commercially attractive, artistically vibrant, ecologically sustainable and family-friendly environment;

## Nurture Obs

Nurture the unique ambience, charm and diversity of Observatory village as a meeting place of artists, intellectuals, professionals, workers, residents and visitors;

## Work together

Foster cooperation between residents, ethical businesses, other stakeholders and the City.

# Contents

<b>Chairperson's report</b>	<b>4</b>
<b>Annual review 2021 / 2022</b>	<b>8</b>
<b>Acknowledgement and thanks</b>	<b>27</b>
<b>Additional surplus utilisation 2021/22</b>	<b>28</b>
<b>Annual financial statements 2021 / 2022</b>	<b>30</b>

# OBSID Chairpersons Report 2021/22

This constitutes the Observatory Improvement District's Board Chairperson's report for the financial year from 1 July 2021 until 30 June 2022. It focuses on this period, but with some reflection on the period June 2022–October 2022. In some places I may also provide a longer-term view, given OBSID has been approved for our next five year term taking us through to June 2027.

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 year. I am resigning from the OBSID at this AGM.

## **Obsid – behind the scenes**

The business of running a CID is a complicated one and I see it as something akin to that image of a swan – serene on the surface and paddling energetically behind the scenes and again this year the OBSID team has proven their worth in all areas. This reporting year brings to an end the five year term and business plan of the CID that commenced in 2017.

From an operational point of view 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 and respond to support residents when they need it. The decision in 2020 to add an additional vehicle and foot patrollers continues to have impact, and we intend to build on these expanded deployment levels further with the addition of a fourth vehicle budgeted for the 2023/24 financial year.

Our social development programme has also kept its focus on sustainable partnerships and impactful pathways of support through workplace development, individualised case management via the integration of a full-time qualified social worker into our team and consistent outreach services. Our involvement in the Rainbow House has come to an end however we continue to support a small number of our OBSID clients in a limited way until they have finalised their accommodation plans going forward.

Our cleaning teams are on the streets daily picking up a literal mountain of rubbish. This often feels like an uphill battle, as detailed in the management overview that follows. We continue to investigate ways to expand opportunities for recycling initiatives.

In terms of projects, we have continued our work on aspirational placemaking projects – this year's being a heritage project "Telling the Story of Observatory". This and others tackled in prior years are not short term projects, and it will be rewarding to watch them as they progress over the next few years. A more immediate impact can be seen in our community greening project – most notably recently in the Rochester Road Park, transforming this space.

## **The Board**

The last AGM took place on 28 October 2021, both in-person and virtually. It successfully approved the budget and implementation plans for this year as well as the five year business plan and budget for the upcoming term, elected me – Claire Everatt – as well as Edwin Angless and we welcomed a new board member who subsequently resigned. We have since co-opted Léo Boisnier to the Board until the upcoming AGM.



At the first meeting of the board I was elected as Chair and Kari Cousins 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

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.

After several extraordinary years navigating the Covid-19 pandemic this was very much a year of consolidation and we are excited to embark on the next 5 years together.

### **OBSID CEO, team contractors and partners**

This has been the fourth full year that Amanda Kirk has had a strong hand on the tiller as the OBSID CEO and the vast skill set that she brings to the role is vital in the smooth running of the organisation.

During the year Amanda was ably supported by OBSID's precinct manager, Stoney Steenkamp. As you may be aware, Stoney resigned in September 2022 to take up an exciting position with opportunities for career growth closer to his home and although his loss will be keenly felt we wish him success in his new venture.

Social worker Vuyokazi Mbala joined us part way through this year and works closely with Amanda Mjo (our work-based rehabilitation team supervisor). Vuyo has fitted in well with our team and clients and is building on the successes of her predecessors.

And finally the heart of our team are the OBSID urban management team who have gone above and beyond to serve the community of Obs in this year of high need and high delivery.

The core team is supported by a number of contractors and partners. Securitas remains our security provider having recently been reappointed for a 3 year term, 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. I also ask you to work with our public safety officers in any way you can to proactively prevent crime in Obs – a constant refrain is the amount of proactive engagements our security officers have each month – these range from letting residents know that their gates are open or cars unlocked to warning about goods left in plain sight in cars. I have been the beneficiary of these warnings once or twice and while I'm extremely grateful I'm also acutely aware that the officer's time could be more profitably spent benefitting our community as a whole.

We have a solid network of partners in the social development space. This important network of expertise and care is critical to Obs' response to working with vulnerable residents.

Our cleaning and greening programmes, and placemaking projects have enjoyed the collaboration of Straatwerk, Green4Life, Communitree and Social Trends Development Services this year. It's been really encouraging to see the programmes continue to flourish.

This team, and the employees of our contractors, are the face of OBSID and are seen as Observatory's "first responders". They are often called to assist when the calls should actually be directed to SAPS, Law Enforcement or other agencies and they respond fully and enthusiastically wherever they are able. I wish to thank them for the incredible efforts that they make every day for the community of Observatory.

Finally, thanks go to the OCA for sharing their communications channels to ensure that residents of Obs are able to access information and updates about OBSID.

### **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.

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.

### **Conclusion**

I have lived in Obs for 25 years and have watched the suburb change in many ways and face many challenges - and I have also watched as each time committed residents have reacted together with NGOs and business people that call Obs home to adapt and find new ways of working together to solve these challenges.

I have no doubt that this will continue and OBSID will also continue to adapt 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.

As I step aside from OBSID I can look back with pride at what this team has achieved in the last few years and I wish the team the best in taking this important work forward. It's been an honour working with and for the community of Obs over the past 4 years. My many thanks go to Amanda Kirk and the OBSID team, the Board of Directors and all of you.

**Claire Everatt**  
**OBSID Chairperson**





# IN SUMMARY

After navigating two years of the Covid-19 pandemic, this year has shown the lingering negative effects on our community of lockdowns, economic downturns, the rising cost of living and mental health challenges.

The OBSID team's focus has been on ensuring that we continue to deliver value for money services, maximise our resources, are responsive to new challenges from the community and always keep an eye on the quality of the services we deliver.

We're proud to have continued to deliver our range of services to the best of our abilities and despite resource constraints in a time where many institutional systems in the country are wobbling or failing entirely.

This year has been a hard slog – but the team has once again proven our worth. We've bucked the widely reported trend as regards increasing crime incidents – reporting the lowest number of incidents in 6 reporting cycles and assisted in more arrests than prior years. We've collected more bags of refuse from the streets and public spaces than prior years. Our social development programme services are ever expanding and we still found time to engage with special projects and events support.

This reporting year brings the current five year term and business plan (2017-2022) to an end and we look forward to 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.

Our largest programme remains public safety, with OBSID engaged daily in proactive measures to prevent crime and respond to support residents when they need it on the expanded deployment levels.

Our social development programme has kept its focus on sustainable partnerships as well as impactful pathways of support through work-based rehabilitation, individualised case management, consistent outreach services and the integration of a full-time qualified social worker into our team.

Our cleaning teams are on the streets daily, and we enjoyed additional support from the City of Cape Town's Expanded Public Works Programme for three months of the year.

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.

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





Oscar Mrwashu | Urban Management Cleaner since 2011



# MANAGEMENT AND OPERATIONS



**We have kept our focus on internal controls and processes, the stabilisation of services and deepening and improving relationships with service providers. We're ever mindful of our obligations to rate payers to deliver value for money as well as our legal and governance obligations.**

## **Finance and Projects:**

We are in good standing financially and with the City. We have once again received a clean audit.

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.

## **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 the successful functioning of OBSID.

During the reporting period, we submitted comments on the City's proposed revised CID policy and bylaw.

Even these revisions seem to give insufficient attention to the roles and responsibilities of the City in enabling the success of CIDs. This is particularly concerning as the diversity and intensity of services falling under CIDs expand, requiring deeper collaboration and responsiveness between line departments of the City and CIDs, but where CIDs are often submitting C3 service requests like any other customer, or unable to get guarantees of service delivery standards, response times or any indication of a true "partnership" in our relationships with City counterparts (beyond the CID branch).

## **Board Of Directors:**

The Board of Directors is stable and well-functioning. One new member was voted onto the Board at the 2021 AGM, who subsequently resigned (Marco Morgan) and the Board co-opted an additional Board member (Léo Boisnier) during this reporting period.

All Board governance processes are in place, including POPIA declarations from all Board members. Board Observer Agreements governing the role of political observers are also in place. The Board currently comprises 8 members and meets at least 6 times a year.

## **Corporate Governance:**

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

## **Human Resource:**

HR systems are stable and functioning well. Staff attendance is very satisfactory, with little to no unplanned absenteeism. Staff management processes – including half and full year performance reviews as well as performance counselling and misconduct management processes – are in place and effective.

During the reporting period, there were three staff exits – Zusakhe Voyi (Social Development) resigned in January 2022 and was replaced by Vuyokazi Mbala and Ibrahim Chiwaya (Urban Management) was dismissed for gross misconduct in March 2022 and replaced by Sindile Mati. Jacques Wiesner (Urban Management) was dismissed for gross misconduct in May 2022 and replaced by Paul Drummond in July 2022.

### **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 2020/2021 year and expect the same for this reporting year.

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

### **Communications**

We continued to activate our communications strategy in the reporting year, through our website, social media platforms and member web letters.

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 continue to see growth in our social media audience, due to regular and informative posts and updates covering all aspects of our work.

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

Infographics have continued to prove very useful in giving the community insight to our work, we've also produced short animated infographics in 2022 that have been posted to various social media channels

# OBSID April 2022 Activity Report



## Public Safety


We tracked and recorded crime incidents.

 **59**  
Incidents Reported

 **30**  
Theft Incidents

-----> **51%**  
of crime incidents reported, were theft related

 **5** Arrests by SAPS

 **268** Proactive actions recorded by the public safety team (e.g. open gates, visible valuables, and unlocked cars)



## Urban Management

We worked to improve the district.

 **6179** Bags of refuse were collected from streets and public spaces

 **72** City infrastructure faults reported to City of Cape Town



 **47** Illegal dumping sites attended to

 **7** Illegal dumping sites reported to City of Cape Town

 **25** Graffiti sites attended to




## Social Development


Supporting those in need.


 **25** Clients Seen

 **56** Services Offered

 **3** Clients attending medical appointments

 **1** Clients supported to continue accessing OST from TBHIV Care

 **1** Client assisted with applying for ID document

 **9** Clients registered on work rehab programme

 **1639** Refuse bags filled by the work based rehab team

#ILOVEOBS

CITY OF CT EMERGENCY: DIAL 107 FROM LANDLINE / 021 4807700 FROM MOBILE  
POLICE: 10111 OBSID 24 HOUR CONTROL ROOM: 021 4471066 [OBSID.ORG.ZA](http://OBSID.ORG.ZA)





Nicholas Jansen | Urban Management Cleaner since 2009

# CLEANING AND URBAN MANAGEMENT



## Keeping Observatory Clean

This year, we collected **55 562** bags of refuse 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 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.

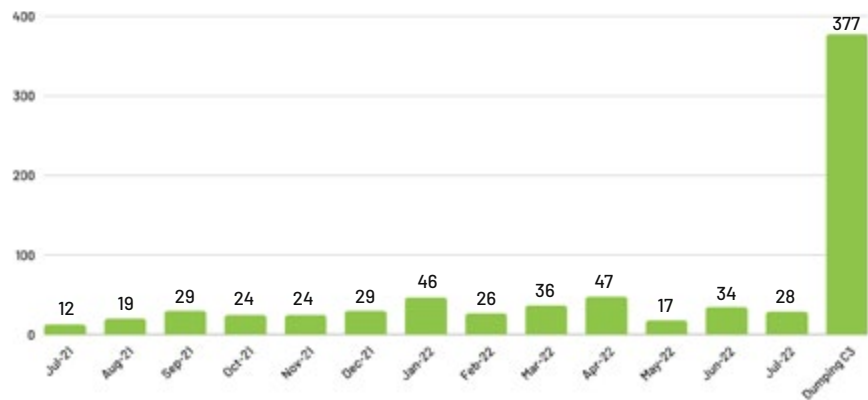


Thembela Radasi | Urban Management Cleaner since Aug 2022



Dumping remains a challenge – with 377 incidents reported this year. Restaurants along Lower Main and residents living just off Lower Main remain significant contributors to the figures below.

The below graph reflects the total number of illegal dumping incidents attended to per month in this reporting period:



Our work-based rehabilitation team provides 5.5 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 team also tackled drain pit cleaning in preparation for the winter rains this year.

#### 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.

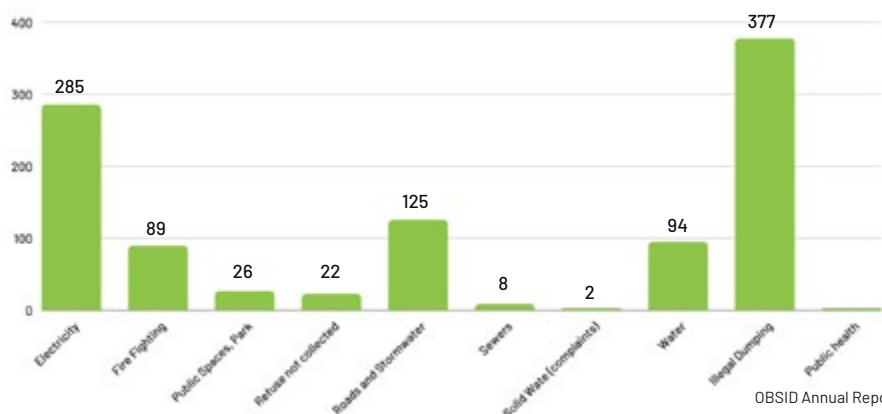
#### City Infrastructure In Observatory:

City infrastructure faults resulted in **1030** C3s (service request) being logged with the City during this reporting period.

We enjoy good service levels from the City as regards C3s that could hamper safety – for example potholes and other road surface damage and street lighting, with issues being resolved within a few days. On average, most C3 reports are attended to within one month. OBSID has an agreement with the Ward Councillor's office as regards C3s – any that are outstanding at month end are escalated to his office for their further attention. This has had a noticeable impact on the City's turnaround time on non-urgent C3 requests.



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



# SOCIAL ISSUES:



At year end, we recorded

**55** 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.

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, the latter offered by partners after OBSID ended its supportive housing pilot project in September 2021.

We continue to see 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.

The implementation of the social development module of Incident Desk has significantly improved programme reporting and client record keeping.

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).

We’re very proud of our work-based rehabilitation team. The programme has been running for 2 ½ years and has had real impact on the lives of most of the participants. All nine still active on the programme at the end of the reporting period, have moved and stayed off the streets in their time with the OBSID programme – six are in supportive housing to which they contribute rent, two participants have returned to their families with ongoing support from OBSID, and one has gone into her own housing, and been reunited with her minor children.

The number may seem small when compared to the number of people living in the public spaces of Observatory, but it’s a clear indication that a structured, developmentally focused approach to dealing with homelessness can have impact. Imagine if the Province and the City started freeing up buildings, land and funding for more programme like this – what impact could these programmes have then?

In January 2022, OBSID entered into a Memorandum of Agreement with Khulisa Streetscapes to access Treasury funding for costs associated with the work-based rehabilitation programme (referred to as the Public Employment Programme – PEP). This funding continued for 5 months in this reporting period and it is hoped that further funding from this source will be accessed in the next reporting period.





## SOCIAL DEVELOPMENT BY THE NUMBERS:



**36** people received Covid-19 vaccinations (arranged by OBSID).



**282** client appointments were held, with 792 different services

**50** medical appointments accessed

**2** clients reunified with their families and living off the streets

**2** clients assisted to move into their own accommodation

**1** client found permanent employment

**1** client joined his family's business

**4** clients accessed and remained in shelters

**4** clients assisted to successfully apply for SASSA grants (old ag, disability)

**2** clients assisted with obtaining identity documents

**5** clients supported to access Opioid Substitution Therapy (OST) through our partnership with TBHIV Care

**11** clients accessing our work based rehabilitation programme, 9 still active at the end of the reporting period



**19 584**

bags of refuse were removed from the public spaces of Observatory by the work-based rehabilitation programme team, primarily from around encampments on the Village Green and near the Station Road Bridge.

### The Obz Rainbow House:

OBSID ceased managing and funding the Rainbow House in September 2021. An organisation called The Rehoming Collective engaged with the landlord and took over management of the facility. As OBSID clients were living in the house, OBSID assisted with bed sponsorship and the collection of rental contributions from the OBSID clients.

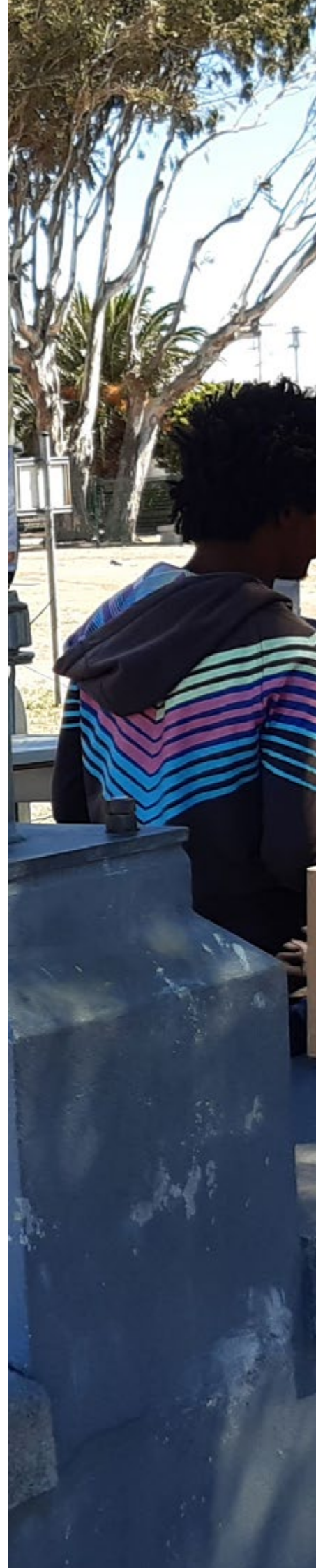
In early 2022, management difficulties at The Rehoming Collective necessitated a change in personnel. Unfortunately, The Rehoming Collective is no longer able to fund or support the house. OBSID clients are no longer resident in the house and OBSID is no longer funding or supporting the house. DAG (Development Action Group) have taken on a facilitation role between the landlord and the residents for a limited time.

### The Dignity Project:

OBSID continued managing and servicing 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.

### Partnership with TBHIV Care:

OBSID continued to partner with TBHIV Care 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.



Andre Adams



## ON THE TOPIC OF HOMELESSNESS...

People living in the public spaces and on the streets of towns and cities have become a common feature of modern urbanisation. Observatory is no different, with a significant increase in the numbers of homeless visible throughout the suburb. The OBSID and the city are facing pressure by property owners and tenants to take action to address this issue as they feel threatened by the growing number and spread of homeless encampments and issues related to homelessness remain the number one cause for public complaints to the City. Demands and maybe hopes for a 'quick fix' are common but sustainable solutions are lacking.

Chronic homelessness and related behavioural health issues have roots in family dysfunction, unemployment, and poverty. Adults without jobs or grants are often forced to leave homes in search for employment and run a high risk of ending up on the streets. Childhood physical, sexual, and emotional abuse and neglect are disproportionately high in this key population. Research has unequivocally linked childhood traumas to later life maladaptive coping mechanisms and substance use problems - key drivers of homelessness. The group has little to no access to mental health services, frail care, substance rehabilitation or housing and limited access to health care.

It's important to reiterate that the OBSID does not have the mandate to break down structures or forcibly remove people from public spaces, this responsibility lies with the City of Cape Town. Court proceedings prior to the pandemic have significantly restricted law enforcement's ability to enforce bylaws - until appeals against these rulings are heard, the City's work is made more difficult.

There are no quick fixes, but it's clear that law enforcement alone won't address the challenge - communities and NGOs need to be capacitated and funded, in order to deliver integrated programmes encompassing psychosocial assistance, development support, work opportunities and housing with law enforcement as a last resort to tackle the criminal element hiding within the homeless population. OBSID is doing what it can inside of its budget and resource constraints to deliver an integrated programme, working with partners on housing and harm reduction strategies.

Try to understand the complexities of the challenge - people will only move if there's something better to move to, so consider funding placement on a work-based rehab programme for someone, or offer to rent a property to a NGO at a reduced market rental so they can run a drop in centre or housing from it. This is going to require a combined effort from all of us to achieve a positive result.

# PUBLIC SAFETY:

We have a very well-organized, extensive public safety service in Observatory in partnership with our safety contractor, Securitas. This contract has been renewed for the first three years of the new business term (2022–2027).

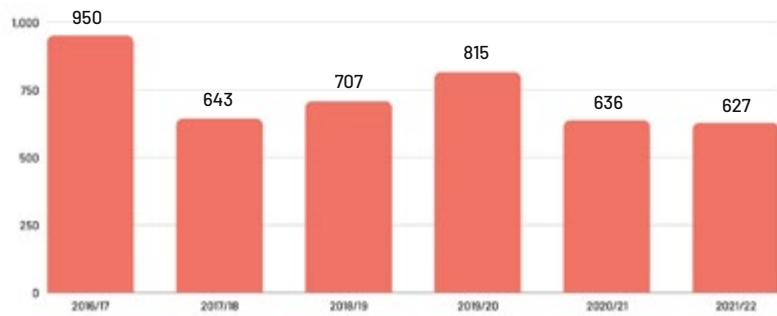
Our public safety service includes 24/7/265 foot and vehicle patrols backed up by a control room and licence plate recognition (LPR) systems.

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.

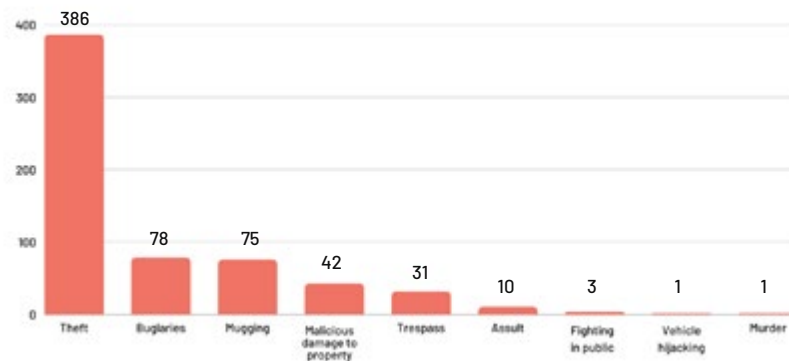
## Keeping Observatory safe:

We recorded 627 incidents during the year, a slight drop from 2020/21 and the lowest annual total since 2016.

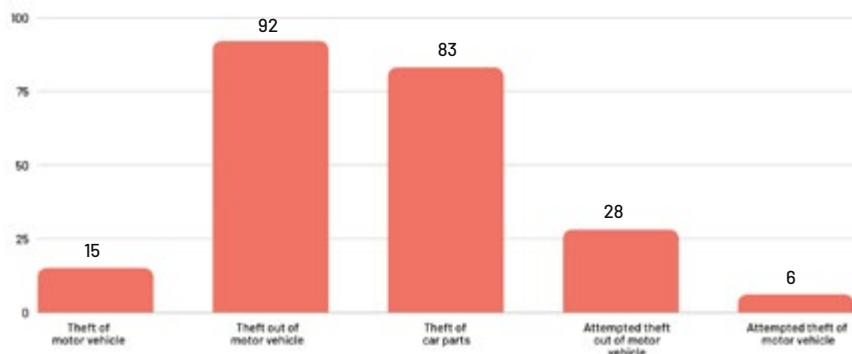
The below graph reflects the annual reported incidents for the past 6 reporting cycles:



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



This reporting cycle saw vehicle related theft incidents become prominent, accounting for 36% of the reported incidents, broken down as follows:





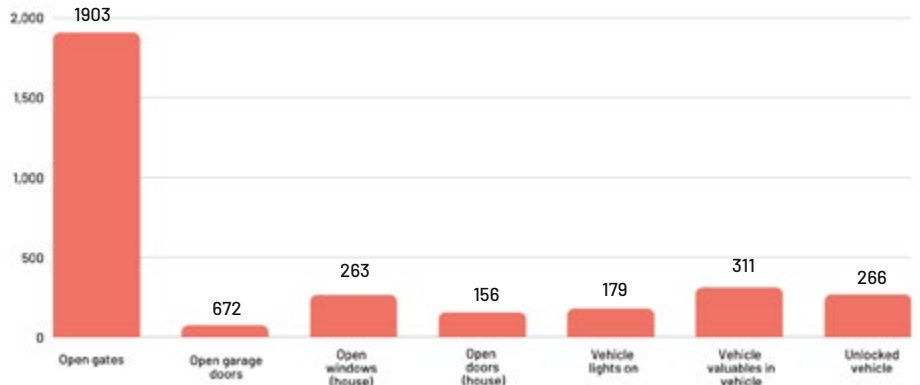
The trend of opportunistic crime in Observatory continued throughout the year.

Even though crime and the perceived increase in incidents were often the topic of discussion on various social media platforms, the community have failed to act responsibly towards their property and possessions. 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. We believe that our proactive actions assisted in reducing the amount of incidents reported for the year.

It's alarming to note that we recorded 3 150 pro-active actions in this reporting period.

The graph below shows the different types of proactive actions taken by our public safety team. The community needs to do better!

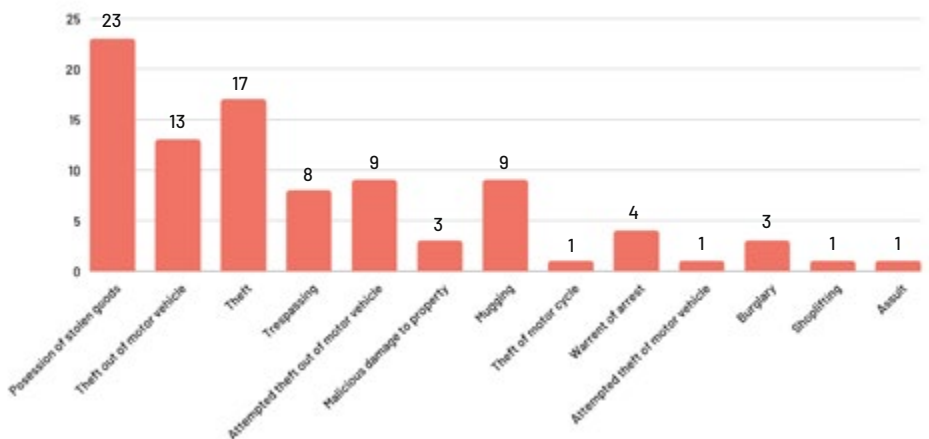
It's alarming to note that we recorded **3 150** Pro-active actions in this reporting period.



**Arrests:**

The public safety officers assisted SAPS in making 93 arrests during this period. Unfortunately, in 21 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:



**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.

The Obs Neighbourhood Watch was reformed in late 2021 and has assisted OBSID with monitoring WhatsApp groups for crime incidents and encouraging people to report to OBSID. The Watch has yet to submit its registration application to the authorities and is struggling to attract active members, but OBSID continues to support the management committee in any way we can.



**PUBLIC SAFETY**

  
**OBSERVATORY**  
IMPROVEMENT DISTRICT  
safer cleaner smarter



### **Woodstock Community Policing Forum - Sector 1 (Observatory) sub-forum establishment:**

2022 has seen the establishment of this sub-forum. The sub-forum's role is to serve as the link between the community and our local SAPS station. OBSID has membership of the sub-forum and hopes to be able to positively influence its work using the excellent relationship we enjoy with Woodstock SAPS as a base for sub-forum engagements.

### **The challenges:**

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

Even though the number of cases reported to SAPS has shown a slight increase, Observatory remains vulnerable to criminal elements as SAPS's statistics still aren't a true reflection of what is occurring in our area.

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.

### **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.

Our relationship with SAPS remains a very positive one with good channels of communication to the Station Commander and Visible Policing Commander.



# PUBLIC SPACES PROJECT:



We delivered on 3 different projects during this reporting period:

**Greening** – after a successful launch of our strategic green infrastructure strategy in 2021, we continued with the rollout in 2022. Greening activations took place in the Rochester Road Park and at the train station.



**Events support** – we supplied management support and funded additional public safety services to Streetopia 2021 as well as 3 activations (under the label “Let’s Save Obs”) hosted by the Armchair Theatre during 2022.

**Telling the Story of Observatory** – we commissioned an in-depth report describing the heritage of our suburb which was delivered late in 2021. The BSID Board hopes to engage with suitable providers soon to bring the report to life via digital and physical activations.

We also participated in the **Obs Journey** - Obs residents working together to address local social issues.

The Journey describes itself as “a group of formally and informally housed residents concerned about crime, safety, litter, anti-social behaviour and lack of services in our community. Our purpose is to improve trust and communication amongst all Obs residents and have a series of conversations, led by an independent organisation or person, where we talk about fair and sustainable solutions to our neighbourhood’s social issues. Our goal is to agree on short- and long-term solutions that we can all work on together in a spirit of community and trust.”

A project commissioned in 2021 – **Reimagining the Village Green** – has not been progressed due to the high numbers of people currently calling the Green home and the lack of options in tackling this issue. We’re hopeful that engagements with the Ward Councillor around the proposed outcomes of this project may lead to allocation of ward budgets in future years to bring the findings to life.





# LOOKING TO THE FUTURE...

At a full Council meeting held on the 28 April 2022, OBSID's new term was approved (2022 to 2027). This follows the approval given by members in attendance at our AGM in October 2021.

The five year strategic planning process undertaken by the OBSID Board to inform the Business Plan, 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 important issues on the minds of Obs residents. However, we cannot achieve the common goal of a safer and healthier community for all without working together, without communicating regularly and openly about the complexities of the challenges, and without trying new things while maintaining an investment in the things we know work well.

The next Five-year Business Plan thus includes many of the familiar basic OBSID services that you have come to rely on including the phased introduction of expanded services in our core programmes of public safety, cleaning, social development. We have also moved to operationalise previous pilot projects so that they can be relied on going forward. We aim 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.

We look forward to continuing our work in the public spaces of Observatory and to working with you and the wider community to improve our neighbourhood.



# THANKS AND ACKNOWLEDGEMENTS:

A sincere word of thanks to the OBSID staff – Nicholas Jansen, Master Banda, Hugh Chimwa, Bonisile (Oscar) Mrwashu, Mickael Rabbaney, Raymond Duarte, Sindile Mati, Paul Drummond, Stoney Steenkamp, Portia Mnukwa, Amanda Mjo and Vuyo Mbala.

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

Leon Nzenza (seconded from Securitas) is an invaluable part of the team, coordinating our office and control room systems and processes and providing ongoing support to our public safety team.

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, Bonita Ascot, Alma Stoffels and Nonhlanhla Ngubane at the City CID Unit;
- SAPS – Colonel Matroos – Station Commander, Warrant Officer Muller – Designated Liquor Officer; Warrant Officer Smith – Crime Intelligence Officer and Constable Rhode – Sector Commander;
- The Observatory Civic Association,
- Councillor Yusuf Mohamed and Carolyn Dudgeon (Ward 57)

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

- Josette Cole – Social Trends Development Services c.c.;
- Julia September (Communitree and Seed Confidence);
- Susan Smith and the volunteers of the LPR user group;
- TBHIV Care;
- 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, Mariechen du Plessis, Mason Office Supplies, Niche Co., Observatory Petrol Station, Prime Cleaning Services, Sanitech, Securitas, Seacom, Solution House Software, Straatwerk OPHELP Projekte, 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.





# **Additional Surplus Utilisation 2021-22**

Line Item in PIE Report	Surplus Utilisation approved at the 2020 AGM	Changes in Surplus Utilisation approved by the Board	Total Surplus Utilised in 2021/22
<b>REVENUE</b>			
Accumulated Surplus	R 654,000	R 396,065	R 1,050,065
<b>EXPENDITURE</b>			
<b>EMPLOYEE RELATED</b>			
Bonus	R 45,000	R 120,164	R 165,164
<b>CORE BUSINESS</b>			
Public Safety	R 60,000	R 60,000	-
<b>PROJECTS:</b>			
Graffiti removal programme	R 36,000	R 15,328	R 51,328
SocDev work diversion programme	R 288,000	R 85,207	R 202,793
Placemaking and events support	R 175,000	R 151,750	R 23,250
SocDev supportive housing (3 months)	-	R 117,593	R 117,593
Heritage and memorialisation project	-	R 180,000	R 180,000
Public safety - additional deployment	-	R 242,100	R 242,100
COVID-19 PPE, sanitiser, cleaning solutions and materials, etc.	-	R 34,144	R 34,144
Greening activation	-	R 6,180	R 6,180
SocDev: ablutions	-	R 27,513	R 27,513
<b>CAPITAL EXPENDITURE:</b>			
CCTV / LPR Cameras	R 50,000	R 50,000	-
<b>TOTAL SURPLUS FUNDS UTILISED IN 2021/22</b>	<b>R 654,000</b>	<b>R 396,065</b>	<b>R 1,050,065</b>



# **Audited Financial Statements 2021-22**

---

**OBSERVATORY IMPROVEMENT DISTRICT NPC**  
**(Registration number 2008/020680/08)**  
**Annual Financial Statements**  
**for the year ended 30 June 2022**

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### General Information

---

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



**Observatory Improvement District NPC**  
(Registration number: 2008/020680/08)  
Annual Financial Statements for the year ended 30 June 2022

**Index**

---

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

	<b>Page</b>
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 18
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	19 - 20

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Directors' Responsibilities and Approval

---

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

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 2023 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.

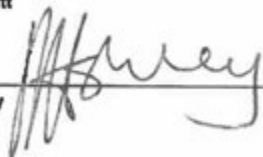
The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 20, 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

  
CA Everatt

  
K Cousins

  
JJ Ashley

Cape Town

Date: 31-08-2022

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### 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 2022.

#### 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.

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

#### 2. Review of financial results and activities

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

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 26 November 2021
JJ Ashley CA Everatt TH Figl	Resigned 26 November 2021
JN Cronje K Cousins M Letimile MB Morgan	Appointed 26 November 2021, resigned 23 June 2022
LL Boisnier	Appointed 23 June 2022

#### 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 2022

### Directors' Report

---

#### 6. Auditors

Cecil Kilpin & Co. continued in office as auditors for the company for 2022.

At the AGM, the members 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 2023 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

## 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 2022, 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 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Observatory Improvement District NPC annual financial statements for the year ended 30 June 2022", 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 20. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

## Independent Auditor's Report

### Responsibilities of the Directors for the Annual Financial Statements

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

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


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

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

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

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

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



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

Century City  
Date: 31/08/2022

PARTNERS: N NYBACK CA (SA), RA | M BRANDERS CA (SA), RA | S SCHONEGEVEL CA (SA), RA | M SPENCER CA (SA), RA | D COX CA (SA), RA  
TAX: E CONRADIE B.COMPT (HONS), PG.DIP (TAX) | CONSULTANT: A MINNE

1 Waterford Mews, Century Boulevard, Century City, 7441 PO Box 74, Century City, 7446 Docex 21, Century City  
Tel: 021 527 4060 Fax: 021 551 0508 Email: info@cecilkilpin.co.za Website: www.cecilkilpin.co.za

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Statement of Financial Position as at 30 June 2022

	Note(s)	2022 R	2021 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	76,538	126,846
<b>Current Assets</b>			
Trade and other receivables	3	443,812	120,251
Cash and cash equivalents	4	1,596,103	2,284,130
		<b>2,039,915</b>	<b>2,404,381</b>
<b>Total Assets</b>		<b>2,116,453</b>	<b>2,531,227</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		1,907,066	2,067,163
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	203,910	452,171
Current tax payable		5,477	11,893
		<b>209,387</b>	<b>464,064</b>
<b>Total Equity and Liabilities</b>		<b>2,116,453</b>	<b>2,531,227</b>

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Statement of Comprehensive Income

	Note(s)	2022 R	2021 R
Revenue	6	8,078,253	6,748,662
Other income	7	13,860	2,688
Operating (deficit) surplus	8	(8,326,260)	(8,266,810)
<b>Operating loss</b>		<b>(234,147)</b>	<b>(1,515,460)</b>
Investment revenue	9	67,634	93,025
<b>Loss before taxation</b>		<b>(166,513)</b>	<b>(1,422,435)</b>
Taxation	10	6,416	(11,893)
<b>Loss for the year</b>		<b>(160,097)</b>	<b>(1,434,328)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(160,097)</b>	<b>(1,434,328)</b>



**Observatory Improvement District NPC**  
 (Registration number: 2008/020680/08)  
 Annual Financial Statements for the year ended 30 June 2022

**Statement of Changes in Equity**

	Retained income R	Total equity R
<b>Balance at 01 July 2020</b>	<b>3,501,491</b>	<b>3,501,491</b>
Deficit for the year	(1,434,328)	(1,434,328)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,434,328)</b>	<b>(1,434,328)</b>
<b>Balance at 01 July 2021</b>	<b>2,067,163</b>	<b>2,067,163</b>
Deficit for the year	(160,097)	(160,097)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(160,097)</b>	<b>(160,097)</b>
<b>Balance at 30 June 2022</b>	<b>1,907,066</b>	<b>1,907,066</b>

Note(s)

**Observatory Improvement District NPC**  
 (Registration number: 2008/020680/08)  
 Annual Financial Statements for the year ended 30 June 2022

**Statement of Cash Flows**

	Note(s)	2022 R	2021 R
<b>Cash flows from operating activities</b>			
Cash used in operations	11	(755,661)	(828,858)
Interest income		67,634	93,025
<b>Net cash from operating activities</b>		<b>(688,027)</b>	<b>(735,833)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(18,426)
<b>Total cash movement for the year</b>		<b>(688,027)</b>	<b>(754,259)</b>
Cash at the beginning of the year		2,284,130	3,038,388
<b>Total cash at end of the year</b>	4	<b>1,596,103</b>	<b>2,284,129</b>

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Accounting Policies

---

#### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, 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 profit or loss in the period in which they are incurred.

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

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

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

---

Item	Depreciation method	Average useful life
Security Equipment	Straight line	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 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 2022

### 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 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 profit and loss.

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 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 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.

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

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

Interest is recognised, in profit or loss, using the effective interest rate method.

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Notes to the Annual Financial Statements

	2022 R	2021 R
--	-----------	-----------

#### 2. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	73,335	(50,662)	22,673	73,335	(43,109)	30,226
Motor vehicles	231,268	(198,909)	32,359	231,268	(183,990)	47,278
Office equipment	21,819	(21,809)	10	21,819	(21,809)	10
IT equipment	82,791	(64,115)	18,676	82,791	(53,876)	28,915
Security Equipment	177,256	(174,436)	2,820	177,256	(156,839)	20,417
Other fixed assets	5,140	(5,140)	-	5,140	(5,140)	-
<b>Total</b>	<b>591,609</b>	<b>(515,071)</b>	<b>76,538</b>	<b>591,609</b>	<b>(464,763)</b>	<b>126,846</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	30,226	(7,553)	22,673
Motor vehicles	47,278	(14,919)	32,359
Office equipment	10	-	10
IT equipment	28,915	(10,239)	18,676
Security equipment	20,417	(17,597)	2,820
	<b>126,846</b>	<b>(50,308)</b>	<b>76,538</b>

#### 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)	-	-
	<b>200,384</b>	<b>18,426</b>	<b>(4)</b>	<b>(91,960)</b>	<b>126,846</b>

#### 3. Trade and other receivables

Deposits	58,902	86,825
Prepayments	384,910	33,426
	<b>443,812</b>	<b>120,251</b>

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Notes to the Annual Financial Statements

	2022 R	2021 R
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	965	3,195
Bank balances	552,574	1,278,020
Fixed deposits	1,042,564	1,002,915
	<b>1,596,103</b>	<b>2,284,130</b>
<b>Investec Bank Deposit</b>	<b>Reinvested amount</b>	<b>Term</b>
Account number 1100544020500	1,042,564	12 months
	<b>Interest</b>	<b>Maturing date</b>
	4.75 %	30/06/2022
<b>5. Trade and other payables</b>		
Trade payables	4,093	207,301
Rent Control Re-Homing	5,050	-
Deposits - keys	29,916	24,266
Accrued Expenses	136,464	148,745
Sundry creditors	615	-
Other payables	27,772	71,859
	<b>203,910</b>	<b>452,171</b>
<b>6. Revenue</b>		
Revenue - Additional Rates Received	7,268,309	6,748,662
Revenue - Additional Rates Retention Received	809,944	-
	<b>8,078,253</b>	<b>6,748,662</b>
<b>7. Other income</b>		
Other income	2,164	2,688
Proceeds from insurance claim	11,696	-
	<b>13,860</b>	<b>2,688</b>
As at 30 June 2022 the retention held by City of Cape Town amounted to R224,793.		
<b>8. Operating (deficit) surplus</b>		
Operating (deficit) surplus include the following expenses:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	335,044	314,296
Equipment		
• Contractual amounts	14,521	12,483
	<b>349,565</b>	<b>326,779</b>
Loss on sale of assets and liabilities	-	(4)
Depreciation and amortisation	50,308	91,960
Employee costs	2,037,250	1,843,231

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Notes to the Annual Financial Statements

	2022 R	2021 R
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Interest Received	67,634	93,025
<b>10. Taxation</b>		
<b>Major components of the tax (income) expense</b>		
<b>Current taxation</b>		
South African normal tax - year	5,477	11,893
South African normal tax - prior period (over) under provision	(11,893)	-
	<b>(6,416)</b>	<b>11,893</b>
<p>The non-profit company is subject to tax at the company rate of 28% on the net investment income, in excess of R50,000, in terms of section 10(1)(e) of Income Tax Act.</p>		
<b>11. Cash used in operations</b>		
Loss before taxation	(166,513)	(1,422,435)
<b>Adjustments for:</b>		
Depreciation and amortisation	50,308	91,960
Loss on sale of assets	-	4
Interest received	(67,634)	(93,025)
<b>Changes in working capital:</b>		
Trade and other receivables	(323,561)	280,481
Trade and other payables	(248,261)	314,157
	<b>(755,661)</b>	<b>(828,858)</b>
<b>12. Auditor's remuneration</b>		
Fees	19,000	19,250
<b>13. Directors' and prescribed officer's remuneration</b>		
<b>Executive</b>		
<b>2022</b>		
<b>Prescribed officers</b>	<b>Emoluments</b>	<b>Total</b>
<b>Chief Executive Officer</b>		
Mrs AJ Kirk	452,168	452,168
<b>2021</b>		
<b>Prescribed officers</b>	<b>Emoluments</b>	<b>Total</b>
<b>Chief Executive Officer</b>		
Mrs AJ Kirk	406,907	406,907



## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Notes to the Annual Financial Statements

	2022	2021
	R	R

#### 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.

**Observatory Improvement District NPC**  
 (Registration number: 2008/020680/08)  
 Annual Financial Statements for the year ended 30 June 2022

**Detailed Income Statement**

	Note(s)	2022 R	2021 R
<b>Revenue</b>			
Revenue - Additional Rate Received		7,268,309	6,748,662
Revenue - Additional Rates Retention Received		809,944	-
	6	<b>8,078,253</b>	<b>6,748,662</b>
<b>Other income</b>			
Insurance claim proceeds		11,696	-
Sundry Income		2,164	2,688
		<b>13,860</b>	<b>2,688</b>
<b>Expenses (Refer to page 20)</b>			
		<b>(8,326,260)</b>	<b>(8,266,810)</b>
<b>Operating Deficit</b>			
Investment income	9	67,634	93,025
		<b>(234,147)</b>	<b>(1,515,460)</b>
<b>Deficit before taxation</b>			
Taxation	10	6,416	(11,893)
		<b>(166,513)</b>	<b>(1,422,435)</b>
<b>Deficit for the year</b>		<b>(160,097)</b>	<b>(1,434,328)</b>

## Observatory Improvement District NPC

(Registration number: 2008/020680/08)

Annual Financial Statements for the year ended 30 June 2022

### Detailed Income Statement

	Note(s)	2022 R	2021 R
<b>Operating expenses</b>			
AGM Expenses		9,211	7,592
Accounting fees		64,600	55,475
Auditors remuneration	12	19,000	19,250
Bank charges		12,977	11,274
Cleaning		112,412	97,876
Communications		87,520	114,785
Compensation for occupational injuries and diseases		53,326	40,953
Computer expenses		24,046	23,021
Consulting		1,662	-
Covid-19 expenses		34,145	35,211
Depreciation, amortisation and impairments		50,308	91,960
Employee costs		2,037,250	1,843,231
Employee costs - Paye and UIF		323,429	283,252
Environmental upgrading		123,624	111,780
Fines and penalties		5,183	-
Insurance		22,816	20,318
Lease rentals on operating lease		349,565	326,779
Motor vehicle expenses		35,166	30,392
Printing and stationery		19,524	16,334
Projects - Business Dev't		-	6,324
Projects - Event support		23,250	-
Projects - Greening		6,180	-
Projects - Heritage project		180,000	-
Projects - Public Spaces		-	263,849
Projects - Social upliftment		134,580	358,826
Projects - Supportive Housing		117,594	378,425
Projects - Work Rehabilitation		147,054	66,180
Rates and municipal services		51,947	42,354
Repairs and maintenance		13,536	8,412
Scrapping of assets		-	4
Secretarial fees		7,147	11,321
Security		4,112,938	3,901,885
Shelter fees		72,000	28,700
Small tools under R7000		3,714	1,832
Social upliftment		30,681	30,605
Staff clothing		12,305	5,559
Staff welfare		14,947	18,700
Telephone		12,623	14,371
		<b>8,326,260</b>	<b>8,266,810</b>



[www.obsid.org.za](http://www.obsid.org.za)

[info@obsid.org.za](mailto:info@obsid.org.za)

021 448 7090

Unit 13A St Michael's Office Park,  
Entrance on St Michael's Road, Observatory, 7925  
Company Registration: 2008/020680/08

