

**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.

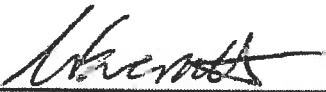
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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:

<b>Directors</b>	<b>Changes</b>
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.

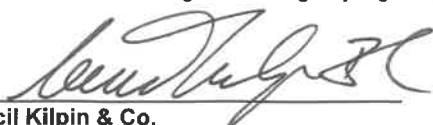
### Auditor's Responsibilities for the Audit of the Annual Financial Statements

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



# 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>	<b>Interest</b>	<b>Maturing date</b>
Account number 1100544020500	1,042,564	12 months	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>		<b>(234,147)</b>	<b>(1,515,460)</b>
Investment income	9	67,634	93,025
<b>Deficit before taxation</b>		<b>(166,513)</b>	<b>(1,422,435)</b>
Taxation	10	6,416	(11,893)
<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	114,765
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>