

SCHEDULE 3

ANNUAL REPORT

Park Island CID NPC
Annual Report and Financial Statements
for the year ended 30 June 2024



Our online report is available at parkislandcid.co.za

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PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

Registered name:	Park Island CID NPC
Registration no:	2023 / 794924 / 08
Physical address:	29 Park Island Way, Marina da Gama, 7945
Postal address:	as physical address
Telephone number/s:	Not applicable
Email address:	parkislandcid@gmail.com
Website address:	parkislandcid.co.za
External auditors:	Harry Curtis and Co - 1 year
Banker's information:	Capitec Business Bank
Company Secretary:	Cheryl Philip

2. LIST OF ABBREVIATIONS/ACRONYMS

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCT	City of Cape Town
PICID	Park Island City Improvement District

3. FOREWORD BY THE CHAIRPERSON

Dear Members and Residents of PICID,

It is with pleasure that I present the Annual Report for our second year as a City Improvement District (CID).

We have an excellent team of directors and committee members who give freely of their time to ensure we live in a safe community while striving to meet the goals of the City's Integrated Development Plan.

Strategic objectives

Our four strategic objectives:

1. **Public Safety:** Maintaining the current high levels of public safety and sustaining them by improved public safety initiatives.
2. **Environmental Development:** including but not limited to beautifying and upgrading public areas and facilities.
3. **Water quality:** Support for and involvement in broader civil society water quality initiatives.
4. **Communications:** Regular and frequent communications between the CID board and the residents.

Summary of performance outcomes:

1. **Public Safety:** The surrounding areas have experienced high crime levels. During the year under review, we introduced 10 cameras at key points, monitored by Deep Blue, to augment the 2 entrance cameras funded by MGDA. While crime is low in our CID, we cannot be complacent as criminals are more active than ever in the surrounding areas.
2. **Environmental:** Our flagship project for the last year was to upgrade the Park Island Way entrance to our area. In addition, we are encouraging resident participation in developing our extensive POS.
3. **Water quality:** We have been active in ZPAAC and other forums, providing feedback and advice to the responsible authorities.
4. **Communications:** We have upgraded our WhatsApp platform and maintain our residents' database for regular newsletters and communication.

Challenges

As this is a small residential CID, we cannot afford to employ staff to manage and run the CID. This means that all the work is done by residents voluntarily at no cost to the CID.

A challenge facing the CID is the lack of response from residents when we have appealed for members to join the committee and become directors.

We would like to see a more representative Committee as well as some of our younger residents joining the Committee.

Short and medium-term outlook

We are currently in the second year (2024/25) of our first 5-year term. As will be reported in the finance section, the PICID is in a good financial position. As we gain experience, we are confident that the administration of PICID will become more routine, and that the board can concentrate on our programmes.

Acknowledgements

A big thank you to my fellow directors, Lara Rottcher, Patrick Tuckwell, Colin Reeves, Greg Meierhans, and Rob MacLean, and also to committee members Euvrard Loubser and Lynne Weight for their contributions. And not to forget the many residents who are actively upgrading our environment by tending to our POS.

Without these volunteers, who give freely of their time, we would not have a functioning CID.



Boudje Giljam
Park Island CID NPC
15 November 2024

4. TREASURERS OVERVIEW

General financial review of NPC

The PICID is in a good financial position and is building the reserves to meet the financial requirements as laid down in our financial agreement with CCT.

Audit report matters

While most of our spending was in line with our approved budget, we recorded a surplus of R 85,668 largely due to:

- We received a donation from Park Island Guarding (PIG) of R 43,611, the surplus remaining when PIG was closed down.
- The late approval of the CID resulted in some expenses not being incurred in the first quarter.

Economic Viability of NPC

The viability of PICID largely depends on the cost of the subcontracted security providers. In the last round of tendering, the current service providers were the most affordable.

In the event of the closure of our current service providers or them not renewing their contract, the CID would need to go to tender and the cost could be significantly higher.

A higher cost would need an adjustment to our budget and an increase in the Improvement District's additional rate to residents. If the increase is rejected by the residents PICID would have to be closed.

Acknowledgements

A special thank you to:

Roslyn Eachus of AccountIT
 Harry Curtis & Co
 Cheryl Philips



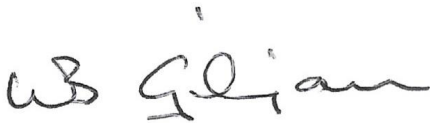
Patrick Tuckwell
 Park Island CID NPC
 15 November 2024

5. STATEMENT OF DIRECTORS' RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

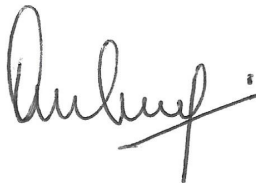
We confirm that, to the best of our knowledge:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by Harry Curtis & Co.
- The directors consider the annual report, taken as a whole, to be accurate, fair, balanced and free of material omissions.
- The Financial Statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities and financial position of the company.
- The external auditors have been engaged to express an independent opinion on the annual financial statements.

Approved by the board on 17 November and signed on behalf by:



Chairperson of the Board
Boudje Giljam
17 November 2024



Treasurer
Patrick Tuckwell
17 November 2024

6. STRATEGIC OVERVIEW

6.1. Vision

The Park Island CID NPC was established by local property owners in 2023 to organise, fund, manage and facilitate improvements in the PICID for the benefit of the entire local community. PICID refers to a geographical area, designated as such by the City of Cape Town (“CTT”), in terms of the CID By-law and s. 22 of the Municipal Property Rates Act, on application by local property owners. The PICID’s activities are funded by local property owners through an additional rate levied on their properties.

Our vision is to ensure a clean, safe and sustainable urban environment, for the benefit of all who live and work in the PICID, in partnership with the CCT and other stakeholders.

6.2. Mission

Our mission is centred on four key pillars: safety; greening and environmental, water quality and social responsibility.



Our strategy for promoting that vision is detailed in our Business Plan, available online at parkislandcid.co.za

6.3. Values

Our core values are:

- Transparency: Open decision-making so that stakeholders can readily discern our outputs and outcomes.
- Accountability: We answer for the execution of our responsibilities.
- Performance: We will strive to achieve our strategic objectives.
- Community participation: We will carry out our activities taking into account the needs, interests and expectations of our stakeholders.

7. STATUTORY MANDATE

In terms of the CID By-law and s. 22 of the Municipal Property Rates Act, the Park Island CID NPC is tasked with considering, developing and implementing improvements and upgrades to the PICID to supplement services provided by the CCT. The funding comes from additional rates collected by the CCT from CID property owners and paid over to the company under the aforesaid legislation, as may be supplemented by local fundraising initiatives. In expending these funds, the company is subject to oversight by the CCT in terms of the CID By-law and Policy, as well as public procurement principles enshrined in s. 217 of the Constitution of the Republic of South Africa, 1996 (the “Constitution”).

8. ORGANISATIONAL STRUCTURE

PICID has no employees, all services are outsourced to service providers. The volunteers manage the affairs of PICID in their time and are not remunerated.



PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1. Service delivery environment

Park Island CID is a small CID within the Marina da Gama in the South Peninsula. Park Island has a strong sense of community, engendered by the environment which comprises waterways and an abundance of public open spaces - large parks, water access areas, lanes between the houses, wide verges and the adjoining Zandvei Estuary Nature Reserve.

The PICID geographic area is defined mainly by the sole vehicular entrance to the area, Park Island Way, which is accessible from Prince George Drive. There are 198 dwellings and 5 vacant plots in the area.

Residents play an active watchdog role in terms of environmental issues and, as such, are also alert to any criminal activity or potential criminal activity within the PICID. There are several active WhatsApp groups within the PICID as well.

As mentioned in the Chairperson's foreword, the board and committee members are volunteers, and each member plays an active role in ensuring that the PICID's strategic objectives are achieved annually.

Committee members meet regularly with the contracted security service providers, Deep Blue and Ithuba, and provide feedback on performance.

The PICID has not carried out any Annual Report capital improvement projects within the reporting period.

1.2. Organisational environment

PICID is fortunate to have a committed and stable committee. The chairperson and directors manage the finances well, and the annual audit has been signed off.

The most significant challenge facing the committee is the lack of interest from members of the PICID in joining. This is a concern concerning the committee's continuity in the future.

2. Strategic Objectives

The strategic objectives of PICID as per the Implementation Plan for 2024-2025 are as follows:

- Public safety
- Water quality
- Environmental - POS
- Member communication

3. **Complaints Process**

Members of PICID have several channels through which they can lay a complaint:

- Email via parkislandcid@gmail.com
- Attendance at a board meeting, having placed their grievance in writing ahead of the meeting
- Attendance at the AGM

Complaints are followed up within 24 hours by the Chairperson or by a director in the absence of the Chairperson.

4. **Performance Information**

The Committee was largely successful in achieving its objectives for the year within the available budget.

4.1. **Public safety**

Public safety is by far our largest budget item. PICID is fortunate to be able to report that criminal incidents within the area are extremely low in comparison to surrounding areas where crime has been on the increase.

Park Island Guarding introduced a guarding service at the sole vehicular entrance, Park Island Way, about 20 years ago. Over the years, as security technology has developed, additional aids have been added to make the guard more effective, as crime and lawlessness have increased significantly all around us.

The technology assisting the guard:

- A Guard Report-in System.
- An Entrance Movement Detector
- Daily Management reporting
- Entrance Cameras - Overview & LPR cameras
- Armed Response Vehicle (ARV). When not responding or patrolling, the Ithuba ARV parks alongside the guard hut, providing an additional visual deterrent.

Thus the guard is one component of a network of detection and deterrent devices monitoring the entrance to Park Island.

In our first year of operation, we installed 10 cameras to augment the 2 entrance cameras provided by the MDGA. Due to load-shedding, we added power backup to ensure that all cameras and the communication network are available 24/7.

The two Pedestrian Bridges that access our area have cameras monitoring each bridge and the bridge approaches. Gates on the bridge are locked during hours of darkness. To access our area over either the Uitsig or Eastlake pedestrian bridges,

Marina outsiders must first pass the entrance guards at Oudevlei Road or Eastlake Island respectively.

There are 3 ARVs deployed 24/7 to our area.

Service/Project components	2023/2024		
	Projected spend	Actual spend	(Over)/Under expenditure
Guarding	404,040	388,951	15,089
Cameras	108,550	106,750	1,800
Total Public Safety	512,590	495,701	16,889

4.2. Environmental & Social

No single entity is responsible for maintaining and developing the abundant POS in the PICID area. Responsibility is shared between the City of Cape Town, the MDGA, PICID, and many active resident volunteers.

PICID is partnering with Fynbos LIFE and its associate BOSSIES to guide and implement initiatives in our POS to support local biodiversity, particularly the restoration of Cape Flats Dune Strandveld. Fynbos gardening embraces ecological principles to reduce water consumption, lessen maintenance and support Cape Town's highly threatened flora and fauna.

We are fortunate that we already have many knowledgeable volunteers involved in maintaining our POS, a long tradition that goes back many years. The involvement ranges from regular watering of an adjacent section of POS, through establishing beds and trees, to POS redesign and development.

Our philosophy is to encourage residents to form working groups to develop and manage POS adjacent to their section of our CID. The style of the working groups will be collegial and informal, and decisions will be made by sufficient consensus. We encourage local fynbos (including grasses) for their water-wise resilience and low maintenance but are not purists - each working group must decide on what planting suits them and their neighbours.

The PICID Environmental portfolio holder coordinates the activities of the POS entities and manages the PICID board's requests for financial and labour assistance.

Service/Project components	2023/2024		
	Projected spend	Actual spend	(Over)/Under expenditure
Environmental	32,050	22,642	9,408
Social responsibility	5,000	5,000	0

4.3. Management

There is a high level of compliance concerning the activities listed under Management in the Implementation Plan.

The CID does not employ staff and all the directors and committee members give their services at no cost to the CID. The accounting service is provided by AccountIT.

Secretarial services are provided by our company secretary at no charge

There are no governance issues to report.

Service/Project components	2023/2024		
	Projected spend	Actual spend	(Over)/Under expenditure
Accounting Service	20,000	20,000	0
Audit and tax fees	29,500	19,005	10,495

4.4. Member communication

Member communication takes the form of:

- Regular newsletters which focus on issues specific to PICID including but not limited to security matters, cleanliness, environmental and social, water quality and other pertinent matters.
- Adhoc emails to members informing them of significant topics
- WhatsApp messages via the various groups in the community
- Notices placed in the Cape Times and Die Burger advertising the AGM

The PICID Committee strives for open and transparent communication with its members at all times. All members of the Committee are well-known within PICID and are readily accessible to members.

The residents and members database is updated annually and the website is updated when required.

Other than the cost of the website service provider, all costs associated with communications to residents of the CID are provided free by committee members.

The notice board at the entrance was replaced as part of the upgrade to the entrance. Funding for the noticeboard was not budgeted but was financed by savings in other areas.

Service/Project components	2023/2024		
	Projected spend	Actual spend	(Over)/Under expenditure
Marketing and Promotions	4,000	3,800	200
Noticeboard	0	11,500	(11,500)

PART C: CORPORATE GOVERNANCE

1. APPLICATION OF KING IV

In recognition of the fact that our NPC is entrusted with public funds, particularly high standards of fiscal transparency and accountability are demanded. To this end, our NPC voluntarily subscribes to the King Code of Corporate Governance for South Africa 2016 (“King IV”), which came into effect on 1 April 2017. King IV contains a series of recommended reporting practices under the 15 voluntary governance principles.

The practices applied by our company are explained in this part (Part C), of the Annual Report. In determining which reporting practices to apply, the board took account of, among other things, the CCT’s policy, and the particular reporting protocols appropriate to a non-profit entity such as our NPC. By following these guidelines our NPC aims to uphold transparency and accountability in managing public funds and carrying out its responsibilities.

The board is satisfied that the NPC has complied with the applicable principles set out in King IV during the period under review, to the extent reasonably possible, which are provided fully below.

2. GOVERNANCE STRUCTURE

2.1. Board Composition

The board is satisfied that its composition reflects the required mix of knowledge, skills, experience, diversity and independence to represent the interests of the varied property owner groups in the CID.

Directors:

- Boudje Giljam
- Lara Rottcher
- Patrick Tuckwell
- Colin Reeves
- Greg Meierhans
- Rob MacLean

2.2. Board Observer

In terms of the By-law, city councillors are designated as “board observers” by the Executive Mayor to conduct oversight of board functions. This oversight entails receiving board documentation and attending board meetings, to ensure that the company duly executes its statutory mandate. The Executive Mayor has appointed ward councillor Izabel Sherry as our board observer.

2.3. Appointment of the board

All Directors were appointed at an AGM and the required rotation of Directors was applied. Elected board members take responsibility for the various

portfolios of the company and regular board meetings allow the directors to provide oversight of, and review, current operations and to apply corrective measures as required from time to time.

2.4. Overview of the board's responsibilities

The Board oversees the day-to-day delivery of the additional services according to the business plan. To execute this plan the Board:

- Identifies strategies to implement the NPC's business plan in a manner that ensures the financial viability of the company and takes adequate account of stakeholder interests.
- Monitors compliance with applicable legislation, codes and standards.
- Sets and amends the annual budget and any expenditure from savings.
- Oversees preparation of, and approves, the annual financial statements for adoption by members of the NPC at the AGM.
- Exercises effective control of the NPC and monitors the application of the approved budget, implementation, and business plans.

2.5. Board charter

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

2.6. Director Independence

The board has determined that all of the non-executive directors, including the chairperson, are independent in terms of King IV's definition of "independence".

The Board has appointed a management committee, all volunteers receiving no remuneration, to manage the various portfolios on a day-to-day basis.

2.7. Board Committees

The board has not appointed any board subcommittees.

2.8. Attendance at board and committee meetings

The Board convenes quarterly.

3. ETHICAL LEADERSHIP

The NPC places a strong emphasis on maintaining the highest ethical standards for its Directors and committee members.

Upon appointment, Directors are required to disclose in writing to the chairperson any private interests that could potentially lead to a conflict of interest. If any matter before the Board could potentially create a conflict of interest, Directors must disclose this in writing to the Chairperson. In such cases, the Director must recuse himself from the consideration, deliberation, and voting on the matter to ensure transparency and prevent any interference with their ability to act independently and in the best interests of the NPC.

4. BOARD OVERSIGHT OF RISK MANAGEMENT

4.1. Risk Management Policy

The board has a sound system of internal controls to safeguard the company's assets and funds and ensure that assets and funds are employed in furtherance of the company's strategic objectives.

The board considers risks at each of its meetings.

4.2. Effectiveness of Risk Management

During the year under review, the board fulfilled its risk mandate by reviewing the company's risks at quarterly board meetings. The board is satisfied that the systems and processes in place to govern and manage risk are adequate and that the board has executed its risk management responsibilities satisfactorily.

4.3. Key Business Risks and Opportunities

The Board has identified some material issues that could have a significant impact on the company's financial performance and its ability to achieve its strategic objectives. These issues include:

- Failure by our service supplier to perform their function adequately, effectively or within the parameters of their authority.
- Negative perceptions of some in the local community regarding the company's service delivery or expenditure of public funds.

The Board confirms that no undue or unexpected risks arose during the period under review.

5. ACCOUNTABILITY AND RESPONSIBILITY

5.1. Performance Reviews

Performance reviews are conducted quarterly at the board meeting. The Board is satisfied with the overall performance.

5.2. Supplier Code of Conduct

Our supplier's code of conduct is checked to ensure that it meets the NPC's ethical standards and business practices.

PART D: FINANCIAL INFORMATION

1. Report of the External Auditor

See page 3 of the Annual Financial Statements

2. Annual Financial Statements

The Annual Financial Statements can be downloaded from our website parkislandcid.co.za.