



**Scott Estate & Baviaanskloof
Community Improvement District
NPC**

**Annual Report and Financial Statements
for the year ended 30 June 2026**



Our online report is available at www.sebcidhoutbay.org

Table of Contents

PART A: GENERAL INFORMATION	3
1. NPC GENERAL INFORMATION	3
2. LIST OF ABBREVIATIONS OR ACRONYMS	3
3. FOREWORD BY THE CHAIRPERSON	4
4. TREASURER'S OVERVIEW	6
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	7
6. STRATEGIC OVERVIEW	8
7. STATUTORY MANDATE	8
8. ORGANISATIONAL PROFILE	9
 PART B: PERFORMANCE INFORMATION	 10
1. SITUATIONAL ANALYSIS	10
2. STRATEGIC OBJECTIVES.....	10
3. COMPLAINTS PROCESS.....	10
4. PERFORMANCE INFORMATION BY SERVICE PROJECT	11
4.1 PUBLIC SAFETY	11
4.2 ENVIRONMENTAL DEVELOPMENT	15
4.3 URBAN MANAGEMENT	18
4.4 SOCIAL DEVELOPMENT	20
 PART C: CORPORATE GOVERNANCE	 23
1. APPLICATION OF KING IV	23
2. GOVERNANCE STRUCTURE.....	23
3. ETHICAL LEADERSHIP	25
4. BOARD OVERSIGHT OF RISK MANAGEMENT AND RISK MANAGEMENT POLICY.....	25
5. ACCOUNTABILITY	27
 PART D: FINANCIAL INFORMATION	 28
1. REPORT OF THE EXTERNAL AUDITOR	28
2. ANNUAL FINANCIAL STATEMENTS	28

PART A: GENERAL INFORMATION

1. NPC General Information

Registered name	Scott Estate and Baviaanskloof Community Improvement District (SEBCID) NPC
Registration no	2020/498869/08
Physical address	4 Adelaide Rd, Plumstead, Cape Town, 7800
Postal address	PO Box 53067, Kenilworth, Cape Town, 7745
Telephone number	+27 83 716 1010
Email address	info@sebcidhoutbay.or
Website address	www.sebcidhoutbay.org
External Auditors	Sommerville and Associates Inc
Accountant	Ros Eachus, Account-IT
Bank information	Investec Bank, 100 Grayston Drive, Sandton 2196
Company Secretary	Alison Louw

2. List of abbreviations or acronyms

SEBCID	Scott Estate & Baviaanskloof Community Improvement District
CTT	City of Cape Town
KPI	Key performance indicators
SCM	Supply chain management
LPR	License Plate Recognition
CCP	Community Crime Prevention
CCTV	Close circuit television
HBNW	Hout Bay Neighbourhood Watch
DBS	Deep Blue Security
HBVEMS	Hout Bay Voluntary Emergency Services
CPF	Community Policing Forum
SAPS	South African Police Services
SANParks	South African National Park
LE	Law Enforcement
KPS	Kronendal Primary School
FORHB	Friends of the Rivers of Hout Bay

3. Foreword by the Chairperson

This past year marked the beginning of SEBCID's second five-year term, following the strong support received from members for the renewal of our Business Plan. It is both encouraging and humbling to know that our community continues to believe in the work of the CID and in the value it brings to Scott Estate and Baviaanskloof. As a volunteer Board, we remain committed to honouring that trust by investing our time, energy and resources where they will make the greatest difference.

Our neighbourhood is a very special place. We are fortunate to live alongside rivers, mountains, parks and indigenous fynbos, while also enjoying a close-knit community that cares deeply about where we live. Protecting these natural assets, while creating a safe and welcoming environment for everyone, continues to guide the work of the Board.

This commitment has also guided our engagement with the proposed Community Day Clinic development during the past year. While the Board fully recognises the importance of improved healthcare facilities for Hout Bay, we have worked constructively with stakeholders to encourage a solution that also safeguards the environmental integrity of the Baviaans River corridor and surrounding public open spaces. We remain committed to this constructive engagement with all stakeholders in the hope that a solution can be achieved which serves both the healthcare needs of the wider community and the long-term protection of this unique environment.

This year has been one of steady progress across all four of our strategic focus areas. We continued to strengthen our Public Safety programme through ongoing investment in our CCTV network and close collaboration with DBS, CCP, HBNW, SAPS and the CTT. At the same time, we continued expanding our environmental work, recognising that caring for our rivers, public open spaces and biodiversity is not only about conservation, but also about creating a healthier, safer and more resilient neighbourhood for future generations.

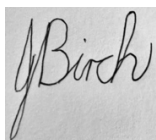
One of the highlights of the year has been seeing our partnerships continue to grow. Whether working alongside FORHB, supporting KPS through expanded educational programmes, or collaborating with residents, volunteers and local organisations, we have once again been reminded that the greatest achievements come when a community works together towards a common purpose.

None of this would be possible without the commitment of many people. My sincere thanks go to my fellow directors, who generously volunteer their time and expertise throughout the year, to our dedicated service providers, to CTT and our many partner organisations, and to the residents who continue to support the CID in so many different ways. Your willingness to become involved, whether through practical assistance, constructive feedback or simply looking out for your neighbourhood, strengthens our community immeasurably.

I would also like to welcome Lindsay Murphy and Grant Hudson to the Board. We are delighted to have them join us and look forward to the knowledge, experience and fresh perspectives they bring as we continue building on the foundations established during our first five years.

As we look ahead, we recognise that there will always be new challenges to address. However, I remain confident that, through responsible governance, strong partnerships and an engaged community, SEBCID will continue to enhance the safety, environment and quality of life that make Scott Estate and Baviaanskloof such exceptional places to live.

Thank you for your continued support and confidence in SEBCID.

A square image showing a handwritten signature in black ink on a light-colored background. The signature appears to be 'J Birch'.

Chairperson: Jemimah Birch
SEBCID
01 September 2026

4. Treasurer's overview

Our audited financial statements for our sixth financial year ended June 2026 and have been posted to the website.

Like all CIDs, public safety expenditure accounts for the lion's share of our core business spend, followed by Cleansing Services and Environmental Improvement, a particularly active portfolio for SEBCID, given our many green spaces, our river and its tributaries, and our location on the urban edge.

For the 2025-2026 financial year we received R3 596 737 in income and we ended up with a surplus of R2 186 276.

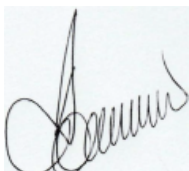
Our expenditure for the year was R3 535 633. Of expenditure the core business amounted to almost 82%, general expenditure 6%, and projects comprising the balance.

The projects were the ongoing efforts to remove invasive trees from our area both in the interests of biodiversity and to reduce fire risk. Pinedene Park was established, we trialed having Law Enforcement Officers patrol the Scott Estate, Hout Bay Common and beachfront areas over the holiday season, we continued the remedial teaching programme at Kronendal Primary School and broadened its support to include a multidisciplinary learner support initiative. We contributed toward the renovation of the Beach Ablutions and incurred the first costs related to our Community Day Clinic engagement. For the 2025-2026 financial year R360 491 was released from surplus to fund projects and the surplus remaining for the execution of these projects has been rolled over into our current financial year 2026-2027.

SEBCID is required to keep 2 months of CTT funding in reserve for emergencies (R760 444). At the end of June 2026, the unallocated surplus amounted to R927 804.

Besides the roll-over of surplus on ongoing projects mentioned above, projects were identified and approved during the first months of the current financial year 2026-2027 decreasing unallocated surplus to an amount of R847 804 to be rolled over into our new financial period, the second year of our SEBCID five-year extension period.

Our proposed budget for the financial year 2026-2027 has a total expenditure of R3 967 535 (allows for the 3% retention) of which R3 440 000 will be spent on the core business. Public safety spend has been allocated at R2 483 750 with Cleansing Services and Environmental Improvement at R434 875 and R258 000 respectively, and Social Upliftment at R231 125. The remainder of the budget is allocated to Urban Maintenance and the running of the company.



Treasurer: Alison Louw
SEBCID

Date : 01 September 2026

5. Statement of responsibility and confirmation of accuracy of the annual report

We confirm that, to the best of our knowledge:

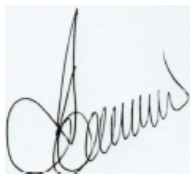
All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by Sommerville and Associates Inc.

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.

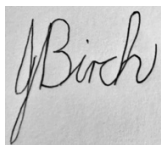
The AFS was approved by the board and signed on behalf by:

A handwritten signature in black ink, appearing to read 'Alison Louw', written over a light blue background.

Treasurer: Alison Louw

SEBCID

Date : 01 September 2026

A handwritten signature in black ink, appearing to read 'J Birch', written over a light grey background.

Chairperson: Jemimah Birch

SEBCID

Date: 01 September 2026

6. Strategic Overview

Vision

The Scott Estate & Baviaanskloof Community Improvement District (SEBCID) NPC was established by local property owners in 2020 in the Southeastern corner of Hout Bay to organise, fund, manage and facilitate improvements in the SEBCID for the benefit of the Scott Estate and Baviaanskloof residents and local community. The SEBCID refers to a geographical area, designated as such by the CTT ("CTT"), in terms of the CID By-law and s. 22 of the Municipal Property Rates Act, on application by local property owners. The SEBCID NPC'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 Scott Estate & Baviaanskloof CID, in partnership with the CCT and other stakeholders.

Mission

Our mission is centred on four key pillars: safety; maintenance and cleansing; greening and beautification, and social responsibility. Our strategy for promoting that vision is detailed in our Business Plan, available online at www.sebcidhoutbay.org

Our core values are:

1. Transparency: Open decision-making so that stakeholders can readily discern our outputs and outcomes.
2. Accountability: We answer for the execution of our responsibilities.
3. Performance: We will strive to achieve our strategic objectives.
4. Stakeholder inclusivity: We will carry out our activities considering the needs, interests and expectations of our stakeholders.
5. Social responsibility: We aim to deliver economic, social and environmental benefits for those in our local community.
6. Sustainable development: We will meet the needs of the local community without compromising the ability of future generations to meet theirs.

7. Statutory Mandate

In terms of the CID By-law and s. 22 of the Municipal Property Rates Act, the SEBCID NPC is tasked with considering, developing and implementing improvements and upgrades to the Scott Estate & Baviaanskloof Community Improvement District 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").

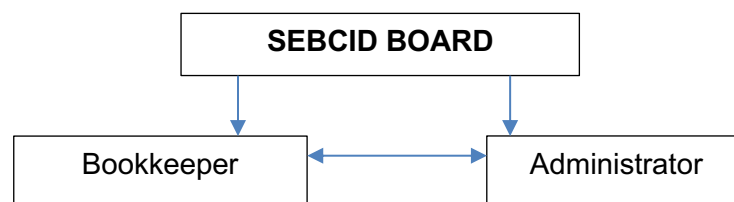
8. Organisational Profile

The Primary activities of the SEBCID are to:

1. Improve public safety by installing monitored cameras across the SEBCID area, linked to a responding security service provider
2. Improve maintenance and cleaning by deploying cleaning teams (litter and weeding) and landscaping teams
3. Undertake environmental development e.g. at the Baviaans River and Hout Bay Common
4. Support various social development programmes in and around SEBCID to reduce the impact of social issues.

The SEBCID's stakeholders are the residents, organisations and businesses of the designated area of the Scott Estate & Baviaanskloof CID, CTT, beneficiaries of the various SEBCID managed programmes, and the various contractors engaged to perform works on behalf of the CID.

CID Organogram:



PART B: PERFORMANCE INFORMATION

1. Situational Analysis

Service delivery environment

The Scott Estate & Baviaanskloof CID has led to significant upgrades and maintenance in the SEBCID area. Crime reduction is a priority for the SEBCID, and we take a proactive approach using various tools such as monitored CCTV cameras and LPR cameras at all our entrance roads and an Emergency WhatsApp group to immediately report any urgent situation requiring instant response. We have a close relationship with the security service providers in Hout Bay as well as HBNW, CCP, our local CPF and SAPS. Our safety and security initiatives are coupled with our cleaning of our open spaces initiatives that keep our public and open spaces tidy and litter free. Working closely with the CTT, the SEBCID intends to enhance the area further, with a focus on removal of alien vegetation and the ongoing rehabilitation of public open spaces.

Organisational environment

In this year, most of the day-to-day activities such as Service Provider meetings, Board meetings, contact with community organisations and engagements with the CTT continued as planned and scheduled. Our focus remained on building the relationships and efforts among the various partners in the area including the SAPS, the Hout Bay Security companies and the Community Policing Forum.

Close cooperation with our Ward Councilor, Sub council management and CTT officials to further improve service delivery has been the focus of this engagement.

2. Strategic Objectives

Strategically, the SEBCID works in partnership with the CTT and the property owners towards the upliftment of the area by maintaining a level of safety and cleanliness of the area:

- Increased public safety
- Encouraging the maintenance and upgrading of public spaces in the area.
- Assist with the beautification and preservation of our green open spaces, most notably our river area
- Assist identified social upliftment initiatives in our area

3. Complaints Process

1. All complaints must be reported to SEBCID via e-mail and will be responded to via email for record keeping purposes.
2. Allow a maximum of two weeks for a response. In some instances, the SEBCID cannot resolve the problem and needs to liaise with other stakeholders. Should there be extended delays in obtaining feedback from external stakeholders, the

- complainant will be informed accordingly.
3. Once the complainant has received a response, and it is to their satisfaction, the matter will be considered closed.
 4. Should they not be satisfied with the response received, and wish to escalate the matter, then the complainant may request that the matter be escalated to the SEBCID board of Directors.
 5. The relevant portfolio Director will then deal with the complaint and advise on actions, should any be required.
 6. The complainant will receive a written response from the SEBCID Director who will act on behalf of the SEBCID board, following the necessary consultation.
 7. Should the complainant not be satisfied with the feedback of the SEBCID Director, they may request escalation to the next authority.
 8. The director concerned will provide the complainant with proof of such escalation to the next level of authority which will be the relevant Manager of CTT's CID department.
 9. At this point, CTT's unit will address the complaints and provide the complainant with the relevant feedback on the action taken.

4. Performance Information by service project

4.1 Public Safety

The strategic objective of the Public Safety portfolio is to reduce crime and enhance community safety through an integrated programme of surveillance, rapid response, visible patrols and collaborative partnerships with security and law enforcement agencies.

Public Safety remained SEBCID's primary area of investment during the 2025/26 financial year, with the CCTV surveillance network continuing to form the cornerstone of the organisation's crime prevention strategy. In July 2025 SEBCID sent out a Request for Tender to three Security Service Providers for the provision of a Public Security Service in the SEBCID area and, after adjudication, the tender was awarded to DBS. At year-end, the network comprised 121 strategically positioned cameras monitoring key access routes and public spaces throughout the CID, supported by 24-hour monitoring of all perimeter cameras and night time monitoring of all internal cameras with rapid response services provided by DBS. Throughout the year, the Board continued to review camera positioning, visibility and performance, ensuring the network remained effective through ongoing vegetation management, infrastructure maintenance and regular technology assessments. As an example, planning commenced for an additional perimeter camera on Military Road to strengthen surveillance of a key access route into the CID despite the challenges of providing power to such a camera. Emerging technologies, including artificial intelligence-assisted monitoring, were also evaluated as part of the Board's commitment to continuous improvement.

The Public Safety portfolio is actively managed through daily email reports listing all activities detected by the cameras within the SEBCID area and monthly operational meetings with DBS Security, during which security trends, incident responses, technical matters and opportunities for system enhancement are reviewed. This collaborative approach enables

the Board to continually refine the surveillance network and maintain an effective, responsive security service for the benefit of residents. All relevant Board members are on a WhatsApp group with DBS Control Room personnel as well as DBS camera technicians and DBS management. Regular feedback is provided to all residents via WhatsApp in the form of a monthly summary report. In depth crime statistics as well as incident analysis and feedback is shared at the AGM.

During the December and January festive season, SEBCID partnered with the CTT to pilot an additional LE patrol programme serving the Scott Estate, Hout Bay Common and beachfront areas. The initiative complemented the existing security programme by providing increased visible policing during a period of heightened visitor activity. Officers responded to a range of public safety incidents, including public drinking, disturbances, public assistance and crime prevention activities. Following a comprehensive review, the Board identified opportunities to improve the operational effectiveness of the programme and redirected the remaining budget towards targeted deployments over the Easter period. This evaluation demonstrated the Board's commitment to ensuring that all public safety initiatives deliver measurable value to the community.

Building on the lessons learnt through the LE pilot, SEBCID also trialled dedicated DBS foot patrols during selected high-risk periods. The increased visible presence within public open spaces proved effective in discouraging anti-social behaviour before situations escalated, providing the Board with an additional proactive policing option for future deployment.

Road safety remained a key focus throughout the year. Working with CTT, the Board monitored the condition of road markings, traffic management infrastructure and visibility at key intersections. Traffic safety mirrors were installed at strategic locations to improve visibility at blind corners, while ongoing engagement with CTT sought to improve road markings and traffic calming measures where required.



SEBCID continued to work closely with DBS, CCP, HBNW, SAPS and the CTT, recognising that effective crime prevention relies on strong collaboration between all role players. Regular communication with residents through emergency WhatsApp groups and direct engagement with service providers further strengthened the community's ability to respond quickly to incidents and emerging concerns.

Positive Feedback

SEBCID continued to strengthen its integrated Public Safety programme through ongoing investment in technology, proactive management of the CCTV surveillance network, regular evaluation of security initiatives and strong collaboration with security and law enforcement partners.

Negative Feedback

The geographical extent of the greater Hout Bay area and the operational limitations of external law enforcement resources during peak visitor periods continued to present challenges. The Board therefore continued to evaluate alternative deployment models to maximise the effectiveness and value of supplementary public safety initiatives.

STRATEGIC OBJECTIVE: <i>REDUCE CRIME LEVELS IN PUBLIC AREAS WITHIN CID</i>					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Maintain and implement the Public Safety Plan	Public Safety Plan implemented in accordance with the approved Business Plan and service provider contract	Public Safety services delivered throughout the year through CCTV monitoring, rapid response and security partnerships	Achieved	None	n/a
Monitor, review and refine Public Safety initiatives	Public Safety initiatives reviewed by the Board and adjusted where required	Monthly operational meetings held with DBS; LE pilot reviewed; foot patrol model tested; camera performance monitored	Achieved	None	n/a
Maintain, optimise and strategically expand CCTV surveillance network	CCTV network maintained, monitored and upgraded where required	121 cameras maintained; visibility managed through vegetation clearing; technology and additional camera needs reviewed	Achieved	None	n/a
Record public safety incidents	Daily incident reporting by DBS	Incidents reported to the Board and communicated to residents where appropriate	Achieved	None	n/a

Deploy public safety resources effectively	Public safety resources deployed in response to identified risks and operational requirements	DBS response vehicle, camera monitoring, festive LE pilot and targeted foot patrols deployed during the year	Achieved	None	n/a
Strengthen public safety partnerships	Partnerships maintained with security, law enforcement and community safety organisations	Collaboration maintained with DBS, CCP, HBNW, SAPS, CCT and neighbouring CIDs	Achieved	None	n/a
STRATEGIC OBJECTIVE: FOSTER TRUST BETWEEN CID SECURITY OFFICIALS & LOCAL COMMUNITY					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Perform on-site camera inspections by independent controllers	Monthly assessment of response officers & camera controllers at the SEBCID monthly security meeting	12 monthly assessments	Achieved	n/a	n/a
STRATEGIC OBJECTIVE: INCREASE SAFETY THROUGH PARTNERSHIPS					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Strengthen public safety partnerships	Partnerships maintained with security, law enforcement and community safety organisations	Collaboration maintained with DBS, CCP, HBNW, CPF, SAPS, CCT and neighbouring CIDs	Achieved	None	n/a

Service/ Project components	2024/2025			2025/2026		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Public Safety	R2 242 150	R2 234 148	R8 002	R2 140 000	R2 097 942	R42 058

4.2 Environmental Development

The strategic objective of the Environmental Development portfolio is to protect and enhance the natural environment through ecological restoration, biodiversity conservation, invasive vegetation management and the sustainable improvement of public open spaces.

Environmental Development remained one of SEBCID's most active portfolios throughout the reporting period, with ongoing initiatives focused on protecting the area's unique natural assets while improving public safety and the quality of shared open spaces. Working closely with Aloe Africa, FoRHB, CTT and local environmental specialists, the Board continued implementing projects that contribute to a healthier, more resilient urban environment.

Routine environmental maintenance remained a core component of the portfolio. The environmental team undertook regular verge maintenance, litter collection, invasive vegetation removal, stormwater drain clearing and the maintenance of public open spaces throughout the CID. During the year, the environmental capacity of the team was further strengthened through the appointment of an additional environmental worker, enabling an increased level of service across the growing programme of work.

The ongoing removal of invasive alien vegetation remained a priority, both within public open spaces and along the Baviaans River corridor and surrounding mountainside. In partnership with FoRHB, invasive clearing formed part of a broader ecological restoration programme aimed at improving biodiversity, reducing wildfire risk and enhancing the long-term health of the catchment. Indigenous planting continued throughout the year, replacing invasive species with locally indigenous vegetation better suited to supporting local birdlife, insects and the broader ecosystem.

SEBCID continued implementing the Baviaans River rehabilitation programme developed by Professor Patricia Holmes and other riparian specialists. Previous riverbank stabilisation works continued to demonstrate positive results during the winter rainfall season, while additional planting and rehabilitation further strengthened the resilience of the river corridor. The CID also continued advocating for environmentally responsible management of development adjacent to the river system, including ongoing engagement regarding the proposed Community Day Clinic development and its potential environmental impacts.

Fire preparedness remained an important component of the environmental programme. Firebreaks along the urban edge were cleared to improve firefighter access and reduce wildfire risk, while also maintaining clear sightlines for the CCTV surveillance network. Continued collaboration with the Hout Bay Fire Station included a community Fire Readiness Workshop, reinforcing the importance of shared responsibility in reducing fire risk within the urban edge environment.

Several environmental enhancement projects were completed during the year to improve the quality and biodiversity of public open spaces. These included continued upgrades to Pinedene Park, additional indigenous planting at Darling Bridge and along the KPS boundary, installation of owl boxes, expansion of pollinator-friendly planting areas and the ongoing development of demonstration indigenous gardens. Together, these initiatives contribute to a greener, more attractive public environment while encouraging biodiversity and environmental awareness within the community.

The Board also continued promoting environmentally sustainable practices through the maintenance of SEBCID's "no-spray" status, reducing the use of herbicides within the CID and encouraging residents to participate in maintaining weed-free verges. This collaborative approach reflects the organisation's commitment to balancing environmental stewardship with

practical management of the public realm.

Positive Feedback

SEBCID continued to strengthen its environmental stewardship through sustained ecological restoration, biodiversity enhancement, invasive vegetation management and collaborative partnerships that contribute to a healthier, more resilient natural environment.

Negative Feedback

Environmental management within the CID continues to require ongoing intervention in response to invasive vegetation, wildfire risk and environmental pressures associated with ageing infrastructure and adjacent development. Continued collaboration with stakeholders remains essential to achieving long-term environmental outcomes.

STRATEGIC OBJECTIVE: <i>REDUCE ENVIRONMENTAL RISK</i>					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Reduce environmental risks and improve ecosystem resilience	Environmental risk mitigation programme implemented	Implement environmental risk mitigation initiatives	Firebreaks were maintained, invasive vegetation cleared and the Baviaans River rehabilitation programme continued, reducing wildfire risk while improving biodiversity and the ecological health of the catchment.	None	n/a
STRATEGIC OBJECTIVE: <i>PROTECT THE ENVIRONMENT</i>					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Protect and enhance the natural environment within the SEBCID	Environmental Development Plan implemented and monitored	Implement the Environmental Development Plan	Environmental Development Plan was successfully implemented through ongoing ecological restoration, invasive alien vegetation management, indigenous planting, river rehabilitation	None	n/a

			and environmental enhancement projects		
STRATEGIC OBJECTIVE: IMPROVE PUBLIC OPEN SPACES					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Enhance and maintain environmentally significant public open spaces	Public open spaces maintained and environmentally enhanced	Maintain and improve environmentally significant public open spaces	Public open spaces were maintained and enhanced through continued improvements to Pinedene Park, indigenous planting at Darling Bridge and KPS, demonstration indigenous gardens, and ongoing environmental maintenance	None	n/a

Service/ Project components	2024/2025			2025/2026		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Environmental Improvements	R165 000	R161 090	R3 910	R320 000	R215 798	R104 202
Cleansing services	R247 000	R244 771	R2 229	R475 000	R412 056	R62 944

4.3 Urban Management

The strategic objective of the Urban Management portfolio is to support the maintenance and enhancement of public infrastructure and shared spaces through proactive maintenance, stakeholder collaboration and responsive engagement with CTT.

SEBCID continued to play an active role in maintaining the quality, functionality and appearance of the public realm throughout the reporting period. While responsibility for municipal infrastructure remains with the CTT, the CID continued to provide an important coordination role by identifying maintenance requirements, engaging with the relevant municipal departments and following up on outstanding service delivery issues on behalf of residents.

The Board continued to monitor municipal infrastructure challenges affecting the CID, including water supply interruptions, burst water mains and other service delivery issues. Residents were encouraged to log CCT Service Requests (C3s), enabling the CID to escalate unresolved matters with the appropriate municipal departments and facilitate improved communication between residents and CTT.

The condition of public open spaces and community amenities also remained an important area of focus. During the reporting period, improvements were undertaken to Pinedene Park, including the installation of seating and play features, while routine maintenance of pathways, litter bins, signage and other public amenities contributed to a safe, functional and attractive public environment. Additional projects, including traffic infrastructure improvements and public open space upgrades, were identified for implementation as part of the ongoing enhancement of the neighbourhood.

SEBCID continued to work constructively with residents and municipal officials to identify opportunities for improving the quality and accessibility of public infrastructure. This collaborative approach has enabled the organisation to respond proactively to maintenance concerns while supporting the long-term enhancement of the neighbourhood for the benefit of all users.

Positive Feedback

SEBCID continued to enhance the quality of the public realm through proactive engagement with CTT, targeted infrastructure improvements and ongoing maintenance of public amenities and shared spaces.

Negative Feedback

Ageing municipal infrastructure and service delivery constraints continued to impact the timely resolution of certain maintenance issues. Continued collaboration with CTT remains essential to improving infrastructure resilience and maintaining service standards.

STRATEGIC OBJECTIVE: MAINTAIN & ENHANCE PUBLIC INFRASTRUCTURE					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Maintain and enhance public infrastructure within the SEBCID	Urban Management Plan implemented and monitored	Implement the Urban Management Plan	Implemented through proactive identification of infrastructure issues and	None	n/a

			coordination of maintenance		
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STRATEGIC OBJECTIVE: IMPROVE FUNCTIONALITY OF PUBLIC AREAS

Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Improve the safety, accessibility and functionality of the public spaces	Public infrastructure and amenities maintained and enhanced	Maintain and improve public infrastructure and community amenities	Road safety initiatives, public amenity upgrades, pathway improvements, signage, traffic mirrors and ongoing maintenance of public spaces contributed to a safe, functional and attractive neighbourhood	None	n/a

STRATEGIC OBJECTIVE: STRENGTHEN COLLABORATION TO IMPROVE MUNICIPAL SERVICE DELIVERY

Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Strengthen collaboration to improve municipal and service delivery	Municipal service delivery issues monitored and coordinated	Facilitate effective liaison with CTT	Achieved	None	n/a

Service/ Project components	2024/2025			2025/2026		
	Projected Expenditure	Actual Expenditure	(Over)/Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Urban Maintenance	R0	R0	R0	R30 000	R0	R30 000

4.4 Social Development

The strategic objective of the Social Development portfolio is to support initiatives that strengthen education, community wellbeing and social resilience through strategic partnerships and targeted investment in local organisations and projects.

SEBCID continued its commitment to supporting organisations and initiatives that contribute positively to the wellbeing of the Hout Bay community. Through partnerships with local schools, non-profit organisations and community groups, the organisation invested in projects that promote education, emergency preparedness and social upliftment while complementing the CID's broader strategic objectives.

A significant focus during the reporting period was the expansion of SEBCID's partnership with KPS. Building on the success of the remedial teaching programme, the Board broadened its support to include a multidisciplinary learner support initiative comprising educational psychology, speech therapy, physiotherapy and play therapy services. The programme provides early intervention and specialist support for learners experiencing educational, developmental and emotional challenges, while also assisting teachers and parents to better support individual learning needs.

Further support was provided to KPS through the introduction of an environmental learning enrichment programme and the installation of educational playground games, enhancing both outdoor learning opportunities and learner engagement. The continued positive impact of these initiatives resulted in the Board approving additional funding to extend the specialist support programme into the 2026 academic year.



SEBCID has continued its longstanding support of several community organisations delivering valuable services within Hout Bay. Financial assistance was provided to CCP, HBNW, HBVEMS and the Denis Goldberg House of Hope, recognising the important contribution these organisations make to community safety, education and social development.

During the reporting period, SEBCID also supported community capacity-building initiatives, including First Aid training for residents, while contributing towards improvements to public facilities through support for the refurbishment of the Hout Bay beach ablution facilities in partnership with the Sentinel Ocean Alliance.

Collaboration with Hout Bay Fire Station staff included a very informative visit for SEBCID residents to the fire station, with equipment demonstration and discussion on how residents can best contribute to fire readiness and response effectiveness.



These initiatives reflect the Board's ongoing commitment to projects that deliver practical and lasting benefits to the broader community.

Positive Feedback

SEBCID continued to strengthen its Social Development programme through meaningful partnerships that support education, community wellbeing and local organisations delivering essential services within Hout Bay.

Negative Feedback

Demand for community support initiatives continues to exceed the resources available within the Social Development budget. The Board therefore continues to prioritise projects that deliver sustainable, measurable benefits while remaining aligned with the organisation's strategic objectives

STRATEGIC OBJECTIVE: STRENGTHEN EDUCATION & COMMUNITY WELLBEING					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Strengthen education and community well-being within the SEBCID	Social Development plan implemented and monitored	Implement the social development plan	Achieved	None	n/a
STRATEGIC OBJECTIVE: SUPPORT SUSTAINABLE INITIATIVES					

Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Support sustainable community development initiatives	Community partnerships maintained and strengthened	Support priority community organisations and projects	Continued support provided to KPS, CCP, HBNW, HBVEMS & Denis Goldberg House of Hope, & new educational enrichment initiatives further strengthened community impact	None	n/a
STRATEGIC OBJECTIVE: IMPROVE COMMUNITY QUALITY OF LIFE					
Measure	Key Performance Indicator	Planned target 2025/2026	Actual achievement 2025/2026	Deviation target to actual 2025/2026	Comment on deviation
Invest in projects that improve community resilience and quality of life	Targeted social development projects implemented	Deliver identified social development initiatives	Expanded specialist educational support at KPS, environmental learning programmes, First Aid & community infrastructure initiatives contributed to improved educational and community outcomes		

Service/ Project components	2024/2025			2025/2026		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Social Development	R225 000	R218 494	R6 506	R235 000	R168 779	R66 221

PART C: CORPORATE GOVERNANCE

1. Application of King IV

In recognition of the fact that the NPC is entrusted with public funds, particularly high standards of fiscal transparency and accountability are demanded. To this end, the SEBCID 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 the 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 reporting protocols appropriate to a non-profit entity such as the SEBCID.

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

2. Governance Structure

2.1 Board Composition

The Board is satisfied that the Board of the SEBCID is compiled by a representative group of directors representing the interests of the varied property owner groups within the SEBCID footprint and reflects the appropriate mix of knowledge, skills, experience, diversity and independence as required under principle 7.30(a) of King IV] (King IV principle 7.30(a))

2.2 Board Observer

In terms of the By-law, CTT councilors 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, with a view to ensuring that the company duly executes its statutory mandate.

The Executive Mayor appointed Cllr. Roberto Quintas as political observer, and Ald. Limberg as alternate observer. During the period under review, Cllr Topollo Mokhathi replaced Ald. Limberg as the alternate observer. Cllr. Quintas did not attend any meetings convened during the period under review, Cllr Mokhathi attended two of these meetings.

2.3 Appointment of the Board

An Annual General Meeting is held every year to review the performance of the CID and to confirm the mandate of the members. The AGM provides the opportunity to elect new directors to serve on the board of the NPC. Elected Board members take responsibility for the various portfolios in the company and regular board meetings allow the directors to review current operations and

apply corrective measures as required.

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. In executing this task, 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.
- Approves the annual budget.
- Oversees preparation of and approving the annual financial statements for adoption by members.
- Exercises effective control of the NPC and monitors management's implementation of the approved budget and business plan

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

During the period under review, the board formally assessed the independence of all non-executive directors, as recommended by King IV. The board has determined that all the non-executive directors, including the Chairperson, are independent in terms of King IV's definition of "independence" and the guidelines provided for in principle 7.28.

2.7 Board Committees

The Board did not appoint any committees during the reporting period.

2.8 Attendance at board meetings

The board convenes approximately once every 2 months, with the option to convene a special board meeting when necessary.

The board observes Principle 1(c)(iv) of King IV regarding attendance of meetings. (King IV Principle 6.5 (board meetings) and King IV Principle 8.50(e)) (board committee meetings)).

Board Member Attendance	6 Aug 25	17 Sept 25	23 Oct 25	21Jan 26	18 Mar 26	28 Apr 26	24 Jun 26
Jemimah Birch	yes	yes	yes	yes	yes	yes	yes
Alison Louw	yes	yes	yes	yes	apology	yes	yes
Doreen Malan	yes	yes	yes	yes	yes	yes	yes
Paul Maguire (resigned 2025 AGM)	no	no	yes	Resigned	Resigned	Resigned	Resigned
Peter Labouchere	yes	yes	yes	apology	apology	yes	yes
Lindsay Murphy (elected at 2025 AGM)	-	-	-	yes	apology	yes	yes
Grant Hudson (elected at 2025 AGM)	-	-	-	yes	yes	yes	yes
Political Observer Attendance							
Cllr Roberto Quintas	no	apology	no	no	apology	apology	apology
Cllr Topollo Mokhati	no	yes	no	no	no	apology	yes

3. Ethical Leadership

Directors must uphold the highest ethical standards and declare any private interests that could pose a conflict of interest upon appointment and when relevant matters arise. In such cases, the director must disclose the conflict in writing to the chairperson and recuse themselves from deliberations and voting on the matter. This transparency ensures directors remain independent and act solely in the best interests of the NPC.

The board confirms that directors complied with these duties during the year under review, with no changes to their declarations affecting independence.

4. Board oversight of risk management and Risk Management policy

All directors are directly involved in daily financial procedures, requiring their authorisation for specific purchases as outlined in the procurement policy. This oversight extends to expenditures, where payments are only made with the awareness of two Directors. Additionally, purchases are approved through Board discussions and formal meetings.

4.1 Effectiveness of risk management

During the 2025 financial year, the board addressed its risk mandate by

evaluating risk governance in matters discussed across six board meetings. The board is confident that the systems and processes for risk governance and management are effective and that its risk management responsibilities have been adequately fulfilled.

4.2 Key business risks and opportunities

The board has identified several key issues that may impact the company's financial performance and strategic objectives. These include:

1. Maintaining effective public safety measures and responding to changing crime trends
2. Underperformance or disruption by key service providers
3. Negative perceptions within the local community regarding service delivery or the allocation of public funds
4. Environmental risks associated with the proposed Community Day Clinic development and protection of the Baviaans River corridor
5. Wildfire risk associated with the urban edge and invasive vegetation
6. Recurring water pipe bursts, aging municipality infrastructure and delayed road repairs
7. Maintaining an effective and appropriately skilled Board

4.3 Unexpected risks arose during the review period:

Municipal infrastructure failures

Recurring water supply interruptions and burst water mains continued to affect residents throughout the reporting period. The Board maintained ongoing engagement with the City of Cape Town, facilitating communication between residents and municipal officials and advocating for the timely resolution of infrastructure failures.

Board succession and governance

Following the retirement of Paul Maguire after the 2025 AGM, the appointment of Lindsay Murphy and Grant Hudson strengthened the Board by introducing additional financial, strategic and governance expertise, ensuring continuity of effective oversight and succession planning.

Community Day Clinic

The proposed Community Day Clinic emerged as a significant strategic issue during the reporting period. Concerns regarding the environmental approval process, floodplain impacts and the long-term protection of the Baviaans River corridor resulted in considerable engagement with residents, environmental specialists and legal advisers. The Board approved the allocation of surplus funds to obtain specialist environmental legal advice and assess the environmental approval process before determining any further course of action.

5. Accountability

5.1 Performance reviews

The board routinely reviews the operational performance of its key vendors through structured evaluation processes and is generally satisfied with their performance. These reviews are conducted on a regular basis to ensure that service delivery remains aligned with SEBCID's strategic objectives and operational requirements.

5.2 Delegated limits of authority

The board authorises minor purchases to the SEBCID administrator under the procurement policy, enabling efficient day-to-day operational decision-making whilst maintaining appropriate oversight. This delegation framework ensures that routine transactions can be processed promptly without requiring full board approval, thereby supporting administrative efficiency.

5.3 Supplier code of conduct

The board maintains vendor accountability through well-defined service level agreements, regular performance evaluations, and an effective complaints process. This framework ensures that suppliers understand their obligations and provides clear mechanisms for addressing any concerns regarding service delivery or conduct. The board regularly reviews these arrangements to ensure they remain fit for purpose.

PART D: FINANCIAL INFORMATION

1. Report of the External Auditor

See full report attached.

2. Annual Financial Statements

See attached.

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER : 2020/498869/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER : 2020/498869/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER : 2020/498869/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

GENERAL INFORMATION

Country of Incorporation and Domicile	South Africa
Nature of Business	Providing Services to the Special Rating Areas of Scott Estate and Baviaanskloof
Directors	J Birch (Chairperson) A Louw D Malan G Hudson L Murphy P Labouchere
Registered Office	4 Adelaide Road Plumstead 7800
Business Address	4 Adelaide Road Plumstead 7800
Postal Address	P O Box 53067 Kenilworth 7745
Bankers	First National Bank Investec
Company Secretary	A Louw
Auditors	Sommerville and Associates Inc
Company Registration Number	2020/498869/08
Tax Reference Number	9574/356/19/3
Preparer	The annual financial statements were independently compiled by J Oelofse CA (SA)
Issued Date	18 August 2026

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER : 2020/498869/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

INDEX

Page

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

Directors Responsibilities and Approval	4
Directors Report	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 - 13
Notes to the Annual Financial Statements	14 - 15

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	16
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DIRECTORS RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in their 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 year then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Companies Act 71 of 2008. 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 in the manner required by the Companies Act 71 of 2008 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 board 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 external auditors are responsible for 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 and 7.

The financial statements set out on pages 8 to 15, which have been prepared on the going concern basis, were approved by the directors and signed accordingly.



J BIRCH

18 August 2026



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DIRECTORS REPORT

1. Business Activities

Scott Estate Baviaanskloof Community Improvement District NPC is a non-profit company set up in terms of the municipal by-laws of the City of Cape Town (CoCT) which acts as the management body in respect of the Special Rating Area (SRA) determined by the CoCT in terms of section 22 of the Property Rates Act in respect of a defined geographical area. The source of revenue of the company is additional rates billed by the CoCT to the registered property owners of Scott Estate and Baviaanskloof which funds are utilised to enhance and supplement services provided by the CoCT. These services include the provision of security for the common/public areas of the SRA, environmental maintenance and removal of alien vegetation, cleaning and tidying public open spaces and other community related services.

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

2. Review of Financial Results and Activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

During the year under review, the company operated independently of any shared services. The main business and operations of the company during the year under review has continued as in the past year and we have nothing to report thereon.

The financial statements adequately reflect the results of the operations of the company for the year under review and no further explanations are considered necessary.

3. DIRECTORS

The directors and non-executive directors of the company at the financial year end are reflected on page 2.

The following appointments and resignations took place during the year :

Appointments

G Hudson - 12 January 2026
L Murphy - 12 January 2026

Resignations

P Maguire - 10 December 2025

4. EVENTS SUBSEQUENT TO THE YEAR

No material fact or circumstance has occurred between the accounting date and the date of this report which affect the financial position of the company as reflected in these financial statements.

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 sufficient funding to meet its foreseeable cash requirements.

The directors are not aware of any undisclosed, material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Sommerville and Associates Inc

Chartered Accountants (SA)

Registered Auditors

IRBA Registration No. 902323

6 Southridge Road
Sunningdale
7441

Tel: 021 – 557 7287
Cell: 076 434 4735
Email: robinsommerville@gmail.com
Robin Sommerville (B Com) (Hons), CA (SA)

INDEPENDENT AUDITOR'S REPORT

To the Members of

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC

Opinion

We have audited the financial statements of Scott Estate Baviaanskloof Community Improvement District NPC set out on pages 8 to 15, which comprise the statement of financial position as at 30 June 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Scott Estate Baviaanskloof Community Improvement District NPC as at 30 June 2026, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with the ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants*. 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 directors report as required by the Companies Act 71 of 2008. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of the Directors for the Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- ♦ Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

Sommerville and Associates Inc
Registered Auditors
Auditor : R Sommerville
(Registration No : 748269)

18 August 2026

6 Southridge Road
SUNNINGDALE
7441

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2026</u> <u>R</u>	<u>2025</u> <u>R</u>
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property, Plant and Equipment	2	1	1
CURRENT ASSETS			
Cash and Cash Equivalents	3	2,186,276	1,784,832
		<u>2,186,277</u>	<u>1,784,833</u>
<u>RESERVES AND LIABILITIES</u>			
RESERVES			
Accumulated Surplus		2,110,354	1,627,796
CURRENT LIABILITIES			
		75,923	157,037
Taxation Payable		22,731	16,569
Trade and Other Payables	4	53,192	140,468
		<u>2,186,277</u>	<u>1,784,833</u>

STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	<u>2026</u> <u>R</u>	<u>2025</u> <u>R</u>
Revenue	5	3,877,702	3,519,364
Other Income - Donations		23,000	-
Expenditure		3,535,633	3,348,536
Operating Surplus		365,069	170,828
Finance Income		140,220	117,108
Surplus Before Taxation		505,289	287,936
Taxation	6	22,731	16,569
Surplus for the Year		482,558	271,367
Other Comprehensive Income		-	-
Total Comprehensive Income		482,558	271,367

STATEMENT OF CHANGES IN EQUITY

	<u>Accumulated</u> <u>Surplus</u> <u>R</u>
Balance at 1 July 2024	1,356,429
Surplus for the Year	271,367
Total Comprehensive Income for the Year	271,367
Balance at 1 July 2025	1,627,796
Surplus for the Year	482,558
Total Comprehensive Income for the Year	482,558
Balance at 30 June 2026	2,110,354

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER : 2020/498869/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

STATEMENT OF CASH FLOWS

	<u>2026</u> <u>R</u>	<u>2025</u> <u>R</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the Year	482,558	271,367
Adjustments	(140,220)	(92,737)
Interest Received	(140,220)	(117,108)
Depreciation	-	5,302
Loss on Sale of Equipment	-	19,069
Working Capital Changes	(81,114)	79,837
Taxation Payable	6,162	(5,243)
Trade and Other Payables	(87,276)	85,080
	261,224	258,467
Interest Received	140,220	117,108
Cash Generated from Operating Activities	<u>401,444</u>	<u>375,575</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of Plant and Equipment	-	(30,290)
Proceeds on Sale of Plant and Equipment	-	8,696
	<u>-</u>	<u>(21,594)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	401,444	353,981
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,784,832</u>	<u>1,430,851</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,186,276</u>	<u>1,784,832</u>

ACCOUNTING POLICIES

1. Basis of Preparation and Summary of Significant Accounting Policies

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and in the manner required by the Companies Act 71 of 2008. The financial statements are prepared on the historical cost basis and incorporate the principal accounting policies set out below.

These accounting policies are consistent, in all material respects, with those applied in the previous year.

1.1 Significant Judgments and Sources of Estimation Uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

1.2 Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, or for rental to others or for administrative purposes, and are expected to be used over a period of more than one year.

Property, plant and equipment is initially measured at cost.

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

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

<u>Item</u>	<u>Useful Life</u>
Computer Equipment	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or shortfall to bring the carrying amount in line with the recoverable amount.

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 surplus or shortfall when the item is derecognised.

ACCOUNTING POLICIES

(Continued)

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 surplus or shortfall) 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 shortfall.

1.4 Taxation

The company is exempt from normal taxation on its revenue income in terms of section 10(1)(e)(i)(cc) of the Income Tax Act. Any other receipts and accruals derived by the company are exempt up to R50,000 per annum.

1.5 Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.6 Revenue Recognition

Revenue comprises additional rates invoiced monthly by the City of Cape Town to all property owners in the special rating area of Scott Estate and Baviaanskloof in accordance with the Financial Agreement, whereby the City pays 97% of the annual budget to the company in twelve monthly instalments and retains 3% as a provision for bad debts.

1.7 Finance Income

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

1.8 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Unauthorised, irregular, fruitless and wasteful expenditure is accounted for as an expense in the statement of income and retained earnings and classified in accordance with the nature of the expense. Where recovered, it is subsequently accounted for as other income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

			<u>2026</u> <u>R</u>	<u>2025</u> <u>R</u>
2. PROPERTY, PLANT AND EQUIPMENT				
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer Equipment	<u>19,999</u>	<u>19,998</u>	<u>1</u>	<u>1</u>
Net Book Value is reconciled as follows:				
	NBV at Begin	Additions/ (Disposals)	Depreciation	NBV at End
Computer Equipment	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
3. CASH AND CASH EQUIVALENTS				
FNB Current Account			21,654	16,018
Investec Current Account			1,284,056	948,361
Investec Investment Account			880,566	820,453
			<u>2,186,276</u>	<u>1,784,832</u>
4. TRADE AND OTHER PAYABLES				
Ruth Druif Tuition			1,500	-
Sino Siya Garden Service			2,440	2,450
Signature Consulting (Pty) Ltd - Tax Fee			800	750
Sommerville and Associates Inc - Audit Fee			20,500	-
Value Added Tax Payable			27,952	36,277
Canary Gardens			-	53,600
H J Snell			-	16,966
J Birch			-	1,600
Harry Curtis & Co - Audit Fee			-	19,000
KJ Madunga - Park Warden			-	1,825
Stanley Yonamu Art			-	8,000
			<u>53,192</u>	<u>140,468</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(Continued)

	<u>2026</u> R	<u>2025</u> R
5. REVENUE		
Amounts Received from The City of Cape Town		
Additional Rates Received	3,596,737	3,299,759
Additional Rates Retention Received	280,965	219,605
	<u>3,877,702</u>	<u>3,519,364</u>

The City of Cape Town (CoCT) charges additional rates to property owners in the special rating area of Scott Estate and Baviaanskloof which funds are utilised to enhance and supplement services provided by the CoCT. The rates retention refund relates to refunds of bad debt provision retentions by the CoCT.

6. TAXATION

Other Income - Interest Received	140,220	117,108
Less: Expenditure Relating to Other Income	6,033	5,740
Less: Basic Exemption	50,000	50,000
Taxable Income	<u>84,187</u>	<u>61,368</u>
<u>Taxation at 27%</u>		
Current Year	<u>22,731</u>	<u>16,569</u>

The company is exempt from normal taxation on its revenue income in terms of section 10(1)(e)(i)(cc) of the Income Tax Act. Any other receipts and accruals derived by the company are exempt up to R50,000 per annum, after deducting qualifying expenditure.

SCOTT ESTATE BAVIAANSKLOOF COMMUNITY IMPROVEMENT DISTRICT NPC
(REGISTRATION NUMBER : 2020/498869/08)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

DETAILED INCOME STATEMENT

	<u>Notes</u>	<u>2026</u> <u>R</u>	<u>2025</u> <u>R</u>
REVENUE	5	3,877,702	3,519,364
Additional Rates Received		3,596,737	3,299,759
Additional Rates Retention Received		280,965	219,605
OTHER INCOME - Donations		23,000	-
EXPENDITURE		3,535,633	3,348,536
Accounting, Secretarial and Tax Fees		51,250	44,200
Administration and Management Fees		78,924	81,185
Advertising, Marketing and Gifts		16,477	22,336
Audit Fee		20,500	19,000
Bank Charges		11,643	8,322
Community Services		2,894,575	2,858,503
Cleaning Services		412,056	244,771
Environmental Upgrade		215,798	161,090
Public Safety - Security and CCTV Monitoring		2,097,942	2,234,148
Social Upliftment		168,779	218,494
Computer Expenses		4,203	4,642
Depreciation		-	5,302
Insurance		12,212	11,629
Loss on Sale of Equipment		-	19,069
Meeting Expenses		1,608	-
Projects		439,971	274,348
Environmental Upgrade		79,480	-
Beach Ablutions		40,000	-
Day Clinic		12,500	-
Hout Bay Common		12,766	84,842
KPS Teaching Support		107,053	-
LEO - Festive Season		85,394	-
Removal of Trees		102,778	64,106
River Rehabilitation		-	125,400
Repairs and Maintenance		4,270	-
OPERATING SURPLUS		365,069	170,828
Finance Income		140,220	117,108
SURPLUS BEFORE TAXATION		505,289	287,936
Taxation	6	22,731	16,569
SURPLUS FOR THE YEAR		482,558	271,367