

SCHEDULE 3

ANNUAL REPORT

Lower Kenilworth Improvement District NPC

Annual Report and Financial Statements

for the year ended 30 June 2024



***Lower Kenilworth
Improvement District***

Bounded by the Railway line, Kenilworth Rd,
Rosmead Ave and Wetton Rd



Our online report is available at www.lkid.co.za

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PART A: GENERAL INFORMATION

General Information

Registered name:	Lower Kenilworth Improvement District NPC
Registration no:	NPC Reg. No. 2020/593529/08
Physical address:	20 Ascot Rd, Kenilworth 7708
Postal address:	20 Ascot Rd, Kenilworth 7708
Email address:	info@lkid.co.za
Website address:	www.lkid.co.za
External auditors:	Sentio Audit / HVM
Banker's information:	FNB First National Bank
Company Secretary:	Charles Abbott
Bookkeeper:	Cheryl Wither

List of Abbreviations / Acronyms

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCT	City of Cape Town
KPI	Key performance indicators
LKID	Lower Kenilworth Improvement District
SCM	Supply chain management

Foreword by the Chairperson

I am pleased to present the LKID Annual Report for 2023/24 highlighting our ongoing efforts to improve quality of life in Kenilworth through improved safety, cleanliness and community enhancement.

I am happy to report that after four and a half years of operation, we have been able to reduce crime in our area from 20 to 2 incidents per month. A large amount of credit must go to our Security Director, Rory Moore working with our security service provider. We have 42 CCTV cameras in the neighbourhood which assist in our crime prevention efforts. We have also during this year introduced 2 tactical officers in our vehicle at night as this is when most of the activity takes place.

Our streets are cleaner as a result of the two cleaners in LKID vests working in the area 3 days a week. This has provided jobs for people who might have been previously unemployed.

We have been able to upgrade our small park at Kolara Crescent with swings, benches and a jungle gym. We were able to install a fence at the top of Blackheath Road to prevent vagrants causing a disturbance there and a small garden has been established and cared for by our residents.

On the events side, we have organised two car boot sales held at the Kenilworth racecourse, thank you Cape Racing. At the event we were able to assist Sisters, a home for abused women located in our area with several donations and we also support them with a monthly grocery amount. And a safe and successful childrens Halloween event was organised and overseen by our team.

Looking ahead we will continue to work to improve our public safety and maintain a clean area free from litter and illegal dumping.

We want to get residents involved in planting and maintaining street corner gardens to create a garden suburb. And we will work with the CID's in the surrounding areas to achieve our common goals.

Finally I want to thank our Team for the work they do in making LKID a success.



Chairperson of the Board
Pete Linnegar
25 November 2024

Treasurer's Overview

Herewith a summary of the LKID financial position:

Revenues	R 1 751K	(2023 R 1 636K)
Net Surplus	R 274K	(2023 R 142K)
Cash on Hand	R 1 226K	(2023 R 1 043K)

Budget Allocation for 2025/26 :

1. Public Safety	R 1 511K
2. Urban Management	R 20K
3. Environmental	R 10K
4. Social Programs	R 18K

The LKID governs its supply chain management process via procedures for procurement and evaluation of bids. No supply chain related challenges were experienced during the course of the year.

We received a clean Audit Report and no extraordinary financial challenges were encountered.

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 believe the company will receive sufficient funding to meet its foreseeable cash requirements. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the company.



Treasurer, LKID
Alex Nelson
25 November 2024

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 Sentio Audit / HVM

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 16 September 2024 and signed on behalf by:



Chairperson of the Board
Pete Linnegar
25 November 2024



Treasurer
Alex Nelson
25 November 2024

Strategic Overview

Vision

The vision of the LKID is to maintain a safe, clean and well managed environment where our residents, scholars and businesses can operate in a relaxed environment.

Mission

It is the mission of the LKID to continue to create an inviting and safe environment for residents, scholars and visitors.

Our strategy for promoting that vision is detailed in our Business Plan, available online [HERE](#)

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.
- **Stakeholder inclusivity:** We will carry out our activities taking into account the needs, interests and expectations of our stakeholders.
- **Social responsibility:** We aim to deliver economic, social and environmental benefits for all our stakeholders.
- **Sustainable development:** We will meet the needs of the local community without compromising the ability of future generations to meet theirs.

Statutory Mandate

In terms of the CID By-law and s. 22 of the Municipal Property Rates Act, the Lower Kenilworth Improvement District NPC is tasked with considering, developing and implementing improvements and upgrades to the LKID 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”).

Organisational Profile

The LKID area is bounded by:

Northern Boundary:

Kenilworth Road from the railway line to Rosmead Avenue.

Eastern Boundary:

Rosmead Avenue from Kenilworth Road to Wetton Road.

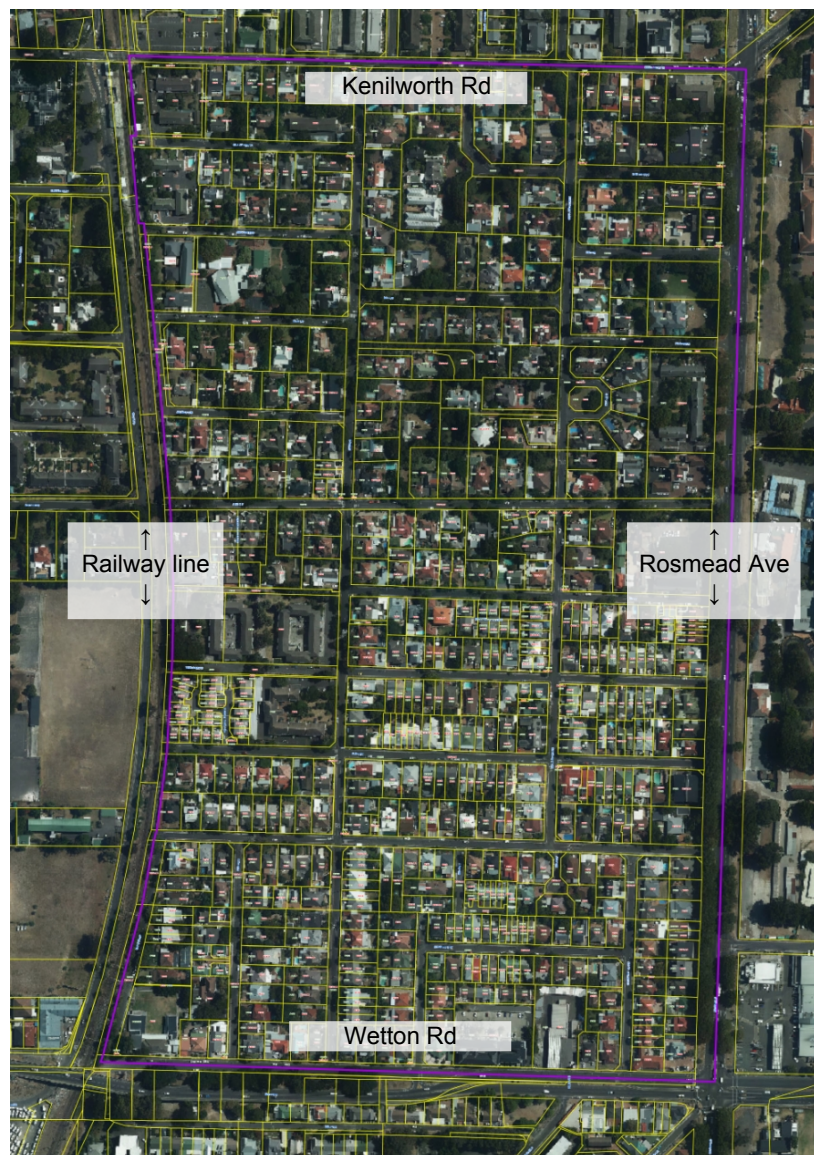
Southern Boundary:

Wetton Road from the railway line to Rosmead Avenue.

Western Boundary:

The railway line from Wetton bridge to the station booms.

See purple outline on the aerial photo alongside

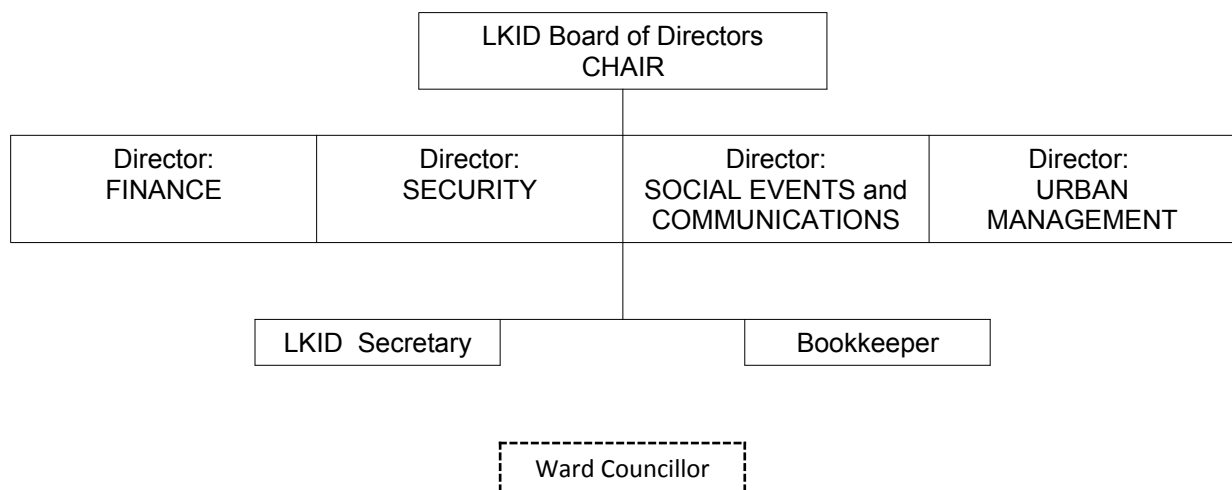


Organisational Structure

The LKID is established as a Non-Profit Company (NPC) in terms of the Companies Act 71 of 2008. It is managed as follows:

- By a Board of Directors (comprising a minimum of 3 directors) meet monthly under the elected chairperson.
- Election of Board Members occurs annually at the Annual General Meeting (AGM).
- One Third of Directors must step down annually but can be re-elected at the AGM.
- Any registered property owner can become a member of the NPC, free of charge, on application to the board.

- Only members of the NPC (or their delegated proxy) are eligible to vote at meetings of the NPC.
- The Board of Directors will be responsible for the implementation of the Business Plan.
- The performance of the Board of Directors in the achievement of its objectives as detailed in the Business Plan is monitored by the Members.
- The NPC has a memorandum of incorporation (MOI) as prescribed by the City and as regulated in terms of the Companies Act of 71.
- The books of account are externally audited and the NPC will appoints, through a competitive process (with quotes etc), a part time bookkeeper to prepare monthly accounts, and similar requirements.
- The progressive income and expenditure reports are tabled at Board meetings and forwarded to the City monthly.
- Annual Financial Statements are presented at the AGM to the members and consolidated with the City of Cape Town's Annual Financial Statements.



PART B: PERFORMANCE INFORMATION

Situational Analysis

Service delivery environment

The LKID has effectively upgraded and maintained the area, and our efforts should secure member support for another 5 year term. Looking ahead the LKID remains dedicated to further enhancing the public spaces within the area and continuing to strengthen our security network.

Organisational environment

This year, regular activities — including Board meetings, engagement with our adjacent CIDs, meetings with the CPF and SAPS and interactions with the City — continued as scheduled. Our focus has been to strengthen collaborative efforts with these key partners. Additionally we have prioritised close cooperation with the Ward Councilor, Subcouncil management and City officials to further enhance service delivery in our area.

Strategic Objectives

Safety and security remain our top priority with cameras strategically placed throughout the community. In this regard we will liaise with our adjacent CID partners to combine efforts.

Our cleansing initiative aims to keep Lower Kenilworth clean and visually appealing.

We are also focussed on assisting Sisters Inc. (a home in our area for victims of gender based violence) who are desperately short of funds, having had their budget cut like most NGOs.

Complaints Process

All complaints must be reported to LKID via e-mail and will be responded to via email for record keeping purposes.

In some instances, the LKID 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.

Once the complainant has received a response, and it is to their satisfaction, the matter will be considered closed.

Should the complainant not be satisfied with the response received, and wish to escalate the matter, then they may request that the matter be escalated to the LKID board of Directors.

The relevant portfolio Director will then deal with their complaint and advise on actions, should any be required.

The complainant will receive a written response from the LKID Director who will act on behalf of the LKID board, following the necessary consultation.

Should the complainant not be satisfied with the feedback of the LKID Director, they may request escalation to the next authority.

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 the City of Cape Town's City Improvement Districts. At this point, the City's unit will address the complaints and provide the complainant with the relevant feedback on the action taken.

Performance Information

Public Safety

The safety and security of our homeowners, residents, visitors and students in our area, remains our top priority. We have cameras strategically placed throughout the community monitored 24 x 7 by our security provider, with cutting-edge technology to improve the efficiency of our team.

Coordination with security organisations, including the CPF, SAPS Wynberg and the CIDs surrounding us strengthens collaboration between public and private sector efforts to maintain a safe environment.

PUBLIC SAFETY				
No.	ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY	NOTES
1	Develop a Public Safety strategy and management plan	Up to date Public Safety strategy and management plan	Year 1	This is done comprehensively at the beginning of a new 5-year term and then modified continuously in conjunction with the SAPS, Local Authority and existing Public Safety service provider using their experience as well as available crime statistics.
2	Appoint a Public Safety service provider	Contracted PSIRA registered public safety service provider	Year 1	The Public Safety service provider could include Public Safety Patrols, Control Room services and CCTV monitoring through a fair, equitable, transparent and competitive process.
3	Review and approve the Public Safety strategy and management plan	Approved Public Safety strategy and management plan	Annual	Clear deliverables and defined performance indicators to guide safety services by the appointed service provider and evaluate levels of service provided.
4	Record Public Safety Incidents	Up to date Public Safety Incident records	Ongoing	Indicative records are given monthly at LKID board meetings.
5	CID participation in joint operations	Participation in joint operations	Ad hoc	Participation in joint operations dependent on the public safety needs of the area.
6	Deploy Public Safety resources accordingly and effectively on visible patrols. Public Safety personnel and patrol vehicles to be easily identifiable	Effective Public Safety patrols	Ongoing	Utilise the 'eyes and ears' of all Public Safety and gardening / street cleaning staff, as well as own staff, to identify any breaches.
7	Participate in local safety forums	Attend local safety forums	Quarterly	Participate in existing Neighbourhood Watch, Community Policing Forum, other CIDs and SAPS meetings.
8	Plan deployment of CCTV cameras	CCTV camera deployment included in Public Safety strategy and management plan	Ongoing	
9	Register CCTV cameras with the CCT	Cameras registered with the CCT	Ongoing	
10	Monitor CCTV cameras	Monitoring of CCTV cameras by appropriately qualified service providers	Ongoing	Service providers to be reappointed or new providers to be appointed in last year of contract period by means of a competitive process. Well documented.

Maintenance and Cleansing Services

To ensure that the LKID is clean and well-maintained, contractors were appointed to conduct cleaning services, supplementary to the City services. The LKID cleaning takes place on Monday, Wednesday and Friday with the contractors truck loading all the refuse at the end of each day.

The contractors attend to the public space areas and remove alien vegetation and ensure that the verges and pavements are kept clear of litter and overgrowth. Vegetation that may obscure the sight lines of our CCTV cameras is also trimmed back.

The contractor cleansing efforts are scored on a regular basis to give them feedback on their performance.

MAINTENANCE and CLEANSING				
No.	ACTION STEPS	KEY PERFORMANCE INDICATOR	FREQUENCY	NOTES
1	Develop a Maintenance and Cleansing strategy and management plan	Up to date Maintenance and Cleansing strategy and management plan	Year 1	This is done comprehensively at the beginning of a new 5-year term and then modified continuously in conjunction with the service provider using their experience as well as available statistics.
2	Appoint a Maintenance and Cleansing service provider	Contracted Maintenance and Cleansing service provider	Year 1	Appoint a Maintenance and Cleansing service provider through a fair, equitable, transparent and competitive process.
3	Review and approve the Maintenance and Cleansing strategy and management plan	Approved Maintenance and Cleansing strategy and management plan	Annual	Clear deliverables and defined performance indicators to guide Maintenance and Cleansing services by the appointed service provider and evaluate levels of service provided.
4	Cleaning of streets and sidewalks supplementary to cleaning provided by the CCT	Clean streets and sidewalks in partnership with the CCT	Ongoing	Identify hotspot areas of littering to provide additional street cleaning and log a CCT service request
5	Health and safety issues reported to the CCT	Logged CCT service request resolved	Ongoing	Follow-up with sub-council in respect of outstanding CCT service requests.
6	Removal of illegal posters	Urban infrastructure free from illegal posters	Ongoing	Monitor the removal of illegal posters by the CCT and where relevant log a CCT service request.
7	Removal of graffiti	Urban infrastructure free from graffiti	Ongoing	Monitor the removal of graffiti by the CCT and where relevant log a CCT service request.
8	Record maintenance and cleansing activities	Up to date maintenance and cleansing records	Ongoing	Indicative records are given monthly at LKID board meetings.



The cleansing team active in the reporting period July 2023 to June 2024.

Environmental Development Services

Our strategy is to develop a series of corner gardens to create a garden suburb atmosphere.

The map below details where we have targeted to place these gardens. The local residents are encouraged to assist in the planting and maintenance of these gardens.

Longer term we would like to re-establish the avenue of trees along Rosmead Avenue where a number a trees on the racecourse side of the road have been removed.



The Street Garden Project is well supported by residents within the LKID area.

Social and Economic Development Services

Our focus here is on the home for abused mothers and children, Sisters Inc, which is located in our area.

At the car boot sales we hold, we make a table available to Sisters Inc. to sell their home manufactured goods, and at the last sale they were able to obtain donations just by being present.

We also make available to them a monthly amount to enable them to purchase groceries from one of our local stores.

We have also created a WhatsApp group (Sisters4Sisters) to provide assistance to the home.

PART C: CORPORATE GOVERNANCE

Application of King IV

In recognition of the fact that the LKID is entrusted with public funds, particularly high standards of fiscal transparency and accountability are demanded. To this end, the LKID 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 others things, the CoCT’s policy, and the particular reporting protocols appropriate to a non-profit entity such as the LKID.

Compliance with King IV for the reporting period: The board is satisfied that the LKID has complied with the applicable principles set out in King IV during the period under review.

Governance Structure

Board Composition

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

BOARD COMPOSITION and APPOINTMENT			
Name		Portfolio	Date of Appointment
Pete Linnegar	Director	Chair	Since inception 1 July 2020
Alex Nelson	Director	Finance	Since inception 1 July 2020
Rory Moore	Director	Security	Since inception 1 July 2020
Monique Willis	Director	Social Development and Communications	January 2022
Andrew Young	Director	Urban Management	February 2024

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, with a view to ensuring that the company duly

executes its statutory mandate. The Executive Mayor has appointed Cllr. Katherine Christie as board observer, and Cllr. Mikhail Manuel as her alternate. Cllr. Christie attended 5 of the 10 board meetings convened during the period under review.

Appointment of the board

An AGM is held each year to review the LKID's performance and reaffirm the members' mandate. The AGM also provides an opportunity to elect new directors to the LKID board. Elected board members oversee various company portfolios, and regular board meetings allow directors to review operations and implement corrective actions as needed.

Overview of the board's responsibilities

The Board manages the daily execution of additional services in line with the Business Plan. In doing so, it:

- Develops strategies to implement the LKID's business plan, ensuring financial stability and considering stakeholder interests.
- Monitors compliance with relevant laws, codes, and standards.
- Approves the annual budget.
- Oversees and approves the preparation of annual financial statements for member adoption.
- Exercises effective control over the LKID, monitoring management's adherence to the approved budget and business plan.

Board charter

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

Director Independence

The LKID has no non-executive Directors. The Board manages the various portfolios on a day-to-day basis.

Board Committees

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

Attendance at board and committee meetings

The Board meets once a month, with the option to call a special board meeting if needed. In the period under review, no special board meetings were convened.

Particulars of board meetings are detailed in the table below.

BOARD MEETINGS 11 in the period under review (1 July 2023 to 30 June 2024) <i>1 = Attended 0 = Apologies / Illness</i>												
Director	Total	17 Jul	21 Aug	18 Sep	16 Oct	13 Nov	22 Jan	19 Feb	18 Mar	22 Apr	20 May	10 June
P Linnegar	11/11	1	1	1	1	1	1	1	1	1	1	1
A Nelson	8/11	1	1	0	1	1	0	1	1	0	1	1
R Moore	11/11	1	1	1	1	1	1	1	1	1	1	1
M Willis	10/11	1	1	1	0	1	1	1	1	1	1	1
A Young	5/5							1	1	1	1	1
Cllr. Christie (observer)	5/11	1	1	0	0	1	1	0	0	1	0	0
C Postlethwayt							Visitor					

Ethical Leadership

Directors are required to maintain the highest ethical standards. To this end, the LKID has adopted a code of conduct for directors, which governs their ethical roles and responsibilities, and provides guidelines on the applicable legal, management and ethical standards.

Upon appointment, directors declare in writing to the chairperson any private interests which could give rise to a potential conflict of interest.

Directors must further disclose to the chairperson if any matter before the board gives rise to a potential conflict of interest. This is done at the start of every board meeting. Such a director must recuse himself or herself from consideration and deliberation of, or voting on, the matter giving rise to the potential conflict of interest.

Transparency in personal or commercial interests ensures that directors are seen to be free of personal or business relationships that may materially interfere with their ability to act independently and in the best interests of the LKID.

The board is satisfied that the directors have complied with their duties in terms of the Code during the year under review. No changes to the directors' respective declarations were recorded which could potentially impact their independence.

Board Oversight of Risk Management

Risk Management Policy

The board is tasked with implementing a sound system of internal controls to safeguard the company's assets and funds, and ensuring that assets and funds are employed in furtherance of the company's strategic objectives.

The system of internal controls put in place by the board includes the five-year strategic plan, approved by the CoCT which has been implemented across the whole range of company functions.

Effectiveness of Risk Management

During the year under review, the board fulfilled its risk mandate by addressing risk governance in matters discussed across the board meetings held during the 2024 financial year. The board is satisfied that the systems and processes in place to govern and manage risk are adequate and that it has satisfactorily fulfilled its risk management responsibilities.

Key Business Risks and Opportunities

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

Accountability and Responsibility

Performance Reviews

Annual assessments are undertaken, and the board is so far satisfied overall with performance. Performance is reviewed at every Board meeting.

Delegated limits of authority

The board has not delegated any authority to management in the period under review.

Supplier Code of Conduct

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

PART D: FINANCIAL INFORMATION

Report of the External Auditor

See separate document [HERE](#)

Audited Annual Financial Statements

See separate document [HERE](#)