

ANNUAL REPORT

LLANDUDNO SPECIAL RATING AREA NPC
Registration No 2014/179104/08
Annual Report and Financial Statements
for the year ended June 2024



Our online report is available at www.llandudno.org.za



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1. GENERAL INFORMATION

Registered name:	Llandudno Special Rating Area NPC
Registration no:	2014/179104/08
Physical address:	11 Apostle Road Llandudno 7806
Postal address:	11 Apostle Road Llandudno 7806
Telephone number/s:	0833090468
Email address:	sra@llandudno.org.za
Website address:	http:// Llandudno.org.za
External auditors:	Hudson Accounting since 2022
Banker's information:	Nedbank Ltd Sea Point
Company Secretary:	Hudson Accounting

2. LIST OF ABBREVIATIONS/ACRONYMS

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCT	City of Cape Town
KPI	Key performance indicators
SCM	Supply chain management
LSRA	Llandudno Special Rating Area

3. FOREWORD BY THE CHAIRPERSON

We are pleased to present the Llandudno SRA (LSRA) Annual Report for the year ending 30 June 2024. We have continued our endeavours to enhance public safety, monitoring and engaging with the City on infrastructure issues, cleaning initiatives and alien removal in conjunction with the Sugarbird Trust. We have achieved this as a result of our collaboration with our service providers, the community, municipal partners, and other stakeholders.

Our strategic initiatives this year focused on improving public safety, maintaining urban infrastructure, removal of alien vegetation and fostering social upliftment. The LSRA initiatives are undertaken by volunteers and despite having resource challenges, we believe that we have fulfilled our objectives and will continue to strive to do so. We are committed to continuing to enhance the public safety, cleanliness and environmental integrity of our suburb.

We wish to thank the Board, partners, and all stakeholders for their efforts towards the betterment of Llandudno.

Introduction

Llandudno Special Rating Area (LSRA) was established in 2014 to complement municipal services and create an environment that is safe, clean, and conducive to community growth. Over the past year, LSRA has worked diligently to achieve its goals by addressing local challenges, engaging with stakeholders, and implementing strategic initiatives to enhance the area's appeal for residents and investors alike.

This report highlights our achievements, outlines ongoing challenges, and sets the stage for future plans that will continue to uplift Llandudno as a sought-after neighborhood.

Strategic Objectives

LSRA's primary objectives include:

1. Enhancing public safety through targeted patrols and collaboration with HBNW, CCP, SAPS and the City's law enforcement.
2. Maintaining and improving the cleanliness and aesthetic appeal of public spaces.
3. Attend to and collaborate with strategic partners such as SANParks to remove alien vegetation and maintaining fire breaks.
4. Supporting social upliftment by supporting previously disadvantaged.
5. Strengthening community engagement to foster a sense of pride and ownership among residents.
6. Facilitating infrastructure improvements in collaboration with municipal authorities.

Executive summary of performance outcomes

This year, LSRA made significant progress in its operational focus areas:

- **Public Safety:** Patrols and surveillance of public open spaces have continued to contribute to a reduction in crime in our area.
- **Urban Maintenance:** Cleaning teams attended to supplemental cleaning or verges, pavements and liaison with the City to remove debris, maintain public walkways and alien removal and maintaining of firebreaks.
- **Community Engagement:** Regular communication occurs with residents and owners via social media and WhatsApp communication.
- **Social Upliftment:** We engaged with previously disadvantaged communities and the Sugar bird trust as part of our social upliftment commitment.

Key events/ challenges

Key Events:

- We have embarked on a project to upgrade the entrance hut in Llandudno to become a community information centre, to house back up IT/camera networks, cleaning equipment and to provide ablution facilities for subcontractors.
- We commenced an analysis of our security equipment and engaged in a quotation process to replace outdated equipment that had exceeded their warranty period and were becoming problematic.

Challenges:

- Traffic congestion in the areas surrounding the beach has been problematic and we accordingly embarked on a project to identify ways of mitigating these issues.
- Infrastructural breakdowns and service disruptions remain of concern, and we have actively engaged with the City to follow up on existing service requests.

Short and medium-term outlook

In the coming year, LSRA will focus on:

- Upgrading and replacement of security equipment where these have become faulty and or are no longer under warranty.
- Improving our monitoring and follow up of infrastructural fault reports with the City.
- Improving our monitoring and follow up of traffic congestion and transgressions with the City.
- Strengthening social upliftment and alien removal initiatives through partnerships with local NGOs such as the Sugar bird Trust.

Acknowledgements

We extend our gratitude to the LSRA Board of Directors, community members, municipal partners, and service providers for their invaluable contributions over the past year.

Conclusion

We remain committed towards the fulfilment of our objectives of improving public safety, cleanliness, alien removal and social upliftment.

M Loubser

Kiki Loubser LSRA NPC

Date: 2 December 2024

4. TREASURER'S OVERVIEW

The financial summary for the reporting period is detailed in the attached Annual Financial Statements (AFS). Financial impact of operations was tightly controlled and accordingly in line with approved budget. Certain public safety initiatives were funded by means of private donations for which we express our thanks.

We received a clean audit report, and no adverse matters were raised during the audit.

The directors are confident in LSRA's economic viability and anticipate its continued financial stability and sustainability for the foreseeable future.

Ian Scott

LSRA NPC

Date: 2 December 2024

5. STATEMENT OF DIRECTORS' RESPONSIBILITY

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 Hudson Accounting.

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 2 December 2024 and signed on behalf by:

Chairperson of the Board
Kiki Loubser

Treasurer
Ian Scott

6. STRATEGIC OVERVIEW

1.1. Vision

The Llandudno SRA vision is to ensure that Llandudno:
Retains its single residential family focused community driven neighbourhood status.

Residents and visitors respect the natural and built environment by keeping it clean, and by removing alien vegetation and adding to biodiversity richness in the area through initiatives aimed at planting of indigenous vegetation.

Remains a safe neighbourhood and ensuring visitors and residents can enjoy the safe public areas and in adherence to laws and regulations.

Innovative initiatives will be explored to generate additional revenue and sense of community cohesion e.g. Website, What`s App groups, Community Events etc.

1.2. Mission

The creation of a sustainable infrastructure and platform from which the residents and the public will benefit through the enjoyment of the public and private spaces and the protection and growth of the homeowner's property values.

1.3. Values

Our core values are:

Transparency: We are committed to open and clear decision-making, ensuring stakeholders can easily understand our actions and results.

Accountability: We take full responsibility for fulfilling our duties and commitments.

Performance: We continuously strive to achieve our strategic goals with excellence.

Social Responsibility: We aim to create meaningful economic, social, and environmental benefits for our stakeholders.

Stakeholder Inclusivity: We conduct our activities with consideration for the needs, interests, and expectations of all stakeholders.

Sustainable Development: We are dedicated to meeting the present needs of our community without compromising the ability of future generations to meet theirs.

7. STATUTORY MANDATE

Under the CID By-law and Section 22 of the Municipal Property Rates Act, the LSRA NPC is responsible for planning, developing, and implementing improvements and upgrades within the LSRA to enhance services provided by the CCT. Funding is sourced from additional rates collected by the CCT from CID property owners and transferred to the company in accordance with the legislation, supplemented where applicable by local fundraising efforts. The company's expenditure of these funds is subject to CCT oversight under the CID By-law and Policy, as well as the public procurement principles set out in Section 217 of the Constitution of the Republic of South Africa, 1996 ("the Constitution").

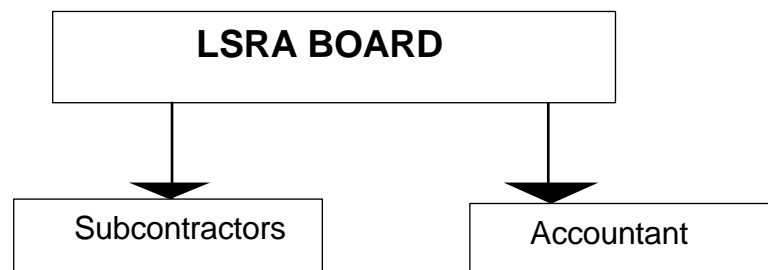
8. ORGANISATIONAL PROFILE

The Primary activities of the LSRA are to:

- 1) Improve **public safety** by installing and maintaining monitored cameras across the Llandudno, linked to a responding security service provider
- 2) Improve **maintenance and cleaning** by:
 - a) Deploying cleaning teams (litter);
 - b) Deploying landscaping teams to maintain verges and do additional cleansing;
- 3) Undertake **environmental development** e.g., alien removal
- 4) Support various **social development programs** in and around Llandudno SRA to reduce the impact of social issues on public safety.

The LSRA's stakeholders are the residents of the designated area of the Llandudno, Llandudno Primary School, Llandudno United Church, Llandudno Sports Club, the Llandudno Lifesaving Club, the City of Cape Town, and the various contractors engaged to perform works on behalf of the CID.

Organisational Structure



PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1. Service delivery environment

The LSRA CID has driven significant upgrades and maintenance in the area, prioritising crime reduction through proactive measures such as monitored CCTV and LPR cameras at all entrance roads. We maintain strong partnerships with local security providers, HBNW, CCP, the CPF, and SAPS. Our safety initiatives are complemented by efforts to keep public and open spaces clean and litter-free. In collaboration with the City of Cape Town, the CID remains committed to the continuous enhancement of public areas.

The CID continues to face challenges, including frequent burst water pipes caused by an aging water infrastructure, as well as damaged road surfaces and unattended potholes, which often remain unresolved.

1.2. Organisational environment

Throughout the year, routine activities—including Board meetings, community organisation engagements, and interactions with the City of Cape Town—proceeded as planned and on schedule. Whilst the Board meets formally once a quarter, regular interaction occurs among various Board members to ensure that we meet our objectives, and that challenges and issues are identified and addressed timeously.

We continue our interaction with the Llandudno School, Llandudno United Church, Llandudno Sports Club, Llandudno Life Saving Club, the local councillor and Ward committee.

2. STRATEGIC OBJECTIVES

The LSRA collaborates with the City of Cape Town and local property owners to drive the economic upliftment of the area. This is accomplished by fostering a safe, clean, and attractive environment that encourages investment and community use.

Key strategic objectives include:

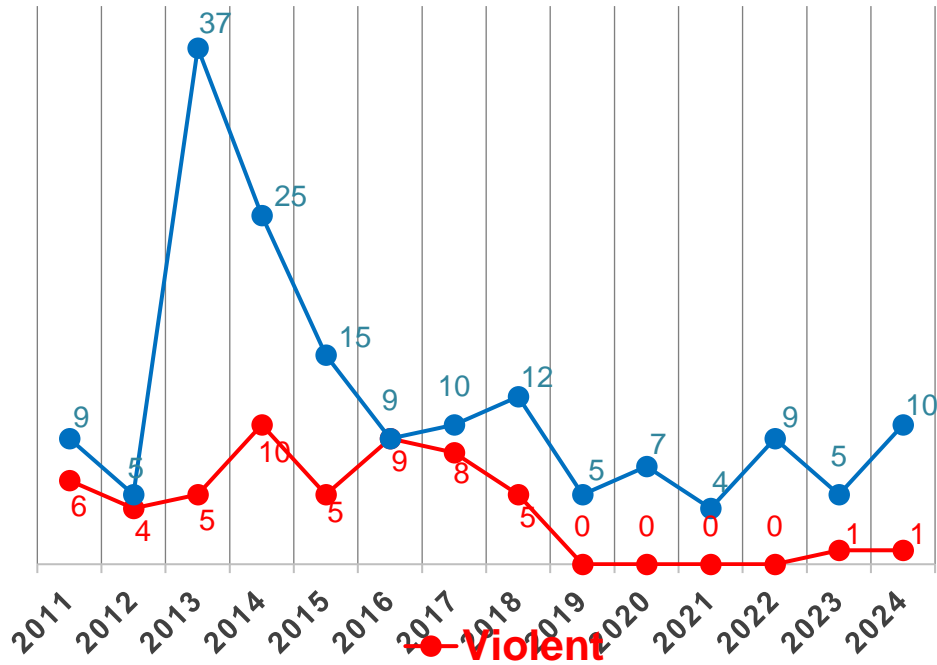
- Enhancing public safety to ensure a secure environment.
- Promoting the upkeep and improvement of private properties and public spaces.
- Maintaining a clean and well-kept public environment for all to enjoy
- Engage with the local neighbouring township community including the two schools therein.

3. COMPLAINTS PROCESS

Formal complaints are lodged to the LSRA management via email or WhatsApp. Complaints are dealt with by the relevant Director whose portfolio this affects and are dealt with promptly. This year has seen no formal complaints but only requests for intervention by residents and owners.

4. PERFORMANCE INFORMATION

4.1 Public Safety



- 4.1.1. To improve safety and security LSRA developed a comprehensive public safety plan for the area in conjunction with an appointed service provider. These actions include cooperation with SAPS, HBNW, CCP, SAPS and other CID's in the area.
- 4.1.2. The area benefits from a comprehensive surveillance system. These efforts are reinforced by patrol vehicles, providing an expanded security presence and enhanced response capabilities. The camera system is scheduled for upgrade and replacement in 2024/2025, with additional cameras installed in high-risk areas. Regular testing is conducted as part of the SLA agreement with the security provider. Camera settings have been adjusted in various parts depending on foot traffic and time of the day to ensure minimal 'false alarms'.
- 4.1.3. We have commenced discussions with the city to lease a portion of land at the entrance to Llandudno to upgrade the security hut to upgrade this facility to become a community information centre, and to store additional software and cleaning equipment. Construction of the upgraded entrance complex will be funded by means of private donations.
- 4.1.4. During the year certain subcontractors attended to a software upgrade of the security software used to monitor the camera network.
- 4.1.5. Regular monthly meetings with PPA are held to assess the current security situation to evaluate changes needed and adjustments required to be made.

STRATEGIC OBJECTIVE: DEPLOY CCTV CAMERAS MONITORED BY CONTROL ROOM					
Measure	Key Performance Indicator	Planned target 2023/2024	Actual achievement 2023/2024	Deviation from target to actual achievement for 2023/2024	Comments on deviations
Deploy CCTV cameras monitored by a CCTV Control Room	Effective use of CCTV cameras through monitoring	Ongoing	Ongoing	N/A	N/A
STRATEGIC OBJECTIVE: MONITOR & EVALUATE STRATEGY & PERFORMANCE					
Measure	Key Performance Indicator	Planned target 2023/2024	Actual achievement 2023/2024	Deviation from target to actual achievement for 2023/2024	Comments on deviations
Monitor and evaluate the Public Safety strategy and performance of all service delivery on a quarterly basis	Report findings to the LSRA Board with Recommendations where applicable	Quarterly	Quarterly	N/A	N/A
STRATEGIC OBJECTIVE: ON SITE INSPECTIONS					
Measure	Key Performance Indicator	Planned target 2023/2024	Actual achievement 2023/2024	Deviation from target to actual achievement for 2023/2024	Comments on deviations
On-site inspection	Report findings to the LSRA Board with Recommendations where applicable	Daily	Weekly	Fairly significant	Relies on Board members and residents volunteers doing informal checks and the positioning of the guards. Often

					this only happens once a week.
STRATEGIC OBJECTIVE: UTILISE EYES & EARS OF RESIDENTS					
Measure	Key Performance Indicator	Planned target 2023/2024	Actual achievement 2023/2024	Deviation from target to actual achievement for 2023/2024	Comments on deviations
Utilise the "eyes and ears" of all Public Safety subcontractors to identify breaches	Incorporate feedback and information in Public Safety and safety initiatives of the LSRA	Ongoing	Ongoing	N/A	N/A

Positive feedback received during the year under review:

- Deficiencies identified during the year resulted in an extensive camera replacement
- Violent crimes are low
- An improved multipurpose entrance complex is being planned and is estimated to be completed by end April 2025- see image below. We thank those who have pledged donations to cover the cost of construction of approximately R800 000.

Negative feedback received during the year under review:

- There has been an increase in non-violent crimes during the year
- Residents are reminded to regularly check their private alarm systems
- We are aware of allegations relating to certain previous subcontractors of our public open space security provider and are monitoring the situation closely. A contingency plan has been put in place depending on how the situation unfolds.

Service/ Project components	2022/2023			2023/2024		
	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure	Projected Expenditure	Actual Expenditure	(Over)/ Under Expenditure
Safety & security	3 059 170	3 059 170	0	3 426 495	3 426 495	



4.2 Cleansing & Urban Management & Environmental Development



We focus our maintenance and cleansing efforts on the removal of sidewalk litter and the maintenance and cleansing of all public areas within our boundaries. These upgrades are carried out within the entire CID. General maintenance of roads continues in collaboration with the City of Cape Town Roads Department.

We are committed to keeping Llandudno free of litter and focus on the upkeep of side verges and bollards, and the removal of overgrown vegetation that obscures traffic visibility or impacts our public safety.

Positive feedback from the period under review:

Alien removal

- Alien vegetation species were and continue to be removed from public open spaces across Llands
- Cleared Port Jackson inside wastewater treatment works
- Cut back Port Jackson and Manatoka on Logies Bay rocks

SANParks Firebreak Clearing

- SANParks has confirmed that they will be clearing the firebreaks on north and south side of Llands in the first two weeks of December (residents notified via WhatsApp).
- Weaver team maintains alien vegetation control along firebreaks between annual clearing.

Beach access upgrade

- Met with Head Coastal and Marine Management of CCT. Identified activities that could be undertaken to upgrade access and generally tidy up beach
- Upgraded steps – Gulley Stream and central beach access
- New platform for shower
- Remove broken poles and concrete blocks from various locations
- We are busy trying to solve the water leaking onto steps at the Gulley Stream access onto the beach. Currently very slippery and dangerous. Have cut drainage channels but need more. If solution does not work, then may consider elevated steps.

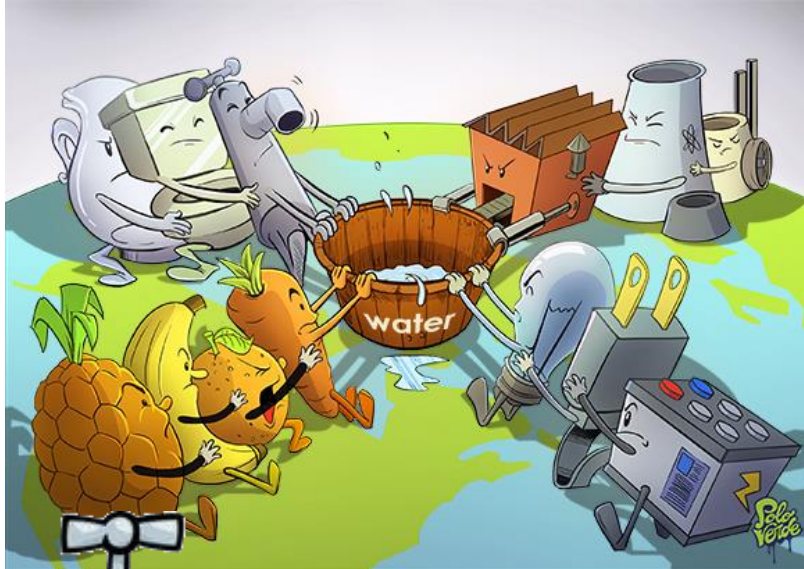
Negative feedback from the period under review:

- Dog faeces remain an issue on public pathways and the beach and owners are urged to pick up these using the biodegradable disposable bags provided.

STRATEGIC OBJECTIVE: MAINTAIN & CLEANSE PUBLIC AREAS					
Measure	Key Performance Indicator	Planned target 2023/2024	Actual achievement 2023/2024	Deviation from target to actual achievement for 2023/2024	Comments on deviations
Frequency of cleaning activities in public spaces (e.g., daily, weekly).	Public area is cleaned weekly according to the schedule.	Twice a week	Achieved	N/A	N/A
Waste collected and disposed of	Waste is collected and taken to the refuse dump by bakkie.	Weekly	Achieved	N/A	N/A

4.3

4.4 Infrastructure



Road Maintenance & Signage

- Built up relationships & contacts with the CoCT
- Thirty (notified) items addressed over 58 months (two large projects)
 - Potholes, painted road lines, unblocking storm water channels, new signs
 - Response time has been good except during hard lockdown
 - Slower response during 2024 coinciding with large and increasing numbers of building projects in Llandudno

Electricity

- Ignoring load shedding, much less power failure problems during 2024 compared to 2022 and 2021
- Gulley Road Substation and Steens Way – hotspots
- Addressed by CoCT as a project (priority)
- In general, responsiveness from CoCT is good

Sewerage

- Recurring problem of sewerage leaks
- 43 (notified) faults over the past 52 months
- CoCT fixes most faults promptly
- LSRA Infrastructure sub-committee
 - Discussions with City official to provide preventative maintenance
 - Large building project impact

— Prior to LSRA Budget

Water

- Water faults (burst pipes) increased compared to 2023
- 42 (notified) faults since January 2024 (30 during 2023)
- CoCT fixes most faults promptly
- Wider Community Water Crisis - parts of Hout Bay more severely impacted. Trying to canvass support from wider Municipal Ward to have a stronger collective voice on water problems
- Plea: Report on the WhatsApp Group – tracking and ability to escalate with Councillor

Traffic and parking congestion

Areas surrounding the beach such as lower part of Llandudno Road, Bosman Avenue, Robinson Avenue, Fawcett avenue experience severe congestion during the summer months and have at times prevented emergency vehicles from accessing the beach car park due to red line parking etc. Achievements to date:

- A local resident commissioned a traffic consultant to assess the problem(s) and make recommendations, liaise with the City and the LSRA/Community
- Dedicated officer – trial – Dec 24 to Feb 25. Once this trial period is completed we will assess the situation to determine a way forward.
- Please report traffic violations – collective reporting does have impact (e.g. weekend 5th & 6th October)

Measure	Key Performance Indicator	Planned target 2023/2024	Actual achievement 2023/2024	Deviation from target to actual achievement for 2023/2024	Comments on deviations
Identify problems with respect to: missing drain covers; cleaning of drains; maintenance of road surface & sidewalk; road markings & traffic signs	Report problems to CoCT via the logging system.	Adhoc	Ongoing		Reliance on CoCT to fix problems leads to long delays in potholes, water leaks, and broken streetlights.

This area is currently not funded but going forward will have a budget allocation of R100 000

4.5 Social Intervention Initiatives

Urban management and Environmental Development

We engage the services of members of the local community from Hout Bay for our urban maintenance. We have also donated to the Sugar Bird Trust who assisted with alien removal.

PART C: CORPORATE GOVERNANCE

1. APPLICATION OF KING IV

1.1. Description of the 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 LSRA 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 particular reporting protocols appropriate to a non-profit entity such as the LSRA.

The board is satisfied that the LSRA 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.

1.2. Compliance with King IV for the reporting period

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

2. GOVERNANCE STRUCTURE

2.1 Board Composition

The board is satisfied that its composition 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, 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 Roberto Quintas as board observer.

2.3 Appointment of the board

Directors are appointed to the board either via election at an annual general meeting or may be co-opted by a vote of existing directors; at least one third of the longest serving directors shall retire from office at every AGM.

2.4 Overview of the board’s responsibilities

The Board is responsible for overseeing the daily execution of additional services outlined in the Business Plan. In fulfilling this responsibility, the Board:

- Develops strategies to implement the LSRA business plan, ensuring the company's financial sustainability while considering stakeholder interests.
- Ensures compliance with relevant laws, codes, and standards.
- Approves the annual budget.
- Supervises the preparation and approves the annual financial statements for member adoption.
- Maintains effective control over the NPC and monitors management's adherence to 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.

Director Independence

During the period under review, the Board conducted a formal assessment of the independence of all non-executive directors, as recommended by King IV. The Board concluded that all non-executive directors, including the Chairperson, meet the definition of “independence” as outlined in King IV and comply with the guidelines specified in Principle 7.28.

2.6 Board Committees

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

2.7 Attendance at board and committee meetings

The board convenes at least once every 3 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)).

3. ETHICAL LEADERSHIP

Directors are required to maintain the highest ethical standards and disclose any private interests that could create a conflict of interest both upon appointment and whenever relevant matters arise. In such instances, the director must provide a written disclosure of the conflict to the Chairperson and abstain from participating in discussions or voting on the matter.

This commitment to transparency ensures that directors retain their independence and act exclusively in the best interests of the NPC.

The Board confirms that, during the year under review, directors adhered to these obligations, with no changes in their declarations affecting their independence.

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. **(King IV principle 1.3)**

4. BOARD OVERSIGHT OF RISK MANAGEMENT

4.1. 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 to approved suppliers and if the payments were authorized by the Board. Additionally, purchases are approved through Board discussions and formal meetings.

The risk management policy is embedded within the organisation's operations and management processes under the Board's oversight. Key components of the risk management strategy include:

Board Oversight: The Board holds ultimate responsibility for risk management, ensuring the implementation of a robust internal control system. It regularly reviews risk at board meetings to confirm that critical risk areas are appropriately addressed and monitored by the appointed management company.

Code of Conduct: As part of its risk management framework, LSRA follows a stringent code of conduct to maintain confidentiality and ensure the ethical handling of sensitive information.

4.2 Effectiveness of risk management

During the 2024 financial year, the board addressed its risk mandate by evaluating risk governance in matters discussed across 4 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.

4.3 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:

- Resignations of board members.
- Underperformance or excessive interference by service providers.
- Negative perceptions within the local community regarding service delivery or the allocation of public funds.
- Recurring water pipe bursts
 - Delayed response from City of Cape Town Roads Department to ongoing C3 service requests
 - We have outsourced a portion of our accounting duties to an independent accountant.

5. ACCOUNTABILITY AND RESPONSIBILITY

5.1. Performance Reviews

The Board regularly reviews written reports on the operational performance of key vendors and is broadly satisfied with their performance.

5.2. Delegated limits of authority

Require 1x Director to load online banking payments.

5.3. Supplier Code of Conduct

The Board ensures vendor accountability through clear service level agreements, regular performance assessments, and a robust complaints process.

PART D: FINANCIAL INFORMATION

1. REPORT OF THE EXTERNAL AUDITOR

2. ANNUAL FINANCIAL STATEMENTS

Llandudno Special Rating Area NPC
(Registration number 2014/179104/08)

**Annual Financial Statements
for the year ended 30 June 2024**

Hudson Accounting
Chartered Accountants (SA)
Registered Auditors
Issued 22 August 2024

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

General Information

Country of incorporation and domicile	South Africa
Directors	M Loubser (Chairperson) J Aufrichtig J Crowther R Curtis C de Riddler (alternate director) M Greig A McNulty A Jakins I Scott W Corbett
Registered office	11 Apostle Road Llandundo 7806
Business address	11 Apostle Road Llandundo 7806
Auditors	Hudson Accounting Chartered Accountants (SA) Registered Auditors IRBA 949639 47 Upper De Waal Road Corner Kommetjie Road and 11th Avenue Fish Hoek 7975
Company registration number	2014/179104/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: Tom Hickman Chartered Accountant (SA)
Issued	22 August 2024

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

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

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Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Directors' Responsibilities and Approval

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

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

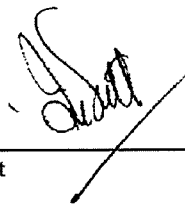
The directors have reviewed the company's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 5 and 6.

The annual financial statements set out on pages 7 to 13, which have been prepared on the going concern basis, were approved by the directors on 28 August 2024 and were signed on its behalf by:



M Loubser (Chairperson)



I Scott

Cape Town

Date: 28 August 2024

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Llandudno Special Rating Area NPC for the year ended 30 June 2024.

1. Nature of business

The Llandudno Special Rating Area 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 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 to the property rates billed by the CoCT to the registered property owners of Llandudno 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/Llandudno, 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 business from the prior year.

2. Review of financial results and activities

The annual 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. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Directors

M Loubser (Chairperson)

J Aufrichtig

J Crowther

R Curtis

C de Riddler (alternate director)

M Greig

A McNulty

A Jakins

I Scott

W Corbett

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

Hudson Accounting continued in office as auditors for the company for 2024.

7. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.



Independent Auditor's Report

To the Members of Llandudno Special Rating Area NPC

Opinion

We have audited the annual financial statements of Llandudno Special Rating Area NPC set out on pages 7 to 13, which comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Llandudno Special Rating Area NPC as at 30 June 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Annual Financial Statements

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

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

Independent Auditor's Report

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

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

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

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

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

Hudson Accounting

Hudson Accounting
DL Hickman
Chartered Accountants (SA)
Registered Auditors
IRBA 949639

28 August 2024
47 Upper De Waal Road
Corner Kommetjie Road and 11th Avenue
Fish Hoek
7975

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	2	483,095	601,174
Current Assets			
Trade and other receivables	3	-	43,162
Cash and cash equivalents	4	2,856,957	1,756,480
		2,856,957	1,799,642
Total Assets		3,340,052	2,400,816
Equity and Liabilities			
Equity			
Retained surplus		3,210,375	2,338,459
Liabilities			
Current Liabilities			
Trade and other payables	5	129,677	62,357
Total Equity and Liabilities		3,340,052	2,400,816

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue			
Additional Rates Received		4,614,507	4,253,002
Additional Rates Retention Received		347,558	150,573
		4,962,065	4,403,575
Other income			
Insurance refund		-	68,680
Donations received		-	19,345
		-	88,025
Operating expenses			
Accounting fees		50,183	41,495
Advertising		5,176	5,096
Bank charges		2,197	2,572
Batteries backup		34,240	-
Cleaning services		274,050	224,999
Computer expenses		6,728	-
Depreciation		148,417	137,008
Environmental upgrading		70,000	-
Fines and penalties - SARS		1,215	-
Insurance		48,859	31,380
Lease rentals on equipment		112,470	236,096
Marketing and promotions		2,855	16,025
Public safety		3,030,547	2,661,841
Public safety - CCTV monitoring		395,948	397,329
Repairs and maintenance		31,419	50,635
Secretarial fees		2,172	1,380
Sundry expenses - design and capture for security hut		-	4,000
Telephone and communications		12,522	12,522
		4,228,998	3,822,378
Operating surplus		733,067	669,222
Interest received		138,849	90,131
Surplus for the year		871,916	759,353

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Equity

Figures in Rand	Retained surplus	Total equity
Balance at 01 July 2022	1,579,106	1,579,106
Surplus for the year	759,353	759,353
Balance at 01 July 2023	2,338,459	2,338,459
Surplus for the year	871,916	871,916
Balance at 30 June 2024	3,210,375	3,210,375

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash generated from operations	6	991,966	715,178
Interest income		138,849	90,131
Net cash from operating activities		1,130,815	805,309
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(30,338)	(515,920)
Total cash movement for the year		1,100,477	289,389
Cash and cash equivalents at the beginning of the year		1,756,480	1,467,091
Total cash at end of the year	4	2,856,957	1,756,480

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

Item	Depreciation method	Average useful life
Security equipment	Straight line	5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

1.3 Tax

Tax expenses

The company has been approved as a public benefit organisation (PBO) by the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(d)(iii) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 27%.

1.4 Income - Services Rendered

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

1.5 Trade and other payables

Trade and other payables are measured at fair value.

1.6 Trade and other receivables

Trade and other receivables are stated at cost less an allowance for doubtful debts. The allowance raised is the amount needed to reduce the carrying value to the expected future cash flows.

Llandudno Special Rating Area NPC

(Registration number: 2014/179104/08)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

2. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Security equipment	1,109,052	(625,957)	483,095	1,078,714	(477,540)	601,174

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Security equipment	601,174	30,338	(148,417)	483,095

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Security equipment	222,262	515,920	(137,008)	601,174
	222,262	515,920	(137,008)	601,174

3. Trade and other receivables

VAT	-	43,162
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2,856,957	1,756,480
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5. Trade and other payables

Accounts payable	129,677	62,357
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6. Cash generated from operations

Surplus before taxation	871,916	759,353
Adjustments for:		
Depreciation	148,417	137,008
Interest received	(138,849)	(90,131)
Changes in working capital:		
Decrease (increase) in trade and other receivables	43,162	(43,162)
Increase (decrease) in trade and other payables	67,320	(47,890)
	991,966	715,178

7. Taxation

Non provision of tax

The company has been approved as a public benefit organisation (PBO) by the Commissioner of the South African Revenue Service. In terms of Section 30(3) of the Income Tax Act, the income of any PBO is exempt from income tax to the extent that it has not arisen from any integral, occasional or approved business or trading activity. In terms of Section 10(1)(d)(iii) regarding any taxable business or trading income of a PBO, the greater of 5% of the trading income or R200,000, is tax free. The taxable portion of a PBO's trading income is taxed at 27%.