NORTHPINE CITY IMPROVEMENT DISTRICT NPC

(REGISTRATION NUMBER : 2017/22442/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

GENERAL INFORMATION

Country of Incorporation and Domicile	South Africa
Nature of Business	Improving and Promoting the Special Rating Area of Northpine
Directors	C Arendse M Bardien D Cupido P Juries M Schereka M Smith K Visagie
Registered Office	32 Eastwood Drive Northpine Brackenfell 7560
Business Address	32 Eastwood Drive Northpine Brackenfell 7560
Postal Address	32 Eastwood Drive Northpine Brackenfell 7560
Bankers	First National Bank
Company Secretary	T Erasmus
Auditors	Sommerville and Associates Inc
Company Registration Number	2017/22442/08
Tax Reference Number	9014/989/26/4
Preparer	The annual financial statements were independently compiled by J Oelofse CA (SA)
Issued Date	25 August 2026

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The reports and statements set out below comprise the annual financial statements presented to the directors:	
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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 16, which have been prepared on the going concern basis, were approved by the directors and signed on their behalf by :

M SMITH (CHAIRPERSON)

C ARENDSE (DIRECTOR)

25 August 2026

DIRECTORS REPORT

1. Business Activities

The Northpine City 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 Northpine which funds are utilised to enhance and supplement services provided by CoCT. These services include facilitating investment in the SRA, facilitating a co-operative approach between the City and the private sector in the provision of municipal services, halting the degeneration and facilitating the upliftment of distressed areas in the SRA and promoting economic growth and sustainable development in the SRA.

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 results 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 names of the directors at the financial year end are reflected on page 2.

The following appointments and resignations took place on 14 November 2025 :

Appointments	Resignations
M Bardien	E Japhta
D Cupido	
P Juries	
M Schereka	

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 also 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
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Email: robinsommerville@gmail.com
Robin Sommerville (B Com) (Hons), CA (SA)

INDEPENDENT AUDITOR'S REPORT

To the Members of

NORTHPINE CITY IMPROVEMENT DISTRICT NPC

Opinion

We have audited the financial statements of Northpine City Improvement District NPC set out on pages 8 to 16, 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 Northpine City 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

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

25 August 2026

6 Southridge Road
SUNNINGDALE
7441

STATEMENT OF FINANCIAL POSITION

	Notes	2026 R	2025 R
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	2	355,374	273,713
CURRENT ASSETS		1,566,466	1,324,614
Cash and Cash Equivalents	3	1,538,269	1,223,503
Prepayments		26,439	-
Trade and Other Receivables	4	1,758	101,111
		1,921,840	1,598,327
RESERVES AND LIABILITIES			
RESERVES			
Accumulated Surplus		1,653,640	1,399,453
CURRENT LIABILITIES			
Trade and Other Payables	5	268,200	198,874
		1,921,840	1,598,327

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2026 R	2025 R
Revenue	6	3,257,338	3,016,054
Other Income		181,100	21,222
Donations Received		181,100	-
Insurance Claim		-	21,222
Expenditure		3,209,286	2,704,706
Operating Surplus		229,152	332,570
Finance Income		29,511	32,914
Surplus Before Finance Costs and Income Tax		258,663	365,484
Finance Costs		4,476	359
Surplus Before Taxation		254,187	365,125
Taxation	8	-	-
Surplus for the Year		254,187	365,125
Other Comprehensive Income		-	-
Total Comprehensive Income		254,187	365,125

STATEMENT OF CHANGES IN EQUITY

	Accumulated Surplus R
Balance at 1 July 2024	**1,034,328**
Surplus for the Year	365,125
Total Comprehensive Income for the Year	365,125
Balance at 1 July 2025	**1,399,453**
Surplus for the Year	254,187
Total Comprehensive Income for the Year	254,187
Balance at 30 June 2026	**1,653,640**

STATEMENT OF CASH FLOWS

	2026 R	2025 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the Year	254,187	365,125
Adjustments	96,264	70,637
Interest Received	(29,511)	(32,914)
Depreciation	121,299	103,192
Interest Paid	4,476	359
Working Capital Changes	142,240	(88,465)
Prepayments	(26,439)	-
Trade and Other Receivables	99,353	(94,225)
Trade and Other Payables	69,326	5,760
	492,691	347,297
Interest Received	29,511	32,914
Interest Paid	(4,476)	(359)
Cash Generated from Operating Activities	517,726	379,852
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Purchased	(202,960)	(55,250)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
CHANGE IN CASH AND CASH EQUIVALENTS	314,766	324,602
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,223,503	898,901
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,538,269	1,223,503

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:

Item	Useful Life
Camera Equipment	5 years
IT Equipment	3 years
Motor Vehicles	5 years
Office 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 Northpine 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.

1.9 Related Parties

Individuals, as well as their close family members, and entities are related parties to the company if a party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel include managing agents of the improvement district.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R	2025 R

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Camera Equipment	1,268,810	1,102,349	166,461	268,967
IT Equipment	35,336	26,462	8,874	-
Motor Vehicles	180,000	15,000	165,000	-
Office Equipment	28,387	13,348	15,039	4,746
	1,512,533	1,157,159	355,374	273,713

Net Book Value is reconciled as follows:

	NBV at Begin	Additions/ (Disposals)	Depreciation	NBV at End
Camera Equipment	268,967	-	102,506	166,461
IT Equipment	-	9,363	489	8,874
Motor Vehicles	-	180,000	15,000	165,000
Office Equipment	4,746	13,597	3,304	15,039
	273,713	202,960	121,299	355,374

3. CASH AND CASH EQUIVALENTS

Business Account	948,215	662,961
Investment Account	590,054	560,542
	1,538,269	1,223,503

4. TRADE AND OTHER RECEIVABLES

Debt Recovery - Unauthorised Expenditure	-	100,432
Employee Tax Refundable	679	679
Value Added Tax Refundable	1,079	-
	1,758	101,111

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

(Continued)

	2026 R	2025 R
5. TRADE AND OTHER PAYABLES		
Bikini Beach Books	490	-
Bumble Bee Services	22,500	-
Connect Talk Play Now (Pty) Ltd	15,000	-
Durbanville Children's Home	6,000	-
Everts Cleaning Services	7,500	-
LED Lights	2,472	-
SJC Security Services - Public Safety	204,120	189,000
Soundtech	120	-
Studio 47	9,998	-
Kaeleidene Computers	-	5,540
W J Steyn Accountants	-	3,200
Value Added Tax Payable	-	1,134
	268,200	198,874
6. REVENUE		
Amounts Received from the City of Cape Town		
Additional Rates Received	3,257,338	3,016,054
Additional Rates Retention Received	-	-
	3,257,338	3,016,054

The City of Cape Town (CoCT) charges additional rates to property owners in the special rating area of Northpine which funds are utilised to enhance and supplement services provided by the CoCT.

7. UNAUTHORISED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE		
Opening Balance	100,432	-
Additions	-	100,432
Less: Recovered	(100,432)	-
	-	100,432

Irregular expenditure identified in 2025 was fully recovered in 2026.

No unauthorised, irregular, fruitless or wasteful expenditure was identified during the year

8. TAXATION

No provision has been made for 2026 tax as 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. The company has no taxable income for the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
(Continued)

9 RELATED PARTIES

During the year, the company entered into the following arms length transactions with related parties :

		Services to Related Party R	Services from Related Party R	Amounts Owed by Related Party R	Amounts Owed to Related Party R
W Jefthas	2026	-	102,524	-	-
	2025	-	-	-	-

The company's manager received a salary as an employee of the company for services rendered. W Jefthas is part of key management personnel and has the authority and responsibility for planning, directing and controlling the activities of the company. W Jefthas was appointed on 7 February 2026.

M Adriaanse	2026	-	-	-	-
	2025	-	306,326	100,432	-

The company's manager in the 2025 financial year received a salary as an employee of the company for services rendered. M Adriaanse was part of key management personnel and had the authority and responsibility for planning, directing and controlling the activities of the company. M Adriaanse was suspended on 5 June 2025.

City of Cape Town	2026	-	3,257,338	-	-
	2025	-	3,016,054	-	-

The City of Cape Town has significant influence over the operations and governance of the company. Northpine City Improvement District NPC operates within a regulatory environment established and overseen by the City.

DETAILED INCOME STATEMENT

	Notes	2026 R	2025 R
REVENUE	6	3,257,338	3,016,054
Additional Rates Received		3,257,338	3,016,054
Additional Rates Retention Received		-	-
OTHER INCOME		181,100	21,222
Donations Received		181,100	-
Insurance Claim		-	21,222
EXPENDITURE		3,209,286	2,704,706
Accounting, Tax and Secretarial Fees		46,126	43,387
Advertising		6,987	5,355
Audit Fee		25,000	20,500
Bank Charges		3,858	4,247
Community Services		2,626,624	2,125,350
Cleaning Services		108,160	126,031
Environmental Upgrading		104,592	-
Public Safety - Security and CCTV Monitoring		2,369,649	1,999,124
Social Upliftment		25,005	195
Urban Upliftment		19,218	-
Computer Expenses		6,598	4,135
Depreciation	2	121,299	103,192
Insurance		40,597	31,048
Marketing, Promotions and Meetings		42,870	2,501
Motor and Travel Expenses		-	1,752
Printing, Stationery, Postage and Courier		1,527	1,460
Project - Camera Surveillance Update		133,710	-
Repairs, Maintenance and Cleaning		23,930	39,258
Salaries and Wages		119,202	311,484
Staff Welfare		6,142	-
Telecommunications		4,816	11,037
OPERATING SURPLUS		229,152	332,570
Finance Income		29,511	32,914
SURPLUS BEFORE FINANCING COSTS AND TAXATION		258,663	365,484
Finance Cost		4,476	359
SURPLUS BEFORE TAXATION		254,187	365,125
Taxation	8	-	-
SURPLUS FOR THE YEAR		254,187	365,125