

SCHEDULE 3



EASTLAKE ISLAND

CITY IMPROVEMENT DISTRICT (CID) NPC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2025



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

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PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

Registered name:	Eastlake Island CID NPC
Registration no:	2024/345924/08
Physical address:	39A Burgee Bend, Marina da Gama, 7945
Postal address:	39A Burgee Bend, Marina da Gama, 7945
Telephone number/s:	N/A
Email address:	info@eastlakeislandcid.co.za
Website address:	www.eastlakeislandcid.co.za
External auditors:	Swemmer MacInnes & Associates (Year1)
Banker's information	Capitec Business
Company Secretary:	Cheryl Philip

2. LIST OF ABBREVIATIONS/ACRONYMS

CCT	City of Cape Town
CID Branch	Oversight branch of the CCT
EICID or CID	Eastlake Island City Improvement District NPC
ACT	The Companies Act, No 71 of 2008
AGM	Annual General Meeting
KING IV	King IV™ Report on Corporate Governance
MDGA	Marina da Gama Association
ExCom	Executive Committee (of MDGA)
MOI	Memorandum of Incorporation

3. A MESSAGE FROM THE CHAIRPERSON: OUR YEAR IN REVIEW

As we conclude the first year of the Eastlake Island City Improvement District (EICID), I'm incredibly proud to present our inaugural report. On behalf of the board, I wanted to personally reflect on the journey we've shared and the significant progress we've made.

Our first year was a steep learning curve for the entire management team, including the board and the many community members who generously volunteered their time. We were all new to the CID system and had to quickly adapt to operating within the business plan prepared by the steering committee in 2023.

The dedication of our team has been truly remarkable, and the support from all of our community and partners—has been the driving force behind our progress. Thank you.

Our financial journey:

We began our first year with an approved budget but no immediate funds. While our income from the City of Cape Town began flowing two months after we started, we were fortunate to have the support of our partners. A special thank you to Deep Blue, our security provider, who agreed to a payment hold, allowing us to cover their essential services once funds were received. We were also able to secure a small loan to cover the initial costs for the watchmen, while other expenses were temporarily put on hold.

I want to extend my personal thanks to Peter Kruyt, our treasurer, for his sensible and no-nonsense approach to our finances. His detailed report follows this report on page 8 of this annual report.

What we accomplished:

Our business plan outlined several key strategic objectives for the EICID. We are proud to report significant progress on most fronts, with detailed reports available from our team leaders:

- **Public Safety:** Maintaining and improving our high standards of public safety. (Report by Peter Weir on pages 19 - 21);

- **Environmental Development:** Beautifying and upgrading public areas and facilities. (Report by Peter Kruger, Peter Weir Rudy Kindler on pages 22 -24);
- **Community & Social Development:** Promoting social development and community upliftment. (Report by Barrie Barnard on pages 25 – 26); and
- **Community Communication:** Ensuring regular and frequent communication between the board and residents. (Report on pages 27 - 28).

The road ahead:

We are more confident than ever about the road ahead. Our focus for the coming year will continue to be driven by our business plan, though our aspirations are naturally shaped by our budget. The FY'27 budget is included in this annual report for approval at the upcoming annual general meeting on 2nd December 2025. These aren't just goals; they are our roadmap for continuing to be a leader in what we do.

A word about our team:

The board and management team have worked incredibly hard behind the scenes this year. I want to personally thank my fellow members for their invaluable commitment and guidance. Your passion and dedication are what make all of this possible.

We are always looking for dedicated people to join our team to help us spread the work more evenly. If you wish to volunteer your time, please reach out—we would love to have you.

A heartfelt thank you:

First, I'd like to extend a sincere thank you to the **City of Cape Town CID management team** led by Joepie Joubert. Your guidance and steadfast assistance throughout the year were invaluable. You held us to a high standard, and we could not have navigated our first year without your patience and willingness to answer our many questions.

To our councillors **Izabel Sherry (ward 64)** and **Mandy Marr (ward 61)**, thank you for attending our meetings, assisting us along the way, and being there for us. We believe some of the progress we made was due to your direct interventions.

And finally, to our community, thank you for believing in the steering committee's vision for Eastlake Island. I also want to thank **Jill Hartley, Pam Hicks, Jessy Naidoo, and Caroline Pierce** for their invaluable contributions.

The EICID has had a strong start to a new chapter for Eastlake Island. We can't wait to see what next year brings.

Cheryl Philip

Cheryl Philip

Chairperson, Board of Directors

4. **TREASURER'S OVERVIEW**

It is my pleasure to submit our Treasurer's Report for the Eastlake Island CID NPC. This report summarises the financial activities of our organisation for our first year of implementation, from the 1 July 2024 to 30 June 2025 (FY'25 and/ or period under review).

The EICID is a nonprofit organisation and must therefore keep accurate financial statements to maintain this status, prove financial viability and financial transparency going forward. Financial transparency is vital for the EICID as the source of our income comes directly from the property owners in the EICID, and it is essential that we show our members/shareholders/neighbours/community exactly where their money is going, and should, in principle, build a better relationship between the board of directors of EICID and the community.

The financial statements let you know exactly how much income is derived from the **supplement to your rates account** and **where the money was spent**.

These **financial statements**, combined with the **attached draft budget for FY'2026**, will **guide the operational decisions of the EICID** and provide the board of directors with all the information it needs to evaluate and plan future projects.

Our **income statement** tracks our income sources for the period under review. We have a single income source which is made up of the funds that our property owners pay, as part of their rates account, towards the EICID. These funds have been paid over monthly, in advance, to EICID, by CCT. We received a total amount of R534200 (excluding VAT) from supplementary rates.

Capacity constraints and challenges:

The CID faced **financial prudence** and **initial challenges** during its first year of operations:

- Approval of our tax exemption status – finalisation of all our tax submissions and approvals took 10 months;

- Formidable amount of paperwork at the beginning of the process resulted in a delay of our funding from the CCT;
- Opening of the bank accounts; and
- Sourcing a bookkeeper and auditor that were not only efficient but also suited our budget.

Here's a breakdown of the key takeaways and what they imply:

- **Extreme care and caution in spending:** the board followed a **fiscally conservative** approach. In a new organization, especially one relying on property owner funds, this practice of **financial vigilance** is a positive step toward establishing trust and ensuring the sustainability of operations.
- **No overdraft facilities:** this was a significant constraint. It meant the CID could not, temporarily, spend more money than it had in its bank account (which was NIL funds) and it forced the CID to maintain a strict **cash-basis of operation** and highlighted the risk of liquidity issues if the income was further delayed.
- **No reserves:** the lack of a **reserve fund** means that there is no financial cushion to cover unexpected major expenses, service interruptions, or significant income shortfalls. This increases the CID's **financial vulnerability** to unforeseen events.
- **Initial funding shortfalls (first couple of months):** This points to early **cash flow** difficulties, which is common for new organizations as contributions and levies may take time to be collected.
- **Reliance on goodwill and interest-free Loan:** these were **temporary, non-institutional solutions** to the CID's cash flow problem. The **goodwill of service providers** (by delaying invoicing and payment by Deep Blue Security payment) and the **interest-free loan** were critical in bridging the initial funding gap, but they are not sustainable long-term strategies.
- The information paints a picture of a new organization that, due to necessity and prudence, was **extremely careful with its spending**. However, the **absence of an overdraft facility and reserves** left it exposed to **liquidity risks**, which were temporarily managed through **external goodwill** and a **short-term loan**.

This context is crucial for understanding the **risk profile**, **budgetary discipline**, and **financial priorities** of the CID during that foundational first year.

Our prudence resulted in a **surplus of R10 525** at year-end (which is under 2% of our budget) even though we implemented our full public safety initiatives as presented in the 5-year business plan in year 1.

Administration issues:

- It took us a good ten months for the approval of our tax exemption status;
- Due to the formidable amount of paperwork at the beginning of the process, we borrowed funds, interest-free, to get us over the first 2-3 months, but fortunately, this is now all history, and ;

Spending trends:

Our analysis of our summarised expenditure for FY'25 differs to that of the audited annual financial statements, is as follows:

BREAKDOWN OF SPEND	ACTUAL SPEND (R)	2025 BUDGET(R) (BUSINESS PLAN)	VARIANCE TO BUDGET %
Public safety*	487 002	460 000	5.9
Environmental	10 548	7 500	40.6
Community upliftment	0	0	0
Communications**	6 523	5 200	25.4
Administration***	13 265	51 000	(74)
Maintenance****	6 337	5 500	15.2
Signage	0	5 000	(100)
TOTAL	523 675	534 200	98.03

* Watchmen, monitoring of cameras and electricity for cameras

** Website updates, domain etc.

*** Accounting, bank charges, meeting costs

**** Maintenance of watchman's house

It should be noted that all variances to the business plan that was placed before our members at the members meetings in 2023 and to the CCT, were approved by the board of directors of the CID and submitted to the CID Branch.

As we enter into a second year of operation, we have a deeper understanding of the processes and availability of funds.

Discontinued, new or proposed activities:

All activities carried out are aligned with our business plan as proposed to the members at the public participation meetings held in October and December 2023.

We do not propose to discontinue any of our activities or to propose any new activities at this stage.

Supply chain management:

Supply Chain Management (SCM) is the **backbone of any successful business**. It ensures the efficient flow of goods and services to, in our case, the community and is crucial in **reducing costs, increasing efficiency, and meeting our community's requirements**.

As per the requirements of CCT's procurement practices, the steering committee entered into discussions with our main suppliers regarding current and future security requirements and costs. In line with the **procurement policy**, we requested quotes from at least 3 service providers. Subject to this, together with the good service delivered by our service providers, we did not hesitate to continue with the same service providers going forward. This ensured a risk-free and efficient transfer of services from those supplied to ELISA and those currently supplied to EICID.

There are no unsolicited tender proposals for the year under review.

There are no material events subsequent to audit of the annual financial statements and the signing of this treasurer's report and annual report of the EICID.

Audit report matters and economic viability of the EICID:

The auditors gave the Company an **unqualified opinion**, which indicates that the EICID financial statements are free from material misstatement and comply with the relevant financial reporting standards.

The **going concern** standard, as included in the audited annual financial statements, addresses the viability of the Company, which indicates that EICID is expected to continue its operations for the next twelve months.

Acknowledgement/s or Appreciation:

On behalf of EICID I wish to thank:

- our bookkeeper and auditors for the seamless processes on a monthly basis and the annual audit respectively;
- our service provider, Deep Blue, for allowing us a holiday on our payments until we had sufficient funds to pay;
- ELISA for providing an interest-free loan at the beginning of our journey; and
- The board of directors and management for their feedback throughout the year.

Peter Kruyt

Peter Kruyt - Treasurer

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

We confirm that, to the best of our knowledge:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by Swemmer, MacInnes & Associates.
- 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 IFRS for SME's Accounting Standard and the requirements of the Companies Act 71 of 2008 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 28 October 2025 and signed on behalf by:

Cheryl Philip

Cheryl Philip
Chairperson

Peter Kruyt

Peter Kruyt
Treasurer

6. DECLARATION BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act 2008, as amended (the Act), I hereby certify that the company has filed the required returns and notices in terms of the Act in respect of the financial year ended 30 June 2025 and that, to the best of my knowledge and belief, all such returns and notices are true, correct and up to date.

Cheryl Philip

Cheryl Philip (FCG - Fellow of the Chartered Governance Institute)

7. STRATEGIC OVERVIEW

7.1. Vision

The Eastlake Island CID NPC was established by local property owners in Eastlake Island, Marina da Gama **to organize, fund, manage and facilitate supplementary services** to that supplied by the CCT in the EICID for the entire community of Eastlake Island.

The EICID refers to a geographical area, designated as such by the City of Cape Town (CTT), in terms of the CID By-law and S22 of the Municipal Property Rates Act, on application by local property owners. The EICID NPC's activities are **funded by local property owners through an additional rate levied on their properties.**

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

7.2. Mission

There are four main objectives of the EICID, all of which will be delivered by working in conjunction with the CCT where possible, improving and enhancing existing neighbourhood initiatives where feasible, and implementing additional services where desirable.

The four key pillars: **safety, maintenance and cleaning, greening and beautification, and social responsibility.** The activities proposed to meet those objectives should all be seen as part of a system with a significant degree of interaction between relevant services required for all objectives to be met.

- Maintaining the current high levels of public safety and sustaining them by improved safety initiatives. The use of technology will also increase. Core principles include expansion of security resources;
- Environmental development, including, but not limited to:

- beautifying and upgrading public areas and facilities; and
 - Support for, and involvement in, broader civil society water quality initiatives; and
 - Social development initiatives; and
 - Regular and frequent communications between the CID board and the residents.
- Our strategy for promoting that vision is detailed in our Business Plan, available online at www.eastlakeislandcid.co.za*

7.3. Values

The **core values** of the Eastlake Island CID are **transparency, accountability and community participation**. To be achieved through:

- Transparent governance and effective communication;
- Ongoing communication to and with the Eastlake Island CID community;
- The submission of annual reports to the local community and the CID Branch;
- The encouragement of local community participation in board meetings and members meetings of the CID company; and
- The publication of relevant documentation online.

8. STATUTORY MANDATE

In terms of the CID By-law and Section 22 of the Municipal Property Rates Act, the Eastlake Island CID NPC is tasked with considering, developing and implementing upgrades to the Eastlake Island CID 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 aforementioned legislation, as may be supplemented by local fundraising initiatives. In expending these funds, the company is subjected to oversight by the CCT in terms of the CID By-law and Policy, as well as public procurement principles enshrined in Section 217 of the Constitution of South Africa, 1996 (the “Constitution”).

9. ORGANISATIONAL STRUCTURE

Our portfolio holders include members of the board and other members of the community.

Board of directors:

The four members of the board were elected at the members' meeting held on 4 December 2024 are as follows:

Cheryl Philip – chairperson and company secretary

Peter Kruyt – treasurer

Peter Weir – public safety and infrastructure

Rudy Kindler – environment

Community members/management team:

The management team, champions of 2 of the portfolios, attend all the board meetings, and have a similar role to members of the board, but do not have a vote. The portfolio holders are as follows:

Barrie Barnard – community upliftment

Peter Kruger – parks and gardens.

PART B: PERFORMANCE INFORMATION

1. SITUATIONAL ANALYSIS

1.1. Service delivery environment:

Despite operating within **tight budgetary constraints**, the CID successfully **executed all planned services, meeting delivery objectives** without major difficulties.

Initially, a prudent and cautious approach to expenditure was adopted by the management team while we established a full understanding of all financial and operational processes.

The most significant administrative challenges were:

- Successfully registering as a vendor on the City of Cape Town (CCT) database.
- The complex and time-consuming process of registering as a taxpayer and VAT vendor and attaining tax-exempt status.

Although these administrative processes could have been expedited by employing a tax consultant, the management team successfully navigated them internally, resulting in **significant cost savings** for our members.

1.2. Organizational Structure and Changes:

The CID operates with a lean management team of six members, whose structure is detailed in the "Organisational Structure" section on page 16.

During the year under review, the following **key portfolio changes** occurred:

1. **Infrastructure:** Ms. Caroline Pierce resigned, and Mr. Peter Weir assumed the portfolio alongside his existing responsibilities for public safety.
2. **Parks and Gardens:** Ms. Pam Hicks stepped down as a board member on 4 December 2024. Fortunately, Mr. Peter Kruger volunteered to take over the portfolio, with Ms. Hicks remaining on the committee until February 2025 to ensure a thorough handover.
3. **Communications:** Ms. Jessie Naidoo resigned from the committee and the communications portfolio. This position remains vacant. Currently, the chairperson drafts and distributes the quarterly newsletter, supported by reports from all

members. We are actively seeking a **volunteer** to assume this portfolio to ensure a higher standard of external communication.

Apart from the **vacancy in the communications portfolio**, there have been no material internal developments that have adversely impacted the CID's ability to deliver services or implement projects. Furthermore, we confirm that there has been **no wasteful expenditure, fraud, or maladministration** during the period, and no mitigation or disciplinary measures were required.

2. COMPLAINTS PROCESS

The EICID is guided by the complaints process, which is in line with the requirements of the CID Branch, as uploaded to the company's website. The board of directors of EICID did not receive any complaints for the period under review so no remedial action was required.

3. STRATEGIC OBJECTIVES

Public safety and crime mitigation

As outlined in the EICID implementation plan, **public safety remains our core focus**. The current result of this focus is minimal criminal activity within the area. To maintain this, a continuous process of information sharing is in place between the company's board and the contracted private security companies. Moving forward, we aim to enhance our intelligence network by establishing greater cooperation and information exchange with the Marina da Gama Association. Consistent information sharing is paramount to the effective mitigation of potential crime patterns.

Environmental upgrading and sustainability

Environmental upgrading is a prime strategic objective of the EICID. We have initiated pilot projects within the public open spaces. The strategy is to monitor the success of these trials and, contingent upon positive results and available budget, roll out further environmental improvement projects across the area.

A collaboration agreement has been signed between the CID and the CCT Parks and Recreation Branch.

4. PERFORMANCE INFORMATION

4.1. PUBLIC SAFETY

Security environment prior to implementation of the CID:

- **Crime levels** within the EICID geographical area were very **low**, a notable contrast to adjoining areas. This success is attributed to several mitigating factors:
- **Limited access:** The geographical status of the area as an island inherently limits access, featuring only one vehicular/pedestrian bridge and one additional pedestrian-only bridge.
- **Monitored entry points:** The main vehicular access point is secured by a License Plate Recognition (LPR) camera and a general overview camera. These devices utilize intelligent software and are monitored from a central control room managed by a specialist service provider, who maintains a 24/7 on-site response team.
- **Security personnel:** A dedicated security service provider manages and staffs the area which includes the 24/7 watchman at the vehicle access point.

Strategy for enhanced public safety:

The 2023 public survey confirmed that public safety is the single **most important requirement for residents**. In response, the steering committee developed a plan to improve existing safety initiatives. The proposed **enhancements** included:

Initiative	Description
24/7-Armed Response (ARV)	Two highly visible Armed Response Vehicles would operate in the immediate vicinity of the Marina da Gama sector at all times, requiring a team of three security personnel per ARV for continuous coverage.
Expanded CCTV surveillance	Installation of four new CCTV cameras with intelligent software to monitor all major roads and public open spaces, monitored by the central control room.
Continued on-site watchmen	Maintaining the 24/7 watchman and watchman's house/cabin at the vehicular entrance, requiring three security personnel for continuous coverage.

Watchman's house ownership	Acquisition of the existing cabin from ELISA for a nominal sum
Enhanced Communications	Extension of existing WhatsApp and other communication channels to all residents in the CID area.
Collaborative Security	Formal engagement with the SAPS Muizenberg Forum and active liaison with the MDGA security representative and other adjacent security initiatives.
Additional Services	Integration of services such as the locking and unlocking of the pedestrian bridge gates into the security provider's mandate

Fiscal Year 2025: Initiatives and budget performance:

The EICID was ahead of schedule during the 2025 fiscal year, achieving implementation milestones planned for both FY'26 and FY'27.

The June 2025 appointment of Peter Weir to ExCom, to oversee the security in the MDGA, alongside Colin Reeves of the Park Island CID, will **increase the collaboration** between **EICID. Park Island and the MDGA** in this critical area.

Key Achievements:

Camera installation:

- We have successfully installed a total of eleven cameras, which is three more than projected in the original business plan for year one of the company's operations. These cameras are strategically positioned to monitor traffic on all major roads, with additional units placed on cul-de-sacs.
- The cameras are provided through an operational lease from our service provider, Deep Blue, who is responsible for all maintenance, cleaning, and appropriate camera upgrades.

Watchman's house ownership:

The donation of the new watchman's house by ELISA, coupled with the CID's upgrade of electricity and cladding for winter, shows a strong commitment to the comfort and well-being of the security staff. This kind of upgrade can significantly help them stay focused and effective during the colder months.

Budget Performance:

- The **projected year-one annualized cost** for comprehensive public safety support (including the 24/7 watchman, cameras/monitoring, ARV availability, and electricity contribution) was **R460,000**.
- Our **final costs for FY'25 came in at R480,000**, meaning we were over budget due to the installation of five additional cameras during the period under review. Our business plan only budgeted for two additional cameras during Year One. Although our spend was over budget, the extra installations were made possible due to two primary public safety factors and reduced administration costs:
 - **Reduced equipment needs:** We had initially budgeted for an Uninterruptible Power Supply (UPS) for each camera. **Due to a reduction in load-shedding**, this was deemed unnecessary, resulting in a substantial saving. This **requirement will be re-evaluated** should continuous load-shedding return.
 - **Provider discounts:** Our service provider, **Deep Blue**, **reduced their costs** because EICID, unlike its predecessor, provides a **more reliable funding model**, which substantially reduces their risk of non-payment.

Acknowledgments:

The Board wishes to express its gratitude to the following for their support and contribution to our public safety success:

- ELISA: Thank you for the seamless handover to EICID, which allowed public safety operations to continue without interruption. We are also grateful for the donation of the new cabin, which the CID subsequently upgraded with electricity and insulation to protect our watchmen in winter,
- Our service providers: A special thank you to Deep Blue for the flexibility to allow a late payment until our funding from the CCT was received,
- The generosity of our community who keeps the watchmen warm and fed with a special thanks to Veronica Wilmot; and
- Our members: Finally, we thank all our vigilant members whose reports of infringements to our service providers are crucial to maintaining the security of our area.

4.2 URBAN MANAGEMENT AND ENVIRONMENTAL

PUBLIC OPEN SPACES

Overview of the public open spaces:

The maintenance and improvement of public open spaces on Eastlake Island are managed by three separate entities:

- City of Cape Town (CCT) Recreation: Responsible for grass mowing, trimming of trees, and maintenance of children's playgrounds;
- Marina da Gama Association (MDGA): The MDGA gardeners provide services to the Eastlake Island CID area one day a month; and
- Eastlake Island Residents: Residents maintain and develop areas on their own initiative and at their own cost. Infrastructure upgrades are logged on an ad hoc basis by residents to the CCT.

Initiatives and projects for fiscal year 2025:

A **more formal approach** has been implemented to manage our public open spaces.

- The CID has now taken over direct responsibility for the CID area, including managing the gardeners supplied by the MDGA. This responsibility was previously managed by Mrs. Andie Pycroft of Cannon Island, to whom we are incredibly grateful for her time and energy;
- We have also engaged in formal discussions with the newly appointed MDGA EXCOM to drive this process forward and to ensure consistent, effective management; and
- The EICID team will work closely with the City's Recreation and MDGA employees to develop and implement agreed-upon tasks.

Flower beds:

In addition to regular garden maintenance, we have established three new flower beds in our open spaces. The main purpose of these new beds (besides being aesthetically attractive) is to introduce local Fynbos vegetation native to this veld type. These plants will then attract other species – birds and insects to the area thereby increasing the biodiversity potential and the appeal of Eastlake Island as a residential area.

With the good rainfall we have had over winter, the chosen plants are well-established and

should be self-sustaining. The plants were specifically selected for their ability to withstand the strong winds common on the island.

One of the more unusual plants which we were able to secure and plant is called *Maurocenia*



frangula or commonly known as the Hottentots Cherry. This small tree occurs naturally from the Peninsula to Saldanha Bay in the Western Cape. It is found in coastal bush or forest, mountain ravines, among rocky outcrops and dry slopes.

Maurocenia frangula is endemic to the Western Cape, which means that it is not found growing anywhere else in the world.

Maurocenia frangula provides interest throughout the year; with its scarlet, new growth in winter, bright cerise berries in autumn, and its decorative, rounded, leathery dark green leaves. There are three plants in the area just west of the Eastlake motor bridge and then a few of them in the (flower) bed just south of the electricity substation on Eastlake Island Way.

Another plant of interest is *Acmadenia heterophylla* which is one of the natural buchu plants which belongs to the Rutaceae family. This is the family of plants that all the citrus plants belong to. These small bushes are covered with deep pink flowers throughout the year. *Acmadenia heterophylla* occurs naturally on the hills and limestone outcrops in the southern and western Cape. There are examples of this plant in all of the beds.



Waterways:

While our vision to support civil society water quality initiatives was challenged by an initial lack of success in joining groups like ZPAAC, we have now established a **strategic pathway forward**. The June 2025 appointment of Mr. Kindler to the MDGA ExCom waterways portfolio is a critical step. This development will grant the CID the necessary **direct access and influence** to finally engage with and make tangible contributions to these important waterway initiatives.

Infrastructure:

- A gardener from the Vrygrond area was employed on an ad hoc basis to clean up the walkways. We will continue to utilize his services;
- The yield signs at the end of Halyard Walk and Burgee Bend have been changed to much-needed stop signs; and
- We have logged a number of further requests with the CCT, which we hope will be addressed in due course.

Thanks and appreciation

We wish to thank the following people for their input during FY'25:

- Pam Hicks: For managing the gardening portfolio until February 2025.
- Caroline Pierce: For looking after the infrastructure portfolio until her resignation from the committee. This portfolio is currently managed by Peter Weir.
- Andie Pycroft: For all her hard work in the area over many years.

With your help and support, we hope to transform the open spaces of Eastlake Island CID into a Fynbos paradise, which will no doubt make this island an even more sought-after place to live!

4.3 SOCIAL UPLIFTMENT:

Strategy and Process:

As a City Improvement District (CID), the EICID is **mandated to commit to social upliftment**. Given the importance of spending public funds responsibly, our decision-making process was thoughtful and deliberate.

The greater area surrounding the CID boasts a myriad of organizations dedicated to assisting vulnerable and destitute communities. From the twenty-eight institutions operating in the Vrygrond area, the board selected and visited four promising Non-Governmental/Non-Profit Organizations (NGOs/NPOs) for initial consideration: Loxion Mobile Library, Sunrise Educare Centre, Sozo Foundation, and True-North.

We were highly impressed with the profound work being done by all these organizations. To determine the most effective way for the CID to become involved, we requested and carefully **reviewed a formal "wish list" from each institution**. These **requests guided the board's selection** of the initial institutions to support.

Budget Performance:

We are proud to report a NIL financial expenditure on social development, as per our business plan, a **testament to the incredible generosity of our members**. Your valuable in-kind contributions have directly supported our neighbors, and we thank you from the bottom of our hearts for this remarkable demonstration of community spirit and goodwill.

Member engagement and activity overview:

Community involvement is central to our social upliftment efforts. A **WhatsApp poll** conducted in January 2025 confirmed members' preferred method of engagement, with 73% of participants voting for the EICID to facilitate the collection of donated goods for distribution to the selected NGOs.



The following initiatives were successfully implemented during the reporting period:

Initiative	Date	Recipient	Result
Books and Magazine Drive	7 November 2024	Loxion Mobile Library	Successful collection and delivery of reading materials to support literacy programs.
Christmas Box Collection	1 December 2024	Sunrise Educare Centre	Members donated face cloths, soap bars, toothbrushes, and toothpaste to fill Christmas boxes for 220 children.
Easter Egg Drive	6-7 April 2025	Loxion Mobile Library & Sunrise Educare Centre	Members generously donated 800 Easter eggs, bringing joy to a total of 350 children (100 children at Loxion Mobile Library received three each, and 250 children at Sunrise Educare Centre received two each).



4.4 COMMUNICATIONS:

The EICID ensures residents and stakeholders receive timely information through **multiple channels**, including our website, email circulars, and messaging apps (such as WhatsApp).

The information shared is critical to the community and includes:

- Logging incidents with the City;
- Security alerts and public safety information;
- Official EICID documentation; and
- Meeting notices.

These efforts are conducted in conjunction with the existing information services provided by the Marina da Gama Association.

Initiatives and budget performance

Our communication budget demonstrated strong fiscal management:

- The total cost for website development, upgrades, domain, and email services was R6,800, which was 32% under the budgeted amount of R10,000.
- Advertising costs for meetings totalled R4,400, also coming in below the R5,000 budget.

The 2025 fiscal year saw the successful execution of several key initiatives, aligning perfectly with our business plan:

Initiative	Description
Digital infrastructure	Our website was fully redeveloped, regularly updated, and successfully audited and approved by the CID Branch
Stakeholder reporting	We distributed quarterly newsletters via email to keep all property owners within the EICID area well-informed.
Meeting compliance	Notices for member meetings were effectively circulated via email, newspapers, and WhatsApp to ensure the broadest possible reach.
Service delivery	We consistently logged infrastructure-related service requests with the City in line with our mandated duties

Future communication policy:

We have submitted a formal request to the CID Branch to remove the mandatory requirement to advertise member meetings (including the annual general meeting) in both an English and an Afrikaans newspaper. We are confident that our current multi-channel methods are sufficient to reach our entire audience efficiently. While a CCT policy amendment may take several years, we are hopeful that this cost-saving and environmentally friendly request will be successful.

Acknowledgements and call for volunteers:

The board extends its **sincere thanks to Jesse Naidoo** for diligently managing this portfolio during the first five months of the year. We are also grateful for her continued support in producing the newsletter since her resignation from the committee.

We owe a special note of gratitude to **Jimmy Fitzpatrick** for his invaluable technical assistance. Jimmy not only ensured the smooth distribution of our communications by uploading the newsletters to MailChimp (even training the chairperson for seamless coverage during his holidays), but he also played a vital role in the CID's formation by designing and populating the initial website during the application process.

The board is currently **seeking a member to join our committee** and take on the communications portfolio. If you have some spare time and are interested in making a visible impact on the community, please volunteer.

4.5 SPECIAL PROJECTS

No new special projects were initiated during the year. The only planned project—the installation of signage at the EICID entrance—was deferred until Fiscal Year 2026 (FY'26).

The delay was purely operational, stemming from a shortage of available management time (man-hours) to oversee the implementation. Critically, the funds allocated for this project were not re-appropriated and have been securely rolled over for execution within the FY2026 budget.

PART C: CORPORATE GOVERNANCE

1. APPLICATION OF KING IV™

In recognition of the fact that the NPC is entrusted with public funds, particularly high standards of fiscal transparency and accountability are demanded. To this end, the NPC voluntarily subscribes to the King Code of Corporate Governance for South Africa 2016 (King IV) which came into effect on the 1 April 2017. King IV contains a series of recommended reporting practices under the 16 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 protocols appropriate to a non-profit entity such as the Eastlake island NPC (CID). The recommended disclosures under King IV are identified by way of reference to the relevant principle.

The company is committed to the highest standards of business integrity, ethics and professionalism. The board has reviewed the practices underpinning the principles promoted in King IV. Many of these principles are entrenched in the group's internal controls, policies and procedures governing corporate conduct. The board is satisfied that EICID, in all material aspects, complies with the major recommendations of the King IV code to ensure that sound corporate governance and structures are applied within the group.

King IV is a proactive approach to corporate governance, more than a tick-box approach to compliance. The approach is to "apply and explain" the processes implemented or the mitigating reasons for non-compliance. It is a continuous process that results in the following key benefits (as per a report in 2019 by Parmi Natesan and Prieur du Plessis of the Institute of Directors (IODSA)).

- **Enhanced credibility and reputation.** A well-governed company is better positioned to access capital at good rates, and to attract investors/ shareholders. It is also much more likely to enjoy customer support and loyalty, and to be seen as a desirable employer by talented people.
- **Stronger resistance to fraud.** White-collar crime is one of the great risks for businesses, even though it's often underreported. Good governance means good controls, an overall

tendency to transparency and, crucially, an ethical ethos – all anathema to fraud and fraudsters.

- **A more resilient organisation.** By making business continuity a governing body responsibility, organisations are much more likely to mitigate risk successfully, and to recover from a disaster should one occur.
- **Leadership continuity.** Governance codes require governing bodies to put succession plans in place for top leaders, so a damaging leadership interregnum is avoided.

2. GOVERNANCE STRUCTURE

2.1 Board composition:

The Board is responsible for its own composition to effectively discharge its governance duties and drive the Company's strategy, in line with its charter. The Board is comprised of four non-executive directors, all of whom are classified as independent.

The attendance of the directors at the board meetings of the CID is noted on page 33 of this report.

2.2 Appointment of the board

Director nomination, election, and compensation

- **Compensation:** All board members are volunteers and serve without compensation
- **Nomination and induction:** All nominations are carried out by the board as a whole. New directors are inducted and guided by the full board and the company secretary on governing rules and regulations.
- The **appointment of directors** to the board of the company is governed by the MOI of the Company and in line with the Act.
- **Election:** Directors are elected by the members of the CID. One-third of the board is elected on a rotational basis. Directors appointed during the year must retire and stand for election at the AGM. Members are encouraged to submit nominations to the board for election at the AGM. A brief CV of each director standing for election or re-election will be included in the notice of the AGM.

2.3 Changes to the board

Changes in board composition			
Name	Date & manner of Appointment	Date of termination of directorship	Reason for termination - principle 7.30(i)
Pamela Hicks	Incorporator of Company	4 December 2024	Resignation

2.4 Overview of the board's responsibilities

In line with corporate governance principle # 6 (King IV) and the Companies Act, the board of directors serves as the custodian of corporate governance and is responsible for directing the company's business.

The board's primary role is to ensure the company's long-term financial viability and sustainable success. This is achieved by:

- **Setting Strategy:** Developing and implementing strategies to implement the NPC's business plan in a manner that ensures the financial viability of the company and takes adequate account of stakeholder interests.
- **Financial Oversight:** Approving the annual budget and financial statements and ensuring effective financial controls are in place.
- **Risk Management:** Identifying key performance and risk areas and ensuring that management thoroughly assesses all strategic risks.
- **Compliance and Stakeholder Interests:** Monitoring compliance with all relevant laws and standards while considering the interests of all stakeholders.

Ultimately, the board is accountable for the company's overall performance. It provides direction and monitors operational performance to ensure the successful implementation of its approved strategies.

2.5 Board committees

The Board has chosen not to appoint any formal committees. Consequently, all strategic, operational and fiduciary duties of the EICID NPC are fully managed and executed by the board members.

2.6 Directors' independence

The Board is comprised of four non-executive directors, all of whom are classified as independent. The board concluded that none of the directors had a material relationship with the company, which is consistent with the determination of their independence.

Independent director in terms of King IV principle 7.30 (c)				
Director	Cheryl Philip	Peter Kruyt	Peter Weir	Rudy Kindler
Responsibilities	Chairperson & company secretary	Treasurer	Public Safety & infrastructure	Environmental: waterways
Appointment to the board - principle 7.30(f)	Incorporator of Company and re-elected at Members Meeting on 4/12/24	Incorporator of Company and re-elected at Members Meeting on 4/12/24	Incorporator of Company and re-elected at Members Meeting on 4/12/24	Elected at Members Meeting on 4 December 2024
Committee membership	N/A	N/A	N/A	N/A
Skills and experience - principle 7.30(e)	Company secretary. Previous chairperson of MDGA ExCom	Treasurer and member of ELISA	Member of ELISA. Appointed to MDGA ExCom in June 2025	Appointed to MDGA ExCom in June 2025

2.7 Board observer

In terms of the By-law, City Councilors are designated as “board observers” by the Executive Mayor to conduct oversight of board functions. This oversight entails receiving board documentation and attending board meetings, with a view to ensuring that the company duly executes its statutory mandate. The Executive Mayor has appointed Izabel Sherry as board observer, and Cllr. Mandy Marr as her alternate.

The attendance of Cllr Izabel Sherry and Cllr Mandy Marr at the board meetings of the CID are noted on page 33 of this report.

It should be noted that the agreements for the appointment of the Councilors as board observer/alternate board observer were countersigned by the CID on 18 November 2024 and they were therefore not invited to the board meetings held prior to their appointment.

2.8 Attendance at board meetings

Particulars of board meeting attendance are detailed in the table below:

	No. of meetings	02/07/24	22/08/24	10/10/24	28/11/24	04/02/25	25/06/25
Director							
Cheryl Philip	6/6	√	√	√	√	√	√
Peter Kruyt	6/6	√	√	√	√	√	√
Peter Weir	6/6	√	√	√	√	√	√
Pam Hicks *	5/5	√	√	√	√	√	√
Rudy Kindler **	3/5	N/A	√	√	A	√	A
Board Observer ***							
Izabel Sherry	2/3	N/A	N/A	N/A	A	√	√
Mandy Marr	2/3	N/A	N/A	N/A	√	A	√
Management Team		N/A					
Jesimine Naidoo		√	√	N/A	N/A	N/A	N/A
Caroline Pierce				√	N/A	N/A	N/A
Barrie Barnard				√	√	√	√
Peter Kruger						√	√
*	Pam Hicks resigned from the board on 4 December 2024 but continued on the management team until February 2025						
**	Rudy Kindler was appointed as a member of the board on 4 December 2024 but joined the management team on the 22/08/2024.						
***	Councillor Izabel Sherry was appointed as the board observer and Mandy Marr as the alternated board observer in October 2024. gFinal areements signed of 18 November 2024.						
A	Apology						

2.9 Appointment of company secretary

In accordance with the Act Section 86(1) prescribes that all public companies are required to have a company secretary. MS Cheryl Philip was appointed as the company secretary of the company.

2.10 Board charter compliance with King IV for the reporting period 1 July 2024 – 30 June 2025

The board is satisfied that it has fulfilled its responsibilities under the board charter during the period under review as per King IV Principle 6.5(b) requirements to the maximum extent reasonably possible for an organization of our nature. All disclosures on non-compliance, are described in full.

A comprehensive disclosure of our application of these principles is detailed below.

<i>PRINCIPLE 1: The governing body should lead ethically and effectively:</i>
<p>The board adheres to its governance mandate by convening at least quarterly, supplemented by special meetings as necessary. During the period under review, six (6) board meetings were formally convened. This aligns with principle 1(c)(iv).</p> <p>As described under Section 3 “ethical leadership” on page 42, the board has taken steps to avoid conflicts of interest of directors, including the adoption of the Code of Conduct for Directors. The board confirms that it implemented the aforesaid Code of Conduct which facilitated effective and ethical leadership during the year under review.</p> <p>The board adopted a stakeholder-inclusive approach in the execution of their governance role and responsibilities, to ensure transparency in the manner in which it exercised its governance role and responsibilities. Members, through each newsletter, were formally invited to attend board meetings. Members were reminded through the WhatsApp channel that any issues could be raised by email communication to the board.</p>
<i>PRINCIPLE 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture:</i>
<p>The board is satisfied that it complied with the criteria of principle 2 of King IV during the period under review.</p> <ul style="list-style-type: none">• The suppliers code of conduct was assessed prior to signing the contract to ensure that it meets the NPC's ethical standards and business practices.• No sanctions and/or remedies were applied during the year under review due to breaches of the NPC's ethical standards.• Supply chain management process – there were no conflicts of ethics, the procurement policy of the CCT was followed and final decisions were taken by the board.

The future focus of the board, as applicable, will be on the monitoring of organisational ethics and addressing the outcomes.

PRINCIPLE 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The board monitors the activities of the company to ensure that the company operates as a responsible corporate citizen.

The key focus areas of the CID during the period under review include:

- **Community development:** the social responsibility report is included on pages 25 - 26 of this annual report;
- **Environmental:**
 - upgrading of public open spaces - report included on pages 22 – 24 of this annual report;
 - The Marina da Gama was the pilot project of the CCT for the collection of recycling materials many years ago – this practice continues on a weekly basis overseen by the CCT;
 - The pollution in the waterways is addressed by ZPAAC and the Zandvlei Trust – the CID had no input during the year under review;
 - A collaboration agreement has been signed between the CID and the Parks and Recreation Branch of the CCT.
- **Workplace environment:** this is not applicable to the company as it does not have any employees;
- Likewise, the company did not address matters relating to the **economy** such as the prevention, detection and response to fraud and corruption as it is not applicable to the business); nor matters relating to human rights.
- **Planned areas of focus** will be the continuation of the social responsibility program, adding value to the waterway committees active in the area and greening of the public open spaces.

PRINCIPLE 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

The board is fully aware of its responsibilities to all stakeholders and takes these into account when making long-term strategic decisions. The board is satisfied that the directors have complied with their duties in terms of the code during the year under review.

Steps taken to fulfil the following responsibilities of the CID Company:

- The board has procedures in place to ensure the careful and accountable handling of the CID company's resources and programmes.
- The majority of matters raised during the year by the board relating to infrastructure projects has not met the needs of the community. They are mainly long-term projects that need to be implemented by the CCT, and need to go through the budgetary process of the CCT;
- The board has not established a reliable and sustainable support base in order to do its work. The board continues to appeal to the community for volunteers to drive some of the projects. The budget of the CID does not cover the employment of contractors.

PRINCIPLE 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium- and long-term prospects

The board ensures that the **reporting framework** complies with the Act, the CCT requirements and the MOI of the company. To safeguard the integrity of the reports, i.e. integrity and reliability, all reports are reviewed by all members of the board and management team.

The **annual financial statements** (AFS) are compiled under the auspices of the treasurer and the chairperson, audited by the external auditors and approved by the board who will place it before the members, by **resolution**, at the AGM for approval. If the resolution passes, it will confirm that it meets the requirements of the community.

Transparency of reporting – all reports, including the AFS, this annual report and the implementation plan is placed on the company website.

PRINCIPLE 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation

In accordance with Section 66(1) of the Act, the business of the company is under the direction of the board of directors, which has the authority to exercise all powers and perform any of the functions of the company, except to the extent that the Act or the MOI of the company provides; it is therefore the focal point and custodian of corporate governance.

- Principle 6 is reviewed under point 2.4 above on page 31 of this annual report.

- The attendance at board meetings, as per principle 6.5, is detailed as point 2.7 n page 33.
- The board's role and responsibilities are set out in the board charter. The board charter provides the board's role, responsibilities, membership requirements and procedural conduct. The board's charter is available on the company's website at www.eastlakeislandcid.co.za.

The board is satisfied that the directors have complied with their duties in terms of the code during the year under review.

PRINCIPLE 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

- At financial year end 31 June 2025, the board was comprised of **four (4) members non-executive** directors, all of whom are classified as **independent**.
- The board is led by an **independent chairperson**.
- The independence of a director is determined by his/her commercial relationship with the company, transactions with the company and share ownership in the company as well as the specific provisions of King IV. None of the relationships were deemed to be material and, therefore, is consistent with the **determination of independence**. The board is satisfied that it meets all the criteria of principle 7.30 (c).
- The board is satisfied that it meets all the criteria of principle 7.30(a) **except for gender and race diversity**. The Board has not approved, and has no intention to approve, policies on gender and race diversity at the Board level. The most important requisite for a board member is their interest in furthering the vision of the CID.
- The board is satisfied that it meets all the criteria of principle 7.30 (e). The board comprises members that have sufficient **skills and experience** to carry out their duties.
- **Directors' information** – the names, experience, period of service, and positions held are included in point 2.1 on page 30. Due to lack of relevance the age and qualifications of each director is not included.
- The **appointment to the board** has been fully described under point 2.2 on page 31 above. The board is satisfied that it meets all the criteria of principle 7.30 (f).

- The appointments and resignations to the board have been noted under point 2.3 on page 31. Ms Hicks resigned from the board in December 2024 due to her ineligibility to act as a director as supplementary levies are not attached to her rates account.

PRINCIPLE 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

The board has chosen not to appoint any formal committees. Consequently, all strategic, operational and fiduciary duties of the EICID NPC are fully managed and executed by the board members.

A **board observer**, as appointed by the CCT, attends the board meetings.

The board is satisfied that it meets all the criteria of principle 8.

PRINCIPLE 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness:

As this was the first year of operation, no performance evaluations of the board were undertaken during the period under review.

The board will address this issue during FY'26.

PRINCIPLE 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities:

- The chairperson has been appointed as the company secretary and will undertake the corporate governance services on behalf of the company.
- The Act stipulates that the **company secretary** must maintain an **arm's length relationship** with the board. A rigorous review process was undertaken prior to the appointment of Ms. Cheryl Philip, the chairperson, as the company secretary.
- The **appointment** of the company secretary was unanimously approved based on Ms. Philip's qualifications and expertise in corporate secretarial practice and governance. To ensure strict compliance and objectivity throughout the deliberation process, Ms. Philip recused herself from all discussions related to her appointment.

- Both the board of directors and the CID Branch of the CCT (as the relevant compliance and oversight body) considered the appropriateness and effectiveness of the appointment.
- As described under the Organisational Structure on page 9, the **management team** attend and participate fully in all the board meetings.
- The company has not established any formal Delegated Limits of Authority (DOA) in line with 10.85 and 10.89. Consequently, no formal review or assessment was undertaken during the period to ensure an appropriate balance between governance oversight and operational efficiency. The board holds the position that the current practice does not impede operational efficiency or agility. Furthermore, the board currently does not believe that the development and implementation of a DOA would yield a significant benefit to the board's current efficiency or improve the required balance between effective oversight and operational speed. The board will continue to monitor this governance approach to ensure it remains fit for purpose as the organisation scales.

The board is satisfied that it complies with all criteria on principle 10 of King IV.

PRINCIPLE 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives

Risk governance is fully described under point 4 on pages 44 & 45 of this annual report. The board confirms that it did not govern risk in accordance with principle 11 for the period under review.

The board's planned areas of future focus will include **identifying areas of improvement** within the company's risk management process. The board will monitor the actual performance of internal controls in a more **sustainable and structured manner** starting July 2027. Furthermore, once the risk register has been approved by the board, it will be made available online, adhering to King IV Principle 11.9(a).

PRINCIPLE 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives:

- Processes have been put in place to manage the protection of privacy of personal information.
- All members of the board/management team, and volunteers that assist the board, have signed a **POPI Declaration** which has been submitted to the CID Branch;

- No service providers have access to the personal information of the CID;
- The chairperson has been appointed as the **information officer**;
- The board has submitted its **PAIA report** to the **Information Regulator** the period under review.
- No information breaches were noted and therefore no remedial action was necessitated.
- There was no request for information from any stakeholder, except the CID Branch.
- The PAIA manual of the CID includes a **Privacy Policy**. The **PAIA manual** is available on the CID website and has been submitted to the Information Regulator.

The board is satisfied that it complies with all criteria on principle 12 of King IV.

PRINCIPLE 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen:

The board has not managed to comply with compliance in a formal manner during the period under review.

The board is, however, satisfied that it complies with all criteria on principle 13 of King IV as all applicable laws, rules, codes and standards have been adhered to the best of their knowledge.

A gap analysis of the King Report will be undertaken once the King V report has been signed into law. The change from King IV to King V is expected during FY'26.

PRINCIPLE 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term:

Principle 14 is **not applicable** to the company. All members of the board and the management team are **volunteers**.

PRINCIPLE 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports:

The following assurance services have been appointed to enable an effective control environment:

- **External auditor** – provides assurance on the annual financial statements;
- **Company secretary** – provides assurance on regulatory compliance;

- Internal auditors – the board has not deemed it necessary to appoint an internal auditor to review the internal processes in place. All decisions are taken by the board. All ad-hoc payments are approved by the board. All payments are authorized by the chairperson and actioned by the treasurer;
- All documentation and notifications, including monthly financial reports, minutes of meetings, budgets and amended budgets are submitted to the **CID Branch**. Although the CID Branch is not an external assurance provider, it provides sufficient assurance on our processes and practices for a company of our size.

The board is satisfied that the company has sufficient controls in place and complies with the criteria of principle 15.

PRINCIPLE 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time:

The CID has not formalized a policy to document the arrangements to govern and manage stakeholder relations. The communications report on page 27 outlines the processes that have been implemented.

A representative of the CID attended all the **CID Forum meetings** scheduled by the CID Branch during the year under review.

The board is satisfied that it complies with all criteria on principle 16 of King IV.

Future focus will include the drafting of a formal stakeholder policy that will manage the relationships for the identification of the individual stakeholders and mechanisms for engagement and communication with the stakeholders.

3. ETHICAL LEADERSHIP

As per principle 6.5(b) of King IV, the directors are required to maintain the highest ethical standards. To this end, the NPC has adopted the code of conduct of directors, as provided by the CID Branch, which governs their ethical roles and responsibilities, and provides guidelines on the applicable legal management and ethical standards. The Code is available at www.eastlakeislandcid.co.za.

Upon appointment, directors must declare in writing to the chairperson any private interests which could give rise to a potential conflict of interest. These declarations are kept in a register and are regularly updated. The code of conduct provides that the register is under the control of the chairperson and is kept confidential.

Directors must further disclose in writing to the chairperson if any matter before the board gives rise to a potential conflict of interest. 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 NPC.

The board is satisfied that the directors have complied with their duties in terms of the code during the year under review.

4. BOARD OVERSIGHT OF RISK MANAGEMENT

4.1. Risk Management Policy

The NPC's risk management strategy is to implement a sound system of internal controls to safeguard the company's assets and funds, thereby ensuring the company's strategic objectives are met.

4.2 Risk Management Oversight during the Year Under Review

The implementation of a formal risk strategy was not a primary focus for the board during the year under review. Subsequent to the year-end, the board considered and discussed organizational risks. Monitoring of the risks identified at this meeting, and as itemized under section 4.3, will continue.

Enhanced risk management going forward

The Board confirms the implementation of the five-year strategic plan, as approved by the CCT in 2024.

To enhance risk governance, a risk register will be developed to identify operational risks, establish their likelihood and impact, and define mechanisms designed to mitigate them. This register will be formally included for review at each board meeting going forward.

In line with this commitment, the board will monitor the actual performance of internal controls in a more sustainable and structured manner starting July 2027. Furthermore, once the Risk Register has been approved by the Board, it will be made available online, adhering to King IV Principle 11.9(a).

Although the board did not fulfil its mandate to review the risk register during the period under review, it is satisfied that the systems and processes put in place *subsequent* to year-end are adequate to govern and manage the risks identified.

4.3 Key business risks and opportunities

The board has identified the following key areas of focus, subsequent to year-end, e.g. key risks facing the NPC, unexpected or unusual risks and risks taken outside of risk tolerance levels as per King IV Principle 11.9 (b).material risks specific to the company are listed below:

Economic and social environment (South Africa):

- **Uncertainty of Energy Supply:** Despite a recent reduction in power interruptions (Load-Shedding), the uncertainty of this improvement persists. Significant interruptions would require mandatory investment in dedicated Uninterruptible Power Supplies (UPS) for all security cameras, leading to increased operational costs for members.
- **Social and Political Instability:** Risk of civil unrest or protest action in neighbouring areas that could spill over and negatively impact the community's operations and safety.
- **Utility Supply and Infrastructure Deterioration:** Unreliable and costly utilities (due to electricity constraints and water shortages), compounded by deteriorating municipal infrastructure.
- **Cybersecurity and Information Risk:** Increasing threats related to data breaches, system disruption, and other cybersecurity incidents.

Specific risks to the EICID:

- **Governance and Volunteer Sustainability:** Risk to the continuity and effectiveness of the Board and management team due to a shortage of available volunteers to join and replace existing members;
- **Failure by our service providers to perform their functions adequately, effectively or within the parameters of their authority;.**
- **Membership and Financial Sustainability:** A trend of an aging community and increasing applications for indigent rates from the CCT could result in a shrinking base of eligible members contributing to the required levies; and
- **Negative perceptions of some in the local community regarding the company's service delivery or expenditure of public funds.**

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

Planned areas of future focus as per King IV Principle 11.9(d)

The board's planned areas of future focus include identifying areas of improvement within the company's risk management process.

5. ACCOUNTABILITY AND RESPONSIBILITY

4.1 Performance Reviews

No assessments were undertaken during the period under review.

4.2 Delegated limits of authority

Current practice and governance gap: The board maintains ultimate responsibility for the company's strategic direction, guided by the five-year plan approved by shareholders in 2023. A conservative approach to operational delegation is currently employed: all projects and new ventures, irrespective of value or nature, require full board approval prior to commencement. Portfolio holders present all undertakings for detailed discussion at Board meetings.

Compliance statement: A critical governance gap exists as the Company has not established any formal Delegated Limits of Authority (DOA). Consequently, no formal review or assessment was undertaken during the period to ensure an appropriate balance between governance oversight and operational efficiency.

This practice results in non-compliance with the recommendations of King IV Principle 10 (specifically 10.85 and 10.89), which requires the board to ensure that a framework for the delegation of authority exists and is reviewed periodically.

Board position and outlook - The board acknowledges the non-compliance with King IV Principle 10. However, the board holds the position that the current practice does not impede operational efficiency or agility. Furthermore, the board currently does not believe that the development and implementation of a comprehensive Delegated Authority Framework would yield a significant benefit to the board's current efficiency or improve the required balance between effective oversight and operational speed. The board will continue to monitor this governance approach to ensure it remains fit for purpose as the organisation scales.

4.3 Supplier Code of Conduct

The suppliers code of conduct was assessed prior to signing the contract to ensure that it meets the NPC's ethical standards and business practices.

PART D: FINANCIAL INFORMATION

1. Report of the External Auditor

The audit report by the external auditor is attached as Appendix A

It is noted that the auditor gave an unqualified opinion.

2. Annual Financial Statements

The audited annual financial statements are attached as Appendix B