



Date: 02nd June 2026

BACKGROUND TO THE BOARD RESPONSE

The attached Board Response has been prepared by the Board of Directors of the Welgemoed City Improvement District NPC ("WCID") in respect of certain governance, operational and financial matters arising from the WCID's Term 1 activities, reporting and governance framework.

The response records the Board's position on the principal matters addressed therein with reference to the WCID's governing documents, audited Annual Financial Statements, Annual Reports, AGM records and related operational documentation.

The Board considered it appropriate to publish the response in order to provide members with a consolidated and accessible account of the relevant governance and operational context, together with the Board's position on the matters addressed.

The attached Board Response should accordingly be read together with the accompanying governance extracts and source references incorporated within it.



AE Nell



BOARD RESPONSE

Governance, Compliance & Financial Review — May 2026

Date: 02 June 2026

Re: Response of the Board of Directors to the document pack titled “WCID Board Pack — Governance, Compliance & Financial Review (May 2026)” submitted by [REDACTED] ([REDACTED] / [REDACTED])

1. Purpose of this response

The Board has considered the document pack submitted by [REDACTED]. The Board records its appreciation for the time and effort invested, and welcomes constructive engagement that strengthens transparency. This response sets out the Board’s position, grounded in the WCID’s own governing documents, audited Annual Financial Statements, Annual Reports, and the minutes and resolutions of the Annual General Meeting held on 4 November 2025.

The Board’s overall position is straightforward: Term 1 was executed in line with the approved Business Plan, and the WCID received an unqualified (clean) audit opinion in each of the five years of the term. A number of the matters raised in [REDACTED]’s document pack as allegedly being “undisclosed” or “unreconciled” were, in fact, disclosed in the AFS and Annual Report, and addressed on the record at the 2025 AGM. Members of the WCID could attend WCID meetings through the published participation procedures and meeting notices made available on the WCID website, circulated electronically to members and, where required, published in accordance with the applicable notice requirements. The Board nonetheless agrees that certain information should be made more readily accessible to the community, and commits to the publication steps set out in Section 6.

2. Term 1 was executed in accordance with the Business Plan

The WCID was established under the City of Cape Town Special Rating Area framework and commenced operations on 1 July 2020 for an initial five-year term ending on 30 June 2025. In accordance with the applicable framework, WCIDs operate in fixed five-year terms supported by approved Business Plans setting out the services and objectives to be delivered during each term. Delivery against the four strategic pillars and governance commitments contained in the Term 1 Business Plan is reflected in the Annual Reports and may be summarised as follows:

- **Safety & Security:** expanded the camera network (LPR and overview cameras monitored from the control room), patrol vehicles and public safety officers, control-room and network upgrades,

and the fencing and gate-access programme. The Annual Report records a decrease in serious crime over the year (from 35 to 18 incidents) and strengthened SAPS relationships.

- **Cleaning & Maintenance:** regular litter removal, seasonal maintenance, and in excess of 100 tons of waste removed per year, delivered together with the MES social-employment partnership.
- **Greening:** The rehabilitation of indigenous and endemic plants commenced during Term 1 and included the Sluysken Park pilot upgrade undertaken over two financial years. The Annual Report identified the project as the flagship greening initiative for Term 1. Further greening initiatives included the refurbishment of the Welgemoed Entrance Garden and endemic embankment planting at the corner of Pandoer Street and Jip de Jager Avenue.
- **Social Responsibility:** sustained MES case management, charity partnerships, and community events (Market/Straatwinkel, Symphony, Fun/Walk runs).
- **Governance & Finance:** AGMs were held annually at which the Annual Financial Statements were presented, budgets approved, auditors appointed and board rotation implemented in accordance with the MOI and the Companies Act. The financial statements were prepared by, and audited by, an IRBA-registered auditor (PKF Cape Town), which was reappointed by members, and the WCID received five consecutive unqualified audit opinions during Term 1

The projects and operational initiatives referred to above formed part of the implementation plans, budgetary processes and strategic objectives adopted by the WCID during Term 1, and were implemented under the oversight structures of the Board.

██████████'s document pack itself acknowledges that the WCID delivered the substantial majority of its Term 1 commitments and records the existence of five consecutive unqualified audit opinions together with operational delivery across the four pillars.

3. The audit position

The 2024/25 Annual Financial Statements received an unqualified audit opinion from PKF Cape Town, the IRBA-registered auditor appointed at the AGM. The AFS and Annual Report were tabled and approved by members at the AGM on 4 November 2025 (agenda items 8 and 9), and PKF was reappointed by resolution (item 13).

The Board notes ██████████'s observation in the document pack that an audit is not designed to detect every form of fraud. That is correct as a general auditing principle. It does not, however, displace the audited financial statements approved at the AGM, nor does it, without more, convert disclosed items into irregularities. Where ██████████'s document pack labels items as "red flags", the report

itself records that the identification of risk indicators does not constitute a finding of fraud or wrongdoing. The author of the document pack also acknowledged that the preliminary AI-assisted analysis and the influence of community allegations may have contributed to certain preliminary assumptions or concerns being elevated before the relevant context and explanations had been fully considered.

The Board further notes that the author's own narrative records that, prior to circulation of the document pack, engagement took place with Mr Jan Kotze, the Engagement Partner responsible for the WCID audit at PKF Cape Town, during which aspects of the governance and financial matters later raised in the document pack were discussed within the broader audit and financial reporting context. The Board accordingly records that a number of the matters later raised in the document pack had already formed part of discussions within the broader audit and financial reporting environment prior to circulation of the document pack.

4. The principal matters raised — and the documented record

The table below addresses the matters that [REDACTED]'s document pack treats as most serious. In each case the Board relies on the AFS, the Annual Report, and the minuted AGM questions and answers.

Matter raised in the report	Report's characterisation	Position on the documented record
WelgemoedSafe relationship and status	"Single most significant concern"; City directive allegedly not implemented; entity "still separate".	Addressed and discussed at the AGM (4 November 2025). WelgemoedSafe is a voluntary association holding SARS-approved PBO status and legacy donor-funded safety infrastructure together with related public-benefit funds. The WCID, by contrast, is the levy-funded non-profit company responsible for the day-to-day operational delivery of services within the Special Rating Area framework.

Matter raised in the report	Report's characterisation	Position on the documented record
		The future winding-up of WelgemoedSafe into the WCID was discussed at the AGM and remains under active Board consideration. No final decision has been taken. The WCID does not transfer levy income directly to WelgemoedSafe. The present operational arrangement is that the WCID utilises legacy LPR camera infrastructure historically installed by WelgemoedSafe, whilst WelgemoedSafe separately compensates the WCID for maintenance and related support services associated with that infrastructure. See Section 5
Third-party / FADT control-room income (R304,598)	“Undisclosed,” “not a related party,” possible IFRS breach.	Disclosed in the AFS and addressed at the AGM: third parties, including ADT, utilise the WCID control-room infrastructure and are charged for those services, generating additional operational income above levy-derived income in the amount of R612 151. The basis of this income and the associated operational arrangements were addressed with members at the AGM, and third-party monitoring services

Matter raised in the report	Report's characterisation	Position on the documented record
		are further referenced in the Annual Report. The Board's position is that the relationships and operational arrangements were considered against the requirements of Section 33 of IFRS for SMEs when assessing related-party disclosure obligations. The Board further notes that economic dependence or a significant volume of transactions with a customer or supplier does not, in itself, necessarily constitute a related-party relationship for accounting purposes. The relevant income streams were further reflected as "other income" in the approved budgets and corresponding financial reporting presented to members.
Tax payable of R44,534 vs s10(1)(e)(i)(cc) exemption	"Direct contradiction never reconciled"; income "outside mandate."	The Board's understanding is that the tax liability arises from the additional third-party income rather than levy-derived income. The Board further understands that the section 10(1)(e)(i)(cc) exemption applies primarily to levy-derived receipts, whereas the third-party operational income falls outside that

Matter raised in the report	Report's characterisation	Position on the documented record
		exemption and accordingly gives rise to a tax liability. This distinction was addressed with members at the AGM. The Board accepts that the distinction between exempt levy-derived income and taxable third-party income could usefully be reflected more fully in future AFS notes and related financial disclosures.
Five consecutive audit opinions	Clean opinions acknowledged, but “community trust remains low.”	Five consecutive unqualified PKF opinions across Term 1. The 2024/25 AFS and Annual Report were formally approved by members at the AGM, and PKF was reappointed by resolution.
Board rotation and governance	Implied governance weakness.	Director rotation in accordance with the MOI was implemented prior to the November 2025 AGM, with the longest-serving directors resigning and only two directors continuing in office before the election process. A quorum was declared at the AGM and directors were thereafter elected by member ballot.
Sluysken Park expenditure	71.6% increase a “medium risk”; no project-stage disclosure.	The accounting treatment of the Sluysken Park expenditure was addressed with reference to the

Matter raised in the report	Report's characterisation	Position on the documented record
		fact that the WCID does not own the underlying public land on which the park improvements were undertaken. The Board's understanding is that the City of Cape Town indicated that expenditure of this nature should be treated as an operational expense rather than a capital asset in the WCID financial statements, having regard to the WCID not owning the underlying land. Sluysken Park was implemented over two financial years at an approximate total cost of R1.87 million. The project was recorded in the Annual Report and was further addressed at the AGM as the largest single contributor to the reported increase in expenditure during the relevant financial period. The Board further notes that references in [REDACTED]'s document pack to Sluysken Park in the context of related-party considerations appear to arise from a misunderstanding, as Sluysken Park is a public open space and not a legal entity or related party for accounting purposes.

Matter raised in the report	Report's characterisation	Position on the documented record
WCID's operational oversight with FADT	Question raised about the extent of management oversight by WCID over operational staffing of FADT	Public safety services are outsourced in accordance with the requirements of the City and was provided for in the Term 1 Business Plan and subsequently reflected in the Annual Report. FADT personnel are not employees of the WCID. Operational oversight, service-level management and the coordination of service delivery nevertheless remain subject to the WCID's governance and management structures.
Trade Receivable increased from 2024 to 2025	Provide more detail around the trade receivable balance increased from R22 000 to R259 674 between 2024 and 2025.	The 2025 trade receivables balance consisted primarily of FADT and WelgemoedSafe-related fees owing to the WCID. The increase in the receivables balance arose largely from the control-room facility fee arrangement being updated to reflect WelgemoedCID and FADT as the contracting counterparties in place of the previous WelgemoedSafe arrangement. Pending finalisation and signature of the updated agreements, certain payments were deferred. These balances were monitored throughout the relevant period and assessed as recoverable at the reporting date. The Board

Matter raised in the report	Report's characterisation	Position on the documented record
		further records that the outstanding trade receivables were subsequently recovered.

On the central concern — WelgemoedSafe

In relation to the central concern raised regarding WelgemoedSafe, the relationship between WelgemoedSafe and the WCID was addressed directly with members at the AGM, including in response to questions relating to governance transparency. WelgemoedSafe and the WCID remain separate, independent entities operating within the broader community safety environment.

The respective roles of the two entities, together with the Board's current position regarding whether and when a future wind-up of WelgemoedSafe, are addressed more fully in the next section.

The Board nevertheless accepts that aspects of the relationship could be set out more clearly on the WCID website rather than only through AGM records and related governance documentation. See Section 6.

4A. Additional matters addressed in the document pack

The document pack raises a number of additional matters not specifically addressed in the table above. The Board records the following positions for completeness.

Fruitless and wasteful expenditure (R3,689). The amount in question was identified, classified and disclosed in the audited AFS in accordance with the applicable reporting framework. The Board notes that the amount was recorded and disclosed through the ordinary financial reporting process and was immaterial in the context of the WCID's overall expenditure for the relevant financial period. The said amount related to newspaper advertisements placed for the 2024 AGM. A further advertisement was required in order to ensure compliance with the prescribed notice period.

Management remuneration forms part of the WCID's ordinary governance and employment structures, is disclosed within employee costs in the audited AFS, and forms part of the external audit process. Project expenditure reflected separately in the financial statements relates to operational and project implementation costs supported by the underlying procurement and accounting records.

Interest income and treasury management. The reduction in investment revenue during the relevant period is attributable to lower average cash balances and prevailing interest rate conditions. Treasury management arrangements formed part of the ordinary financial management processes of the WCID and the related disclosures appear in the audited AFS approved at the AGM.

Public safety services expenditure and procurement. Public safety services constitute the largest area of WCID expenditure, consistent with the priorities identified in the Term-1 Business Plan and the prior urban management survey. The relevant service-provider arrangements were implemented within the WCID's governance framework and formed part of the ordinary audit and governance oversight processes.

Hosting / monitoring fees and other income. The third-party hosting and monitoring fees referred to in the document pack arise from the same operational arrangements addressed in Sections 4 and 5 of this response. The amount of R43,553 reflected as other income related to the contribution received from the City of Cape Town for the Jip de Jager embankment planting project which came about as part of the Jip de Jager road construction project.

Outdoor gym park. The Term 1 Business Plan included an aspirational outdoor gym installation. However, during Term 1 the focus of the greening portfolio expanded beyond the limited activities originally contemplated in the approved Business Plan. As noted above, the original Business Plan contemplated only nominal greening activity. This changed with the commencement of the indigenous and endemic plant rehabilitation programme and associated park development initiatives, of which the Sluysken Park project was the first significant implementation. The related expenditure, implementation priorities and project progress were reported through the Annual Reports and AGM processes during Term 1. At the time the projects were undertaken, the Board's understanding was that the initiatives fell within the approved budgeting and operational framework applicable to the WCID. Following amendments to the City's regulatory framework in 2023, greater clarity emerged regarding the circumstances in which formal approval may be required for changes to an approved Business Plan. The projects were disclosed through the WCID's governance and reporting processes, and no objection was raised by the City in relation thereto.

Document 4 of the pack. The Board notes that Document 4 relies substantially on community social-media material and related commentary. The Board does not regard community social-media posts as constituting audit findings or substantiated factual conclusions in themselves. The Board's position remains that operational decisions were within the WCID's governance and operational framework.

5. WelgemoedSafe — positioning and the wind-up question

Because the relationship between WelgemoedSafe and the WCID is the matter raised most prominently in [REDACTED]'s document pack, the Board sets out its position more fully below.

5.1 Two distinct entities within the same community safety environment

- **WelgemoedSafe** —is a community-funded safety initiative that preceded the WCID. It was established during 2012 following earlier neighbourhood-watch and community safety initiatives and operates as a voluntary association under its own constitution. WelgemoedSafe also holds SARS-approved Public Benefit Organisation (PBO) status.

For approximately a decade the initiative was funded primarily through voluntary contributions made by residents and businesses. The main purpose of establishing WelgemoedSafe was to create a vehicle through which funds could be raised to develop community safety infrastructure. Through those contributions, the initial camera-monitoring infrastructure, CCTV network, control-room environment and related security-support infrastructure were established and implemented prior to the establishment of the WCID.

The implementation of the camera-monitoring system yielded positive results and contributed to improved community safety outcomes. As the safety infrastructure expanded, it became apparent that a more sustainable and predictable funding model would be required to support ongoing maintenance, monitoring and future development. While WelgemoedSafe had successfully operated through voluntary contributions from residents and businesses, the WCID model provided a statutory framework through which community safety services and related infrastructure could be funded and managed on a long-term basis. The establishment of the WCID was accordingly viewed as the most practical mechanism to support the continued development of community safety initiatives within Welgemoed.

- **Welgemoed CID (WCID)** — the levy-funded improvement district established in 2020 (1 July 2020) under the City of Cape Town CID By-Law and Policy. The WCID operates as a Non-Profit Company registered under the Companies Act, governed by a Board elected by members at the AGM, and funded through the municipal levy collected by the City of Cape Town.

During the establishment process, consideration was given to the future relationship between WelgemoedSafe and the proposed WCID, including whether the existing community safety structures could be incorporated into the new statutory framework. The WCID was, however, required to be established as a separate legal entity in accordance with the City's legislative and regulatory framework and to implement its approved Business Plan independently. While WelgemoedSafe and the WCID shared common community-safety objectives, the

establishment process did not require the dissolution of WelgemoedSafe or the transfer of its existing assets and infrastructure. As a result, WelgemoedSafe continued to exist alongside the WCID following its establishment in 2020.

5.2 How they work together today

Following the establishment of the WCID in 2020, the day-to-day delivery of public community-safety services took place in accordance with the approved Business Plan and under the WCID structure. The WCID presently oversees and maintains the operational safety infrastructure utilised within the Special Rating Area. WelgemoedSafe meanwhile continues to hold certain legacy CCTV infrastructure and donor-funded public-benefit resources, the beneficial use of which has been made available to the WCID.

Certain infrastructure, operational resources and associated arrangements developed through WelgemoedSafe prior to the establishment of the WCID have accordingly continued to support the delivery of community-safety services within the WCID area. Over time, certain income streams previously associated with those arrangements, including camera-feed and monitoring-related income, were regularised within the WCID structure and are reflected in the WCID's approved financial reporting as other income.

The 30 June 2025 AFS reflect the following “other income” streams relevant to the operational relationship between the entities:

7. Other income

Welgemoed Safe subsidy	264,000	264,000
FADT Control Room contribution	304,598	-
Other income	43,553	-
Donations received	-	8,505
	612,151	272,505

- **WelgemoedSafe subsidy** – a fee paid by WelgemoedSafe to the WCID in respect of the oversight, maintenance and support associated with legacy CCTV/LPR infrastructure.
- **FADT Control Room Contribution** – a fee paid by FADT to the WCID for utilisation of the WCID control-room environment and associated operational infrastructure.
- **Other Income** – an amount of R43 553 received indirectly from the City in relation to the Jip de Jager embankment project (endemic planting).

The Board's position is that levy-derived income is applied to WCID operations in accordance with its business plan and is not transferred directly to WelgemoedSafe. The operational relationship between the entities presently includes the WCID's utilisation of the legacy infrastructure historically installed by WelgemoedSafe, together with compensation paid by WelgemoedSafe to the WCID in respect of maintenance and related operational support associated with that infrastructure.

The related-party disclosure appearing in the WCID financial statements arises from that operational and financial relationship between the entities.

5.3 The Future Position of WelgemoedSafe Remains Under Consideration

At the outset, the Board records that it is not aware of any formal written directive issued by the City of Cape Town requiring that WelgemoedSafe be dissolved or otherwise done away with.

The Board notes that references contained in [REDACTED]'s document pack regarding an alleged City directive appear to arise from broader discussions concerning the long-term governance and operational positioning of WelgemoedSafe within the City framework. Whilst the City required the WCID to be established and operate as a separate legal entity in accordance with the applicable legislative and regulatory framework, it did not prohibit the continued existence of WelgemoedSafe. Accordingly, the suggestion that the City issued a directive requiring the dissolution of WelgemoedSafe is incorrect.

At the 2025 AGM the Board noted that WelgemoedSafe was on a path towards being wound-up-into the WCID. The Board clarifies that this reflected the position and discussions at the time and should not be interpreted as confirmation that any final decision had been taken.

The Board will continue to assess the operational, governance and financial considerations relevant to WelgemoedSafe and will communicate any future decision regarding the entity through the appropriate AGM and governance processes.

6. Action the Board will take

Without adopting the characterisations in [REDACTED]'s document pack, and in the interest of accessible transparency, the Board commits to the following:

Action	Owner / timing
Publish on the WCID website a clear, plain-language explanation of the relationship between WelgemoedSafe and the WCID, including the	Board / Communications — within the current quarter

Action	Owner / timing
respective legal structures, funding models and operational roles of the two entities, together with clarification that the WCID does not transfer levy-derived income directly to WelgemoedSafe and that WelgemoedSafe separately compensates the WCID in respect of maintenance and related operational support services.	
Publish the purpose and current role of WelgemoedSafe within the broader community safety structure, including the continued holding through the entity of legacy safety infrastructure and public-benefit funds accumulated prior to establishment of the WCID	Board / Communications — with the above
State clearly on the WCID website that the future position and potential wind-up of WelgemoedSafe remain under active Board consideration and have not yet been finalised, and that any future decision will be communicated to members through the appropriate AGM and governance reporting processes.	Board — with the above
Continue to make the audited AFS and Annual Reports available to members following approval at each AGM, together with the related governance and financial reporting documentation published through the WCID website.	Board / Manager — ongoing
Members of the WCID may continue to attend WCID meetings through the published participation procedures and meeting notices available on the WCID website.	Board / Manager — ongoing

These steps respond directly to the report's recommendation that the relationship between WelgemoedSafe and the WCID be communicated more clearly, and are intended to ensure that the

explanations previously addressed at the AGM — together with the Board's current position regarding the future wind-up question — are more readily accessible to members through the WCID website and related governance documentation.

7. Procedural observations

The Board records the following observations for completeness, whilst reiterating its willingness to engage constructively with concerns raised by members and stakeholders:

1. [REDACTED]'s document pack describes itself as independent and uncommissioned. The report nevertheless adopts firm language in certain sections, including references to matters described as “CONFIRMED” or as “fraud indicators”, notwithstanding the report's own acknowledgment that further investigation by appropriately qualified legal, forensic and accounting professionals would be required before definitive conclusions could properly be reached. The Board has considered the document within that context.
2. The author of the report acknowledged that aspects of the analysis were developed through preliminary AI-assisted analysis and without full operational or historical context regarding the implementation and operation of the WCID and the Term-1 Business Plan at the time the pack was circulated.
3. Portions of the report further relied on material sourced from community social-media discussions and commentary. The Board will assess any specific and evidenced concern on its merits. Community allegations or commentary circulated on social-media platforms do not, however, in themselves constitute audit findings or verified factual conclusions regarding governance, operational or regulatory matters.
4. The document pack is marked “CONFIDENTIAL — For Board of Directors Use Only” on its cover page. The Board notes that, notwithstanding that classification, aspects of the contents have since circulated beyond the Board environment.
5. The document pack references individual current and former WCID officers, directors and the external engagement partner of the WCID's appointed auditor. The Board does not regard commentary concerning the personal demeanour or perceived conduct of individuals during informal discussions as forming part of the relevant governance or financial record relied upon by the Board in this response.
6. The Board, as the duly constituted governing body of the WCID for Term 2 under the chairpersonship of Ms Anika Nell, will determine whether any further review, engagement or

enquiry is warranted in consultation with PKF Cape Town and the WCID's legal advisers, and will communicate with members through the appropriate governance and reporting channels.

8. Closing

The WCID delivered its Term 1 mandate in accordance with the approved Business Plan and the initiatives implemented thereunder, and maintained an unbroken record of unqualified audit opinions throughout the term. The matters raised regarding WelgemoedSafe, third-party income and the related tax position were addressed in the WCID audited financial statements and further discussed with members at the 2025 AGM. The Board will nevertheless publish, on the WCID website, a clearer account of the operational relationship between WelgemoedSafe and the WCID, together with the current role and positioning of WelgemoedSafe within the broader community safety structure.

The Board confirms that the future position of WelgemoedSafe remains under active consideration. Any future decision will be communicated to members through the appropriate AGM and governance reporting processes.

The Board further notes that [REDACTED]'s document pack — described by its author as incorporating preliminary AI-assisted analysis and partially relying on community social-media material — was circulated in circumstances where a number of the concerns, assumptions and characterisations contained therein had not yet been fully verified or contextually assessed, notwithstanding the report's own acknowledgment that further professional legal, forensic and accounting investigation would be required before any final conclusion could properly be drawn.

In light of the clarifications contained in this response, and the report's own acknowledgment that further investigation and contextual assessment would be required before definitive conclusions could properly be reached, the Board trusts that any preliminary findings, assumptions or characterisations inconsistent with the documented record will be reconsidered and, where appropriate, corrected or clarified in light of the fuller governance and operational context addressed herein.

The Board remains committed to transparent and accountable governance and welcomes continued constructive engagement through the WCID's formal governance and communication channels.

For and on behalf of the Board of Directors

Welgemoed City Improvement District NPC

A handwritten signature in black ink, appearing to read 'AE Nell', written over a horizontal line.

AE Nell

Chairperson

Date: 02nd June 2026

ADDENDUM A

Extracts from the referenced source documents

The extracts below are reproduced from the WCID's own governing and reporting documents. They are provided so that the statements made in this response can be verified directly against the record. Extracts are quoted as they appear in the source; emphasis is not added. Each extract is labelled with its source document.

A.1 WelgemoedSafe — relationship explained at the 2025 AGM

In response to questions from members on the WelgemoedSafe relationship, the WCID audited AFS were noted with the following recorded answer:

"Welgemoed SAFE also is a related party due to current infrastructure used by WCID owned by Welgemoed SAFE. Welgemoed SAFE is in the process of winding down. WCID is maintaining infrastructure on behalf of Welgemoed SAFE for which a fee is earned and hence the related party entry on the AFS."

Source: AGM Minutes & Resolutions, 4 November 2025 — Approval of Audited Financial Statements (member Q&A).

"The community owns Welgemoed SAFE. It was created on a voluntary basis and funded on a voluntary basis. Welgemoed SAFE had its own infrastructure and cash resources but WCID had to be established as a standalone entity. Welgemoed SAFE is now being winded down into WCID and nobody is receiving any benefit through the winding down process."

Source: AGM Minutes & Resolutions, 4 November 2025 — response to question () on the surplus and ownership of Welgemoed SAFE.

A.2 Third-party / control-room income and the related tax

"ADT makes use of the CID control room for which they are charged, leading to additional income. Additional income is received for 3rd party surveillance."

"Due to the additional income received there is an amount of R45k payable in taxes."

"During the past financial year the additional income, above the levies, amounted to approximately R800k."

Source: AGM Minutes & Resolutions, 4 November 2025 — salient points noted on the AFS, and response to question ().

A.3 WelgemoedSafe infrastructure under the Term 1 Business Plan

“WCID will have the full use of the current WelgemoedSafe infrastructure at a negligible cost. Any future replacement requirements of current WelgemoedSafe equipment will be initiated and paid for by WCID and owned as WCID equipment.”

Source: WCID Term 1 Business Plan — Safety & Security: CCTV camera infrastructure.

A.4 Audit, AFS approval and auditor reappointment

The ordinary resolutions passed at the AGM included the following (all recorded as “For 124 / Against 9 / Abstain 2”):

Item	Resolution	Result
8	Approval of the Annual Report for 2024/25	Approved
9	Approval of Audited Financial Statements 2024/25	Approved
10	Approval of Amended Business Plan (s25 of the CID By-Law)	Approved
11	Approval of the Budget	Approved
12	Approval of the implementation plan for 2026/27	Approved
13	Appointment of a Registered Auditor	Approved
14	Confirmation of Company Secretary	Approved

Source: AGM Results, ordinary resolutions of the AGM held 4 November 2025 (PaperPilot (Pty) Ltd, 5 November 2025).

“All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by PKF Cape Town ... The Financial Statements ... give a true and fair view of the assets, liabilities and financial position of the company.”

Source: 2024/25 Annual Report — Statement of Directors’ Responsibility (approved by the Board on 8 October 2025).

A.5 Quorum and conduct of the AGM

“On register there are 222 members from 1 458 properties.”

“The quorum requires 10% in attendance and the meeting was declared quorate.”

Source: AGM Minutes & Resolutions, 4 November 2025 — Memberships; Quorum.

Note : Item 15.7.1 of the MOI determines : “The quorum for members’ meeting shall be 10% of the members, who must be present in person or by proxy and entitled to vote.”

A.6 Board rotation at the 2025 election

“The process of the resignation of a third of the longest serving directors as per the MOI was discussed. Only 2 directors, R Lorio and F Laurence remained on the Board of Directors after the resignation of the longest serving directors.”

Source: AGM Minutes & Resolutions, 4 November 2025 — Election of Board Members.

A.7 Term 1 delivery — safety outcomes and Sluysken Park

“There was a decrease in serious crime in the area ... The number of serious crimes decreased from 35 (full year) to 18 incidents during the period.”

Source: 2024/25 Annual Report — Strategic Objective: Public Safety (performance against KPI).

“The Sluysken Park project costs were R 1 867 885. The project has been executed over the past 2 financial years. Goewerneur park will be the next park to be developed.”

Source: 2024/25 Annual Report — Strategic Objective: Development of Parks (resource allocation).

A.8 Park upgrades reported as complete

“Key park upgrades in term 1 includes: Sluysken Park completed. Welgemoed Entrance Garden revamp completed with pending art in the park to be added.”

Source: WCID Public/Communications Meeting Minutes, 4 August 2025 — Greening update.

End of Addendum A.