

2022/23 Quarter 2
December 2022

SFPO NPC Quarterly Report

Welcome to our second quarterly report for Year 5 of the SRA. We issue three quarterly reports and an annual report each year. The Quarter 2 Report consists of:

- Executive Summary
- Projects
- Financial Reports

Executive Summary

The SRA (Self Rating Area) was established on 01 July 2018 for the Canals and Village demarcated area. The focus was to restore our beach, resurface our arterial roads, and establish a CCTV camera infrastructure to fight the escalating crime in our area.

We required the majority of the 1,590 property owners in the proposed Canals and Village Areas to vote for the introduction of the SRA levy (i.e. 50%+1 votes). We received a majority vote:

- 58% of all property owners cast their vote
- 7 out of every 8 votes cast, equalling 87.5% of the votes received, were “Yes” votes
- This was an emphatic endorsement for the acceptance of the SRA levy by the majority of property owners

We are now in our 5th year of operation and the positive impact the SRA has had on St Francis Bay is clearly visible.

Value

We have delivered significant value to all of our members, the property owners and SRA levy payers in the SRA demarcated area:

- The arterial roads we included in our Business Plan have been resurfaced
- The Village entrance is an attractive first impression for anyone entering our town
- We have extensive CCTV camera coverage that has transformed the security of our Village
- We have environmental authorisation to restore our river, spit and beach
- We have, with generous third party funding, upgraded the George Road Car Park and built an attractive pathway linking our Village Centre with the Sea Vista Township

Kouga Municipality

The Municipality has played its part in accelerating the resurfacing of our arterial roads, building an emergency revetment on the spit to protect the Canals and Canal properties, building a revetment to protect the ablution block, car park facilities and adjacent private properties at Main Beach, and providing electrical power to our CCTV infrastructure.

Property Boom

We continue to witness an unprecedented demand for property in St Francis Bay that has resulted in property values increasing significantly over the past couple of years in the Canals and Village areas. This recovery of property values, after a decade of property value stagnation, has also benefitted Santareme, St Francis-on-Sea, the Port and Otters Landing properties where demand for property has risen significantly, and values have risen accordingly.

This increase in demand for property has also seen an unprecedented boom in building activity that is providing many jobs and injecting millions into our local economy to the direct benefit of local business. This is the result of establishing St Francis Bay as a premier property investment destination for holiday makers and permanent residents.

We have several retirement home complexes in various stages of approval and development, which will fill the retirement village facility void that forced many residents to relocate when they needed such a facility.

Legal Challenge

We achieved all of this despite the ongoing efforts of the Concerned Residents Association (CRA) to reverse the Kouga Municipality's approval for the SRA and the collection of the SRA levy from the property owners in the Village and Canal areas of St Francis Bay. In April 2022 the Court ruling on the CRA's court action declared the SRA and levy as unlawful.

The Kouga Local Municipality (the First Respondent) and its legal team believed that there were a number of basic flaws in the ruling and immediately submitted an application for leave to appeal. The appeal application was granted on 26 September 2022, and will be heard in the Supreme Court of Appeal in Bloemfontein once a court date has been scheduled.

The SFPO NPC is the Third Respondent in this case. The SFPO NPC's Board is monitoring the Appeal process, and will take whatever steps it deems necessary to defend the SRA and its projects from this legal attack by the CRA. We are determined to complete the restoration of our beach, and continue providing the CCTV camera surveillance service that has, and continues to be, an effective deterrent to crime in St Francis Bay.

This court case continues to delay the beach restoration project. We have had to put our accelerated funding proposal on hold until this legal process is concluded. We are, however, continuing to accumulate funds from the levy collected each month as part of the capital accumulation required to restore our river, spit and beach, and continue funding the CCTV cameras infrastructure and monitoring services.

Projects

The SFPO NPC has three projects funded by the SRA levy:

- River, Spit and Beach
- Roads
- CCTV Cameras

The SFPO NPC also actively engages in obtaining additional external funding to uplift and improve the infrastructure serving the Sea Vista residents. We have completed one project, funded by the Kouga Wind Farm Community Trust:

- The Pathway linking the Village CBD to Sea Vista

River, Spit and Beach

Long Term Coastal Protection Solution

The Preliminary Design of the Long Term Coastal Protection Solution (Beach Project) was completed by Advisian in 2018, prior to the submission of our application for the SRA. The EIA application for this long term coastal protection solution was approved by DEDEAT in April 2022, after a 4 year process.

All work on the Beach Project and the fundraising to accelerate this project continues to be on hold until the Appeal against the court ruling in favour of the CRA is completed.

Emergency Plan for the Spit

The Municipality constructed an emergency revetment along the Spit, following the multiple breaches of the Spit.

Roads

Arterial Roads

We completed the Village Entrance project 3 years ago, which provides an attractive first impression of our Village.

The Municipality, as part of their contribution to the restoration of the roads infrastructure in the SRA demarcated area, have re-surfaced all of the arterial roads included in the SRA Business Plan, i.e. St Francis Drive from Lyme Road North to Assissi Drive, Lyme Road South and Lyme Road North. In addition to this the Municipality resurfaced St Francis Drive from Lyme Road North to Sea Glades, and St Francis Drive from Assissi to a point 0,5km past Harbour Road (towards the Port). They have also resurfaced the full length of Tarragona, and two streets in Sea Vista. They also repaired the dip in the road between Lyme Road North and the Fire Station. The SFPO upgraded the storm water pipe in the dip near the United Church, and the dip itself was levelled.

The Roads project in the SRA business plan is now complete with the exception of some road furniture (i.e. pedestrian paths and pedestrian shelters), which will be completed after the beach has been restored.

Car Parks

The George Road Car Park was paved with the assistance of donations from two property owners some time ago. A road was demarcated for access to the beach for repairing revetments. It is on the southern side of the car park. Bollards were installed.

Anne Avenue Car Park was renovated some time ago.

CCTV Cameras

The CCTV cameras contractor continues to meet their performance targets. The cameras have been very effective in fighting crime in St Francis Bay. Several streets have purchased additional cameras. We have 9 streets/areas also wanting to install more cameras, but we have no choice but to delay these requests until we are certain of the future collection of the SRA levy to continue funding the CCTV infrastructure and monitoring service.



FIGURE 1 CCTV COVERAGE MAP



Figure 2 Typical CCTV pole

The Pathway

The Pathway is complete, and is a wonderful facility for our Village, and especially for our Sea Vista residents. The pathway has a concrete surface with 25 mosaics made by township artists from school children inspired artwork, imbedded in the surface. The bush along the length of the pathway has been cleared and landscaped. CCTV cameras, LED streetlights, rubbish bins, and benches have been placed at intervals along the pathway.

Financial Reports

The Income Statement and Balance Sheet, as at 31 December 2022, are included below.



Income statement

St Francis Property Owners NPC

Year ending 30 June 2023

July to December 2022

Income

Interest Received	18 662
Spit Income & Donations	-
Third party project contributions	-
SRA Levy Income	4 555 541

Total Income	4 574 203
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Expenses

Accounting Fees	66 000
Audit Fees	2 000
Auditors remuneration - other	2 450
Bank Charges	2 607
Communication to Members	1 698
Computer Expenses	1 509
Employee Costs	
Salaries & Wages	32 079
Insurance	5 532
Kouga admin fees	136 666
Marketing & communication	61 392

Projects

1 - Special Project - Roads	
1.1 - Upgrades	-
2 - Special Project - River & Beach	
2.2 Phase 2	-
2.2.1 Engineering	-
2.2.2 Environmental	-
3 - Special Project - CCTV	
3.1 CCTV Rental & Surveillance	803 509
4 - Non SRA Projects	-
Rent Paid	13 725
Subscriptions	650
Telephone & Internet	2 893

Total for Expenses	1 132 710
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Profit before Taxation	3 441 493
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Balance Sheet

St Francis Property Owners NPC

Run At Date:

31 December 2022

Assets

		Market value	
		31-Dec-22	Previous month
Non-Current Assets			
Truffle Investment Account	11 950 923	12 331 376	12 229 383
SASFIN Investment Account	11 785 532	12 226 584	12 155 354
Total Non-Current Assets	23 736 456		
Current Assets			
Deposits Paid	2 250		
Saving St Francis Donors NPC	59 824		
Trade Receivables	646 720		
Prepayments	16 170		
Money market	199 805		
Cash at bank	16 440		
Total Current Assets	941 208		
Total Assets	24 677 664		
Equity and Liabilities			
Equity			
Retained income			
- At the beginning of the year	20 867 963		
- For the year	3 441 493		
- At the end of the year		24 309 456	
Total Equity	24 309 456		
Split as follows:			
- Levy income	20 118 812		
- Non levy income	4 190 644		
Total Equity	24 309 456		
Current Liabilities			
Trade Payables	-		
VAT Payable	305 140		
Income Tax Payable	(74 258)		
CCTV deposits in advance	128 811		
Aldabara Revetment Project	806		
SF Property Owners Association	7 709		
Total Current Liabilities	368 208		
Total Equity and Liabilities	24 677 664		

***** END OF REPORT *****