

SFPO NPC Quarterly Report

2022/23 Quarter 3

March 2023

Welcome to our third quarterly report for Year 5 of the SRA. We issue three quarterly reports and an annual report each year. The Quarter 3 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. It has set our town apart from many other towns that are struggling to survive in a time of failing Municipal services and poor demand for property. We have created a vibrant property market, in a world-class lifestyle setting. We have restored hope to our retired community in which they can, not only sell their properties when they choose to move into a Retirement Village, but can also sell for considerably more than they would have had we not restored investor confidence in our town.

Investor confidence has extended to the building of several retirement complexes with frail care, negating the need for these retirees to leave St Francis in search of such facilities.

The rising property values are also attractive to the vast majority of property owners who have or wish to invest in holiday homes. They want their holiday property investments to provide a sound investment for themselves and their families.

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 by the Municipality
- The Village Entrance creates an attractive first impression for anyone entering our town
- We have extensive CCTV camera coverage and this has transformed the security of our Village
- We have obtained the 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 a significant role 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 both the Canals and Village areas. This recovery of property values, after a decade of value stagnation, has also benefitted Santareme, St Francis-on-Sea, the Port, Otters Landing, and The Links 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 and the creation of jobs. This is the result of establishing St Francis Bay as a premier property investment destination for holiday makers and permanent residents.

There are 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 facilities.

Legal Challenge

This was achieved 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 been, 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

Village Entrance

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

Arterial Roads

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 the Port, including Triton. They also resurfaced the full length of Tarragona, and two streets in Sea Vista. They 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 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.

Loadshedding : The increase in the length and frequency of power outages due to loadshedding has necessitated the upgrading of our camera batteries to lithium to ensure uninterrupted recording during loadshedding.



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 March 2023, are included below.



Income statement

St Francis Property Owners NPC

Year ending 30 June 2023

July 2022 to March 2023

Income	
Interest Received	24 322
Spit Income & Donations	-
Third party project contributions	-
SRA Levy Income	6 255 505
Total Income	6 279 827
Expenses	
Accounting Fees	99 000
Audit Fees	2 000
Auditors remuneration - other	7 660
Bank Charges	3 996
Communication to Members	1 698
Computer Expenses	1 509
Employee Costs	
Salaries & Wages	48 522
Insurance	5 532
Kouga admin fees	187 665
Marketing & communication	91 392
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	1 211 528
4 - Non SRA Projects	
Rent Paid	20 813
Repairs & Maintenance	-
Subscriptions	3 497
Telephone & Internet	4 146
Total for Expenses	1 688 958
Profit /(Loss) before Taxation	4 590 869



Balance Sheet

St Francis Property Owners NPC

Run At Date:

31 March 2023

Assets

Market value

Non-Current Assets

31-Mar-23

Truffle Investment Account	12 350 923	13 146 097
SASFIN Investment Account	12 185 532	12 952 982

Total Non-Current Assets	24 536 456
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Current Assets

Deposits Paid	2 250
Saving St Francis Donors NPC	59 824
Trade Receivables	-
Prepayments	16 170
Money market	1 260 465
Cash at bank	5 229

Total Current Assets	1 343 938
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Total Assets	25 880 393
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Equity and Liabilities

Equity

Retained income	
- At the beginning of the year	20 867 963
- For the year	4 590 869
- At the end of the year	25 458 832

Total Equity	25 458 832
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Split as follows:

- Levy income	21 262 528
- Non levy income	4 196 304

Total Equity	25 458 832
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Current Liabilities

Trade Payables	-
VAT Payable	360 711
Income Tax Payable - 1st prov 2023	(74 258)
CCTV deposits in advance	128 811
Aldabara Revetment Project	806
SF Property Owners Association	5 491

Total Current Liabilities	421 560
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Total Equity and Liabilities	25 880 393
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