

2023/24 Quarter 1  
October 2023

# SFPO NPC Quarterly Report

Welcome to our first quarterly report for Year 6 of the SRA. We issue three quarterly reports and an annual report each year.

## 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 (ie 50%+1 votes), which we received.

We are now in our 6<sup>th</sup> 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, car park facilities and adjacent private properties at Main Beach, and providing electrical power to our CCTV infrastructure.

## Property Boom

We have witnessed 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 are 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 on 13 November 2023.

### 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.

We are awaiting the outcome of the Appeal process as it will determine if we kick on with the Long Term Coastal Protection Solution. Should the appeal be successful, then we can once again focus on raising the necessary additional funding required to accelerate this project. We will commission Advisian to undertake the detailed design of the groyne field and sand nourishment, and prepare, issue and award the tender(s) to complete the Beach Project.

#### Next Steps:

- **Appeal against the CRA's Court Ruling**  
The Appeal hearing at the Supreme Court of Appeal in Bloemfontein is scheduled for 13 November. Thereafter we await the judgment.
- **Fund Raising to Accelerate Construction**  
We have been asked by a number of property owners how we can accelerate the construction and completion of the long term coastal protection solution, suggesting raising money through donations and loans from existing property owners, and institutions. We completed the first round of fund raising with a 12J investment offer on 30 June 2021, and raised R11.9m. We were about to embark on our second round

of fund raising focusing on donations and soft loans (interest free), but have had to delay this due to the court ruling and the uncertainty of a future levy stream to repay loans. If KLM successfully appeals the court ruling, then we will press ahead with this fund raising. The Funding Proposal is included at the end of this report.

- **Detailed Design**

The results of the fund raising process will determine the scope of the first phase of construction i.e. how many groynes and sections of the beach we can include in this first phase of construction. We will then commission Advisian to complete the detailed design of the groynes and sand nourishment for the scope of construction determined by the availability of funds.

- **Tender Process**

Once Advisian have completed the Detailed Design, a tender process will be followed to select the contractor(s) to undertake this construction.

We expect to complete these steps by April 2024, and start construction immediately thereafter.

## 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



### Income statement

#### St Francis Property Owners NPC

Year ending 30 June 2024

Quarter 1  
Jul-Sept23

<b>Income</b>	
Interest Received	13 377
SRA Levy Income	2 405 830
<b>Total Income</b>	<b>2 419 207</b>
<b>Expenses</b>	
Accounting Fees	33 000
Bank Charges	1 699
Computer Expenses	3 163
Employee Costs	
Salaries & Wages	17 250
Kouga admin fees	72 175
Legal expenses	3 200
Marketing & communication	30 000
<b>Projects</b>	
3 - Special Project - CCTV	
3.1 CCTV Rental & Surveillance	436 068
4 - Non SRA Projects	
Rent Paid	7 088
Telephone & Internet	1 252
<b>Total for Expenses</b>	<b>604 895</b>
<b>Profit /(Loss) before Taxation</b>	<b>1 814 312</b>



## Balance Sheet

### St Francis Property Owners NPC

30 September 2023

#### Assets

Market value

#### Non-Current Assets

		30-Sep-23
Truffle Investment Account	14 558 571	14 932 761
SASFIN Investment Account	14 121 282	14 138 718
<b>Total Non-Current Assets</b>	<b>28 679 853</b>	

#### Current Assets

Deposits Paid	2 250
Saving St Francis Donors NPC	59 824
Prepayments	17 778
Money market	2 446 665
Cash at bank	25 629
<b>Total Current Assets</b>	<b>2 552 146</b>
<b>Total Assets</b>	<b>31 232 000</b>

#### Equity and Liabilities

##### Equity

Retained income	
- At the beginning of the year	28 678 188
- For the year	1 814 312
- At the end of the year	30 492 500
<b>Total Equity</b>	<b>30 492 500</b>

##### Split as follows:

- Levy income	24 125 652
- Non levy income	6 366 848
<b>Total Equity</b>	<b>30 492 500</b>

##### Current Liabilities

VAT Payable	545 539
Income Tax Payable (June 2023)	55 322
CCTV deposits in advance	96 608
Aldabara Revetment Project	806
Provision for audit fee	25 000
SF Property Owners Association	16 225
<b>Total Current Liabilities</b>	<b>739 500</b>
<b>Total Equity and Liabilities</b>	<b>31 232 000</b>

## Budget

### St Francis Property Owners NPC

1 July 2023 to 30 June 2024

#### Income

Interest Received	1 000 000
SRA Levy Income	10 551 465
Less 3% Kouga municipality fee	(316 544)
<b>Total Income</b>	<b>11 234 921</b>

#### Expenses

##### PROJECTS

Roads	50 000
River Spit & Beach	35 632 884
CCTV Surveillance & Maintenance	1 820 000
<b>Total projects</b>	<b>37 502 884</b>

<b>OPERATING EXPENSES</b>	<b>550 000</b>
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<b>Total Expenses</b>	<b>38 052 884</b>
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<b>Loss before Tax</b>	<b>(26 817 963)</b>
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<b>Estimated retained income year ending 30 June 2023</b>	<b>26 867 963</b>
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<b>Estimated retained income 30 June 2024</b>	<b>50 000</b>
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