Brandwacht
AAN RIVIER

Huiseienaarsvereniging/Home Owners' Association

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2025 CHAIRPERSON'S REPORT
FOURTEENTH ANNUAL GENERAL MEETING

It is a privilege for the Trustees to report at the fourteenth annual general meeting about the Brandwacht Aan Rivier ("Estate") Homeowners' Association ("HOA").

We as the trustees can confirm at present, we are very comfortable with the affairs of the Estate. Security and maintenance remain our biggest priority. Thank you to the Estate Manager and the staff for maintaining and running our estate.

Thank you to the trustees for their hard work and dedication during the past year. The trustees are:

Stefan Crouse (Chairman)
Jan Cilliers
Pierre de Villiers
Gordon Reid
Trevor Baptiste
Holden Marshall

We are thankful for the contributions of our managing agent Trafalgar for their efforts in running the administration of the estate.

Also, thanks to TV3 that ensure that the building regulations are adhered too and a special thank you to the residents that care for the estate and contribute to the proper running of the estate.

Herewith a brief summary of the main topics pertaining to the Estate:

1. Security

It was unfortunate that the estate experienced two security breaches within a six-month period, which was very disappointing for the trustees, Gary and residents after years of experiencing no such incidents. Further detail of what transpired and the manner in which it was addressed by the Trustees is contained in a separate report which was distributed to residents prior to the AGM and to be further discussed at the meeting to the extent necessary in order to provide all the residents comfort regarding the new security system that has been installed. Refer to separate attached security report.

Two learnings that can be gleaned from these two incidents are that criminals continue to evolve in respect of their methods, but so does the quality of security technology available in the market. The trustees will, by making use of a security expert, perform quarterly perimeter breach tests and will continue to assess the latest security systems available on the market. This might impact future levies but will be evaluated in good time.

The Trustees are comfortable that Brandwacht Aan Rivier now has a security system that compares with the best that is available, however, residents are reminded once again that security remains the responsibility of all residents and we appeal to all residents to remain vigilant and to immediately report any suspicious events to Gary and/or security.

2. Rehabilitation of the river

During the heavy windstorms in April 2024 substantial damage was caused to the greater Stellenbosch area and within the Estate the damage was primarily due to falling trees along the river embankment.

To address the larger problem of erosion along the embankment, the Stellenbosch Municipality commenced with the necessary works to the northern embankment adjacent to the Derdeslot. Unfortunately, the amount budgeted by the Municipality was insufficient to complete the job and the HOA had to complete the project with a different contractor to the value of R217 965. The Trustees are satisfied with the completed works. The Trustees would like to thank Mr. Johan Hattingh, owner engineer, who helped with the inspections and provided professional input. The work was essential for the ongoing stabilization of the riverbank for the near future. This upgrade of the area was an important part of the maintenance plan for the river. All other minor works in respect of the river will be done by Gary and his team.

Landscaping of this area was also done and the trustees would like to thank all members who contributed by giving their creative input to making it look as beautiful as it currently is.

3. Financial

We are pleased to report that the annual financial statements were audited with an unqualified opinion.

Excluding the contribution from erf sales and capital expenditure, the operational surplus for the year amounted to R18 920 (2024: R179 313). The operational surplus was due to income received from building penalties of R75 900 (2024: R75 900), recoveries and interest exceeding what was budgeted for. The contributions from erf sales of R262 000 (2024: R987 000) and existing reserves allowed spend on security cameras, boundary wall and paving in the amount of R574 178 (2024: R875 011).

At 28 February 2025, the Association reserves amounted to R2 207 896. After the year-end, the Security Upgrade (budget of R1 335 744) was paid and funded through existing reserves. As a result, at the end of June 2025, the reserves decreased to R993 017, which represents around 3.3 months of monthly levy income.

After the sale of Erf 16108 (outstanding levies and sales levy), the reserves should increase with R526 352 to R1 519 369 or 5 times the monthly levy. The Trustee Committee aims to have a reserve level between 3 and 6 times the monthly levy.

For the 2025/26 financial year, the monthly levy was increased by 12.1% from R2 230.00 to R2 500.00 per member per month. The higher than CPI inflation was due to an increase security related costs. The additional costs include:

- Extending the external monitoring and maintenance contracts for the security cameras;
- ISC Security Company inspections;
- The appointment of third night guard.

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4. Outstanding Levies

Unfortunately, there is one landowner who is in arears with his levy account. The necessary legal proceedings for collecting the arrear levies were instituted against the owner by the HOA's attorneys. Although a small payment was received from the owner at one point, the legal process continued and default judgment against the owner was eventually granted. A warrant of execution was subsequently issued with the purpose of attaching the property and selling it on auction.

Fortunately, the matter has now been resolved with the successful sale of the erf. We can confirm that the outstanding amounts plus interest, legal fees and building penalties in the amount of R449 846.06 was received.

The trustees would like to thank all other owners who do make payments on time. Remember there is a debit order form available on request to ensure payments are made on time.

5. Building Projects

Just a reminder before you start with alterations to your home – inside or outside – to confirm with Gary if the submission of plans is required. This can be an expensive mistake and not pleasant for the estate to have to enforce.

6. Other notable events

Pet owners are reminded to please keep pets within your erf. If not in your erf, please consider other residents and keep your pets on a leash.

Thanks again to all members for making the Estate such a wonderful place to live. Please continue to make positive contributions and let us know if you have any ideas or suggestions.

Regards

Trustee Committee
28 July 2025