

**LLANDUDNO SPECIAL RATING AREA NPC**

Registration number. 2014/179104/08

("LSRA" or "the Company")

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**MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF LLANDUDNO SPECIAL RATING AREA NPC LIMITED HELD ON THE THURSDAY, 10 DECEMBER 2020 AT 19H00 VIA ZOOM AND LUMIGLOBAL VIRTUAL MEETING COMMUNICATION**

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<b>PRESENT VIA ZOOM:</b>		
Ms. Eileen Wilton	(EW)	Director and Chairperson
Mr. Alister Pearce	(AP)	Director: Treasurer
Ms. Marguerite Loubser,	(ML)	Director
Mr. Jody Aufrichtig	(JA)	Director
Ms. Margie Mac Kenzie	(MM)	Director
Mr. Andrew McNulty	(AM)	Director
Mr. Mark Greig	(MG)	Director
Mr. Wesley Corbett	(WC)	Director
Mr. Carel De Ridder	(CDR)	By invitation
<b>IN ATTENDANCE:</b>		
Mr. Ridthwaan Ajam	(RA)	Company Secretary
Mr. Eddie Scott	(ES)	City of Cape Town – Manager: City Improvement Districts
<b>APOLOGIES:</b>		
Mr. Huck Endersby	(HE)	Director
Councillor Roberto Quintas	RQ)	Councillor

**1. Welcome & Apologies**

The Chair welcomed all present at the meeting and extended a special welcome to Mr. Ridthwaan Ajam as the Company Secretary and for attending his first meeting.

Apologies were noted from Mr. Huck Endersby and Councillor Roberto Quintas.

**2. Notice of the Meeting**

The notice of the meeting which was given on 3 December 2020 was taken as read and noted.

**3. Constitution of the Meeting**

3.1 It was noted that only owners of properties in Llandudno could apply for membership and that members were allowed to vote only if they were in good standing in regard to payments for utilities with the City of Cape Town (CoCT).

3.2 In terms of LSRA's Memorandum of Incorporation, the quorum for a general meeting of members shall be sufficient members present in person or represented by proxy to exercise, in aggregate, at least 20% of all voting rights entitled to be exercised.

3.3 It was noted that the LSRA had a total of 191 members in 2020 with a total of 78 properties that registered to vote at the meeting and that 118 proxies had been received.

3.4 There being a quorum, the meeting was declared duly constituted and opened.

#### **4. Proceeding of Meeting – Voting by way of a Poll**

- 4.1 It was agreed unanimously that voting be effected by way of a poll and LumiGlobal whose software and procedures were used for the virtual meeting and was nominated to act as scrutineer.
- 4.2 All the resolutions to be proposed at today's annual general meeting were proposed by Ms. Marguerite Loubser and were seconded by Mr. Wesley Corbett. Both are members of the LSRA Board and are in good standing; and are on the Board of the LSRA, as previously mentioned.
- 4.3 All resolutions are regarded as "Ordinary" Resolutions, unless specifically indicated as Special Resolutions. Ordinary Resolutions required that a simple majority of 51% or more of members present and by proxies. Whereas, a Special Resolution required votes of more than 75% in favour for the resolution to pass.
- 4.4 The resolutions were noted as follows:
- 4.1.1 Ratification of board decision to hold the AGM as a virtual meeting;
  - 4.1.2 Approval of Minutes of the 2019 AGM;
  - 4.1.3 Adoption of the Audited Financial Statements 2019/2020;
  - 4.1.4 Approval of the Base Case Budget for FY 2021/2022;
  - 4.1.5 Approval of the Special Resolution to fund daytime patrols and the FINAL Budget for FY 2021-2022;
  - 4.1.6 Adoption of Implementation Plan 2021-2022;
  - 4.1.7 Appointment of Auditors: Hudson Accounting;
  - 4.1.8 Confirmation of Company Secretary, from Mr. Ridthwaan Ajam; and
  - 4.1.9 Election of Board Members: Mr. Wes Corbett, Mr. Huck Endersby, and the appointment of a new director Mr. Jonathan Crowther.
- 4.5 The one (1) Special Resolution as included as item 12.5, to fund daytime patrols and the final budget for FY 2021-2022 was noted.
- 4.6 The meeting was informed that the voting on the electronic online facility could take place at point during the meeting until the announcement that voting was closed was made towards the end of the meeting.
- 4.7 Members were encouraged to engage on the platform and to send messages and questions on the various resolutions discussed as well as to view the webcast whilst the poll was open.

#### **5. Chairperson's Report**

- 5.1 The Chairperson made a presentation and in summary the following report back was noted:

The 2020 year and the impact that Covid-19 pandemic had on everyone's lives with all its challenges were highlighted. This also had an impact on the way the LSRA Board operated with virtual meetings and with a focus was placed on the following key areas:

- That circulation information from the CoCT was provided to residents;
- Security;
- Parking at the beach;
- Llandudno Building Authority Committee (LBAC), via the mechanism of the LCA (Llandudno Community Organisation).

#### **6. Feedback on SRA's Operations**

##### 6.1 Security

- 6.1.1 A presentation was made on security with an overview of the existing systems provided which included the following:
- Cameras, both thermal and infrared which are equipped with special analytics for alerts and License plate recognition (LPR);

- Monitoring off-site, OmniVision who would call responders when needed;
  - Monitoring on-site, with phone applications for responders;
  - Response daytime with PPA in being temporarily in for 15-days per month;
  - Response Nighttime with PPA in place for 7-days per week;
  - Home alarm response with private home contracts in place and mainly with ADT;
  - Communications through WhatsApp, radios, daily reports and video software; and
  - Through coordination between ADT, PPA and WATCHCON which was managed by CCP.
- 6.1.2 Security statistics were provided which represented the trend in violent and non-violent crime statistics since 2011 to date. There was an improvement over the years slight increase during 2020.
- 6.1.3 It was reported that through the monthly Hout Bay Neighborhood Watch (HBNW) meetings it was highlighted that there were incidents of home invasions reported in the greater Hout Bay area.

## 6.2 Environment

- 6.2.1 A presentation was made on the environment with the existing systems reported:
- Post the winter rains there had been new paths that required clearing. Weavers returned after lockdown to maintaining the paths and boardwalks;
  - The relocation of the firebreaks on Northern Llandudno boundary was agreed with SAN Parks;
  - The new forest at post box to be weaned off irrigation end April 2022;
  - In regard to a question raised relating to additional bins being provided to clean up of litter it was indicated that that the CoCT only empties some of the bins and that more bins would have cost implications as well as constraints and that this request would be considered.

## 6.3 Infrastructure

- 6.3.1 A presentation was made on the infrastructure operations with the following key matters being reported:
- it was highlighted that that the portfolio would assist with small infrastructure projects on road maintenance, through HoutBay roads and the CoCT;
  - This was achieved through building relationships with key persons at the CoCT
  - The bigger structural projects include the gully stream support wall at Leeukoppie Road which poses a risk of collapse and required more engagement with the city to address;
  - In addition, Road signage was receiving attention as well;
  - There was not much funds allocated to the budget for infrastructure and work required needed to be motivated for so that CoCT would make the funds available;
  - In terms of sewerage, it was reported that there had been a number of sewerage faults reported and it was requested that the LSRA be informed of this and that a log be kept of all sewerage faults reported;
  - This would assist the LSRA to provide the city with faults reported and the action taken.

## 6.4 Finance

- 6.4.1 The Audited Financial Statements for the period ending 30 January 2020 were presented and the following noted:
- The budget was reviewed before the lockdown with no change in additional rates and total costs;
  - The budget surplus on various line items were reallocated to Covid-19 project costs with Capex being delayed, but this would be rolled over into the new financial year;

- The website re-design project had slowed down, but this budget was required to meet costs incurred to date and the balance would be required rolled over into the new year;
- In terms of unbudgeted income, interest actually received and banked was included in budgeted income and the retention fund release that was received earlier in the year had been included in budgeted income;
- The cash reserves were maintained in excess of current commitments plus two months of income reserve as required by the CoCT; The unbudgeted funds utilised would be ratified in the statutory approval section of the AGM;
- The LSRA had received an unqualified audit report and remained income tax exempt;
- In response to the lockdown as result of Covid-19 funds had to be sought to increase the security and to support BBBEE suppliers;
- Retained income for the year was reported at R292 000, and comprised of unbudgeted income: Interest Received and the Doubtful Debts Retention Fund Release;
- The budgeted capital expenditure was held back, and the Company remained financially stable with cash reserves reported at R1, 137 million which represented the two-month levy reserve, VAT and creditors due at year end as well as committed Capex and uncommitted Cash;

6.4.2 A presentation was made on the External Auditors and the following were noted:

- Harry Curtis of Harry Curtis and Company had been the auditors of the Company since incorporation;
- The Companies Act and the CoCT required that auditors be rotated after a maximum of 5 years;
- A tender process was followed whereby four audit firms with the relevant experience with SRA and CIDs were invited to tender;
- Following the tender process, Debby Hickman of Hudson Accounting CA(SA) nominated and appointed as external auditors of the Company;

6.4.3 An overview was provided of the Planning process for the Llandudno SRA 5 Year Business Plan 2020 -2024 and the following were highlighted:

- Additional rates were determined every 5 years through a detailed process taking into account the 5-year Business Plan, the 5-year Implementation Plan and the 5-year Budget;
- Budgeting is done on a Cash Flow basis where income is equal to expenses plus Capex;
- The approval process was rigorous in that it is debated and approved by the LSRA Board then submitted for modeling and approval by the CoCT and then presented for approval at the LSRA AGM. The current 5-year Budget, Business and Implementation Plan for 2020 to 2024 was approved at the 2018 AGM;
- The SRA income budget of the special levy is fixed each year;
- The actual amount charged to each property is determined by the relative value of each property to the total municipal value of the whole of Llandudno;
- Irrespective of what changes there are in the municipal values, the owners were being charged and the LSRA would only receive the Budgeted Income;
- The municipal revaluations each 3 years would not impact the budget in that an overall higher valuation does not translate to a higher budget and that an overall change in municipal valuations only determines the proportionate amount charged to each property.

6.4.4 An overview was provided of the Financial Year 2020-2021 Budget which was approved at the 2019 AGM and was subsidised by additional rates and the utilization of FY2018/19 reserves. The amended 2020/21 budget included the FY2019/20 unspent budget rolled over of R370k which took the following into account:

- Capex and project costs;
- No change in additional rates;
- Costs and capex reduction of R40k, to fund a full daytime service in respect of security from January to June 2021;

- No impact on income or reserves; and
- Some reallocations of line-item costs;
- An increase of 7% was expected for the FY2021/22 base case budget.

## 6.5 Security Proposal

6.5.1 The Security proposal to increase the levy of approximately R 200/month and to switch the home-alarm response from ADT to PPA by supporting LCA proposal was presented and the following were noted:

- The daytime patrol could no longer be funded from reserve funds;
- Petty daytime crime was on the increase;
- Non-resident attendance at the beach was increasing and was becoming disorderly;
- Immediate reporting, follow up and assistance was needed in instances of civil violations;
- The land-invasion threat required immediate and compliant action;
- The need for communication and sharing of information between multiple responders and monitors;
- Home-alarm response performance by ADT was generally poor;
- ADT was expensive and inconsistently priced;
- ADT was ineffective at the hut attendance at the entrance and Sandy Bay;
- ADT's skill of duty of its personnel was insufficient for challenging times.

## 6.6 Finance – Amended FY2020/21 budget

6.6.1 The amended FY2020/21 budget included the Security Proposal as discussed under item 6.5 was presented. The proposed increased day patrols budget had the following main differences to the base case and were noted as follows:

- Increased costs on the public safety lines to fund the full daytime service on the Public safety lines;
- A further reduction in capex from R120k to R40k with the associated reduction in depreciation;
- An increase year on year of 29%.

## **7. Board Composition**

7.1 It was highlighted that three (3) board members were obliged to retire by rotation and these were Mr. Huck Endersby, Mr. Wesley Corbett and Mr. Alistair Pearce.

7.2 Mr. Alistair Pearce will be leaving Llandudno and as such would be resigning from the Board. A heartfelt thanks was extended to Mr. Pearce for his incredible commitment to Llandudno and for his service on the Board of the LSRA. He assisted in creating the vision for security and with his extensive banking expertise in his handling of the equipment leasing contracts. He also was a key member on the LCA. He has held the reins in terms of the LSRA finances these past several years.

7.3 Mr. Wesley Corbett and Mr. Huck Endersby have offered themselves for re-election.

7.4 Mr. Jonathan Crowther was nominated as a new appointment to the Board. He was considered highly as a professional and independent environmental consultant and although recently retired from full time employment, he continues to consult and practice in his personal capacity.

7.5 Mr. Ridthwaan Ajam was appointed as Company Secretary and was recommended to the AGM for approval.

## **8. LCA Matters**

8.1 Positive engagement with the CoCT through the attendance in the Ward committees' meetings were held;

8.2 Building regulation enforcement was a major issue and a meeting was held with relevant officials at the CoCT with a draft document prepared to re-engage them on an overlay which was needed for Llandudno. The need for this is to protect the status quo for existing owners as property regulations change in terms of developments and gentrification of urban areas.

- 8.3 An update was provided on the issue of municipal rates and property valuations and it was suggested that property owners address the matter in the new year so that this matter could be addressed with CoCT;
- 8.4 Feedback provided on 5G towers to be constructed on individual properties; the alleged health risks associated with 5G had been investigated through a working group of the LCA.

## 9. Business – Resolutions

### 9.1 Ordinary Resolution Number 1 – Ratification of the board decision to hold the AGM as a virtual meeting

“RESOLVED AS AN ORDINARY RESOLUTION that, Company be allowed to hold the Annual General Meeting (AGM) as a virtual meeting on the recommendation of the Board of Directors of the Company, be and is hereby approved.”

#### Results of ballot:

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
92.13 %	3.15 %	3.94 %	127	66.4%

### 9.2 Ordinary Resolution Number 2 – Approval of Minutes of the 2019 AGM

“RESOLVED AS AN ORDINARY RESOLUTION that the minutes of the AGM held on the **3 December 2019**, confirmed as true reflection of the meeting and that the minutes, be and is hereby approved.”

#### Results of ballot:

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
91.34 %	0 %	7.87 %	127	66.4%

### 9.3 Ordinary Resolution Number 3 – Adoption of the Audited Financial Statements 2019-2020

“RESOLVED AS AN ORDINARY RESOLUTION that the Audited Financial Statements for the period **2019/2020**, be and is hereby approved.”

#### Results of ballot:

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
92.91 %	0 %	6.30 %	127	66.4%

**9.4 Ordinary Resolution Number 4 – Approval of the base case budget for FY 2021-2022**

“RESOLVED AS AN ORDINARY RESOLUTION that the base case budget for the financial year ending FY2021/2022 as presented, be and is hereby approved.”

**Results of ballot:**

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>86.61 %</b>	<b>6.30 %</b>	<b>6.30 %</b>	<b>127</b>	<b>66.4%</b>

**9.5 Special Resolution Number 5 – Approval of the Special Resolution to fund daytime patrols and the final budget for FY 2021-2022;**

“RESOLVED AS AN ORDINARY RESOLUTION that the base case budget to fund the daytime patrols as well as the final budget the financial year ending FY2021/2022 as presented, be and is hereby approved.”

**Results of ballot:**

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>89.76 %</b>	<b>8.66 %</b>	<b>0.79 %</b>	<b>127</b>	<b>66.4%</b>

**9.6 Ordinary Resolution Number 6 – Adoption of Implementation Plan 2021-2022**

“RESOLVED AS AN ORDINARY RESOLUTION that the implementation plan for the financial year 2021-2022 as presented, be and is hereby approved.”

**Results of ballot:**

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>84.25 %</b>	<b>6.30 %</b>	<b>8.66 %</b>	<b>127</b>	<b>66.4%</b>

**9.7 Ordinary Resolution Number 7– Appointment of Auditors: Hudson Accounting**

“RESOLVED AS AN ORDINARY RESOLUTION that, on the recommendation of the Board of Directors of the Company, that Hudson Accounting be and is hereby appointed as the auditor of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the

designated auditor being Debby Hickman, as registered auditor and partner in the firm.”

**Results of ballot:**

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>89.76 %</b>	<b>0.79 %</b>	<b>8.66 %</b>	<b>127</b>	<b>66.4%</b>

**9.8 Ordinary Resolution Number 8 – Confirmation of Company Secretary: Ridthwaan Ajam**

“RESOLVED AS AN ORDINARY RESOLUTION that **Ridthwaan Ajam**, being eligible, be and is hereby appointed as the Company Secretary of the Company.

**Results of ballot:**

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>92.13 %</b>	<b>0 %</b>	<b>7.09 %</b>	<b>127</b>	<b>66.4%</b>

**9.9 Ordinary Resolution Number 9 – Re-election of director: Mr. Wesley Corbett**

“RESOLVED AS AN ORDINARY RESOLUTION that **Wesley Corbett**, who retires by rotation in terms of the Company’s Memorandum of Incorporation and, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-Executive Director of the Company.”

**Results of ballot:**

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>91.34 %</b>	<b>0 %</b>	<b>7.87 %</b>	<b>127</b>	<b>66.4%</b>

**9.10 Ordinary Resolution Number 10 – Re-election of director: Mr. Huck Endersby**

“RESOLVED AS AN ORDINARY RESOLUTION that **Mr. Huck Endersby**, who retires by rotation in terms of the Company’s Memorandum of Incorporation and, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-Executive Director of the Company.”

**Results of ballot:**

For	Against	Abstain	Number of	Number of
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(as a percentage of total members allowed to vote)	(as a percentage of total members allowed to vote)	(as a percentage of total members allowed to vote)	members Voted at the AGM	members voted at the AGM as a percentage of members
<b>87.40 %</b>	<b>3.94 %</b>	<b>7.87 %</b>	<b>127</b>	<b>66.4%</b>

**9.11 Ordinary Resolution Number 11 – Appointment of director: Mr. Jonathan Crowther**

“RESOLVED AS AN ORDINARY RESOLUTION that Mr. Jonathan Crowther, be and is hereby appointed as a Non-Executive Director of the Company.”

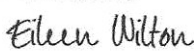
***Results of ballot:***

For (as a percentage of total members allowed to vote)	Against (as a percentage of total members allowed to vote)	Abstain (as a percentage of total members allowed to vote)	Number of members Voted at the AGM	Number of members voted at the AGM as a percentage of members
<b>91.27 %</b>	<b>0.79 %</b>	<b>7.14 %</b>	<b>126</b>	<b>66.4%</b>

**10. Closure**

There being no further business, the Chairman thanked all present and declared the meeting closed at 21:05.

**Confirmed as a true record**

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**Eileen A Wilton: CHAIRMAN**




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**Marguerite Loubser: DIRECTOR RESPONSIBLE FOR ADMINISTRATION**