

**THE DIRECTOR'S REPORT CONCERNING THE AFFAIRS OF THE COMPANY
FOR 2024/2025**

Introduction

This is my second Annual General Meeting where I report to Members on behalf of The Board of Directors (BOD) on the affairs and activities of the Company. This report covers the financial results for the year ending 28 February 2025 and include feedback on the activities conducted since the previous Annual General Meeting (AGM), which was held on 14 August 2024, as well as the approved budget for the 2025/26 financial year.

Our new Estate Manager, Vernon, has made great progress in getting to know the “workings of the Village”. It is with great eagerness that he executes his responsibilities, willingness to learn and performs the role of Estate Manager. He has built sound professional relationships with the residents.

We have experienced excessive summer rains, in the order of 800mm. Fortunately, we have not experienced any serious structural damage, however the growth of the Village gardens excelled, resulting in major challenges to maintain the gardens. We have not been spared from the infesting of some of our *London Plane* trees and *Liquid Amber* trees by the Polyphagous shothole borer. We treat all the London Plane trees and Liquid Amber trees on a regular basis and trust that we will not lose any of these beautiful trees.

The Village is more than 30 years old and many extensive renovations and improvements are still the order of the day. Creating noise, dust, increased traffic and high levels of inconvenience for residents and stress on our infrastructure. However, the “renewal” of the Village is beneficial for the image of the Village, the owners and would result in the increase of the value of all properties, as well as a desire to stay in our beautiful Village.

Several serious armed burglaries occurred on the Pretoria Country Club premises, some houses along the municipal park (i.e. “dog park”) and across the dam in Waterkloof Palms. Fortunately, no one was seriously harmed. The “gang of four” is still at large. Fortunately, we in the Village had no security incidents of this nature. I would like to remind you to always be vigilant, make your own house safe and use your remote panic button when

necessary.

It is important to note that the Board views the security and safety of the Village and all its residents as its top priority.

Composition of The Board

Since the 2024 Annual General Meeting in August, the BOD comprised of Willie Miller (Aesthetics), Edrich Jansen (Gardens, Communication and Social), Stephan Barac (Finances), Johan Willemse (Legal and Governance) and Willem Krige (Chairperson and Security). Edrich Jansen resigned in September 2024. Gerrit Heymans was co-opted as Director (Infrastructure and Maintenance). The 2025 AGM will be the second AGM following the election of Johan Willemse and Stephan Barac and as per the MOI Johan Willemse and Stephan Barac will retire. Both Johan and Stephan are available for re-election. Gerrit Heymans indicated his willingness to serve as Director.

The Board did call for nominations in a notification sent to Members on 18 July 2025, inviting nominations for the four (4) vacant positions.

Governance in General

Six Board meetings were held since the 2024 AGM, which were well attended and fully documented. This excludes various ad hoc meetings, informal discussions, committee-related interactions as well as issues raised by Members, between Board meetings.

To fulfil their fiduciary duties, the Directors continued to adhere to the different sets of formal approved Rules governing the Company, that were duly approved by all Members.

The Estate Manager is in control of the day-to-day operations and management of the estate, and he liaises regularly with the Directors, ensuring that relevant matters are dealt with timeously. I again want to urge Members to utilise the Estate Manager as the single point of contact (SPOC). This includes tenants and contractors.

Financial Results for the year ended 28 February 2025

The results for the financial year ending 28 February 2025 show a surplus from normal operations (including interest received and after taxation) of R388 369.

We received unbudgeted income of R642 640 comprising building and gate levies (R184 250), insurance claims (R339 728), click-on and other sundry recoveries and fines (R62 721) and a refund from a supplier (R55 941).

Expenditure per the financial statements exceeded budgeted expenses by R265 909 but R367 952 was spent on repairs of infrastructure that were covered by the insurance claims. In essence our expenses were therefore R102 043

below budget.

Our longstanding issues with CSOS have been resolved and our account is up to date. We had to pay R68 640 from reserves for CSOS levies for the period 1 January 2017 to 29 February 2019 that were not recovered from homeowners at the time.

The contributions to the Capital Replacement Reserve Fund amounted to R505 600 comprising R300 special levies per month (R237 600) and the one percent special administrative levies i.e. for the sale of Villas (R268 000). We have not incurred any extraordinary capital expenses that could not be covered through the normal levy income.

Our total reserves therefore increased by R893 969.

The position of our Reserves is summarised below:

| | Operational reserves | Capital reserves | Total Non-distributable reserves R |
|--|-------------------------|---------------------|---|
| BALANCE AT 28 FEBRUARY 2023 | 1 460 120 | - | 1 460 120 |
| PRIOR YEAR ERROR | (68 640) | - | (68 640) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | | |
| - SURPLUS FOR THE YEAR | 163 531 | (217 152) | (53 621) |
| TRANSFER OF RESERVES | (217 152) | 217 152 | - |
| BALANCE AT 29 FEBRUARY 2024 | 1 337 859 | - | 1 337 859 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | | |
| - (DEFICIT) / SURPLUS FOR THE YEAR | 388 369 | 505 600 | 893 969 |
| TRANSFER OF RESERVES | | | |
| BALANCE AT 28 FEBRUARY 2025 | 1 726 228 | 505 600 | 2 231 828 |

No major assets were acquired during the year.

Current Assets on 28 February 2025 comprised:

- Cash and cash equivalent balances - R 1 886 820
- Accounts receivable and pre-paid expenses – R698 306
 - PCC Rental prepaid (R566 944). The rental amount was calculated using a 6% increase rate (previously 8%) and discounted at 9% to

calculate the lumpsum. The once-off payment equaled R628 000 as opposed to payments totaling R863 000 if the rental agreement was renewed on the old terms.

- Insurance and CoT rental prepaid – R71 679
- Sundry receivables – R59 683

- Levies in arrears – R87 657

Current Liabilities on 28 February 2025 comprised:

- Accruals - R55 784
- Refundable kerb deposits held – R40 000
- Levies in advance – R355 788

Budget for the year ending 28 February 2026

The expenditure budget for the year 2025/2026 was based on a combination of existing and known contractual agreements, reasonable estimates of expenses based on prior year trends, planned projects and some contingency for general expenses. This resulted in a 5.5% increase in homeowners' levies with effect from 1 March 2025.

The Board has taken cognisance of the other income (building levies and recoveries) received during recent financial year and has therefore included amounts for other income in the budget for the forthcoming year to alleviate the increase in the normal homeowners' levies.

During the 2024 budget process the BOD resolved to restore the Capital Replacement Reserve Fund to R2 million and therefore introduced a special levy of R300 per member per month for a 3-year period, commencing on 1 March 2024, to replenish the Capital Replacement Reserve Fund. As previously communicated by the BOD, the amount of R300 will be reassessed at each budget cycle depending on the balance of the Capital Replacement Reserve Fund at that stage. The BOD resolved to continue with the R300 per month special levy for the 2025/2026 financial year.

The Capital Replacement Reserve Fund will also be replenished by the administrative levies received from the sale of Villas (1% levies on sales).

Infrastructure and Maintenance

Several projects have been completed since the last AGM and there are also a few planned for the rest of the 2026 financial year.

Projects completed

Water pressure: we discovered that the water pressure delivered by the municipality to the Village was significantly higher than the recommended

standards. We contracted with an installer to install a water pressure valve to regulate the pressure. The rationale was that by reducing the high-pressure fewer burst pipes and resultant water leaks would be experienced. Thus far this objective seems to have been achieved.

Water Monitoring and Maintenance: the daily monitoring of water flow by an independent third party to detect and address leaks continued during the year under review.

Seven additional meters were installed at various residences within the Village to determine the accuracy of the existing water meters. Differences between the new meters and the old meters were inconclusive as it did not indicate significant differences in the consumption measured.

Owners and residents would have been alerted by the maintenance team if it was discovered that Villas were using water at times when it was not expected to happen. Such owners either repaired water leaks in their homes or replaced water meters. We will continue to monitor the accuracy of water meters and advise owners should their water meters need replacement.

Boundary wall – Taurus Avenue: the boundary wall of the Village in Taurus Avenue was repaired and repainted by our internal maintenance team during the year.

Pest control: there are 43 rodent bait stations placed throughout the Village. The frequency of service at the bait stations increased from quarterly to every second month to improve the efficacy of preventing infestation.

Road infrastructure: road infrastructure is continuously monitored and where repairs are needed the internal maintenance team will perform such work. More extensive work may have to be performed during the 2027 financial year and will be included in the budget accordingly.

Projects in process or planned for the rest of the financial year

Renovation of the fountain at the circle across from Villa 28: the fountain and surrounding walkway have deteriorated. The project should be completed by the latest in the final quarter of 2025.

Renovation of workers' ablution facilities: the ablution facilities are in a state where it is critical to perform significant renovations. It is planned for the work to be completed by the end of September 2025.

Paving of walkway next to PCC boundary palisade fence: a section of the walkway is not paved. The internal maintenance team will pave this section and it should be completed by the end of September 2025.

Security

One of the main reasons, if not the most important reason, why we are all invested in *The Village* is the security systems, measures and protocols. Over the past year we

fortunately had no security breaches because of external parties.

We had to replace some of the old security beams due to ad hoc false alarms. However, we are still experiencing sometimes false “breaches” which is not the ideal situation. In the future we will have to consider replacing the beams along the dam perimeter with beams which are significantly more effective in our circumstances and of the latest technology.

We are investigating the installation of security beams on the perimeter wall along Taurus avenue to enhance our security in that area.

Some of our Village security cameras, internal and not on the perimeter, work off old technology Wi-Fi, which has limitations. We will have to consider upgrading these cameras and/or switching over to optical fiber in the future.

In general, our security systems, processes and guarding services are functioning well and are well maintained.

It is important to note that nobody can guarantee a 100% foolproof security environment and Members need to be diligent and attentive. It is strongly recommended that Members take precautionary measures to secure their Villas and regularly test their panic buttons which are linked to the Fidelity Services Group (FSG) control room, for dispatchment of armed reaction or ER24.

All deviations from security controls, measures, processes, and rules are dealt with firmly and in a formal manner by applying the approved House Rules – no exceptions. This is in line with the policy of the BOD of zero tolerance for security infringements/transgressions.

Traffic

With the increase in building activities and alterations taking place in the Village as well as a rise in delivery services, a significant increase in traffic violations is the order of the day. Typically, we experience no adherence to **STOP** signs, “speeding”, obstruction of the flow of traffic, illegal parking and spilling of vehicle oil on our roads, damage to the common roads etc.

Members are requested to ensure that their tenants, visitors, agents, service providers, contractors, delivery services etc. are aware of and adhere to all the approved traffic and security rules.

Warnings and Fines

Due to the behaviour of certain Members or their tenants or their contractors who continue to transgress the approved House Rules, the Board has decided to make public the different warning and fine statistics for the different Members.

| WARNINGS & FINES SINCE 2024 AGM | | | | |
|--|---------------------------------------|-------------|-------------|---------------|
| Villa | Description | Type | Date | Amount |
| 12 | Pets/Tenant's dog | Warning | 23/7/2025 | N/A |
| 17 | Traffic/STOP | Warning | 22/7/2025 | N/A |
| 19 | Traffic/STOP | Warning | 1/10/2024 | N/A |
| 21 | Traffic/parking | Warning | 28/8/2024 | N/A |
| 21 | Traffic/parking | Fine | 20/11/2024 | R500 |
| 21 | Traffic/parking | Fine | 26/5/2025 | R500 |
| 24 | Traffic/STOP | Warning | 29/5/2025 | N/A |
| 32 | Traffic/STOP | Warning | 10/9/2024 | N/A |
| 32 | Traffic/STOP | Fine | 17/9/2024 | R500 |
| 32 | Traffic/STOP | Fine | 20/9/2024 | R750 |
| 35 | Traffic/STOP | Warning | 26/5/2025 | N/A |
| 36 | Traffic/STOP | Warning | 2/7/2025 | N/A |
| 37 | Traffic/STOP | Warning | 28/8/2024 | N/A |
| 37 | Traffic/parking | Warning | 17/6/2025 | N/A |
| 37 | Traffic/speeding | Warning | 7/10/2024 | N/A |
| 37 | Pets/Tenant's dogs | Warning | 28 /5/2025 | N/A |
| 39A | Traffic/STOP | Warning | 9/10/2024 | N/A |
| 39A | Traffic/STOP | Fine | 9/7/2025 | R500 |
| 39B | Traffic/parking | Warning | 27/11/2024 | N/A |
| 39B | Traffic/STOP | Warning | 2/7/2025 | N/A |
| 40 | Traffic/STOP | Fine | 29/10/2024 | R500 |
| 40 | Traffic/STOP | Fine | 29/10/2024 | R750 |
| 40 | Traffic/parking | Fine | 26/11/2024 | R750 |
| 40 | Traffic/parking | Fine | 26/11/2024 | R750 |
| 40 | Traffic/parking | Fine | 27/11/2024 | R750 |
| 40 | Traffic/parking | Fine | 9/1/2025 | R750 |
| 40 | Traffic/parking | Fine | 9/1/2025 | R750 |
| 40 | Traffic/parking | Fine | 27/1/2025 | R750 |
| 40 | Traffic/parking | Fine | 27/1/2025 | R750 |
| 40 | Traffic/parking | Fine | 9/6/2025 | R750 |
| 40 | Traffic/parking | Fine | 9/6/2024 | R750 |
| 41 | Traffic/parking | Warning | 20/11/2024 | N/A |
| 41 | Traffic/parking | Fine | 21/11/2024 | R500 |
| 41 | Traffic/parking | Fine | 21/11/2024 | R750 |
| 41 | Security violation | Fine | 7/1/2025 | R4000 |
| 41 | Pet/dog roaming in Village | Fine | 5/3/2025 | R500 |
| 41 | Pet/dogs roaming in Village | Warning | 10/3/2025 | N/A |
| 41 | Pet/dogs not on leash | Warning | 10/3/2025 | N/A |
| 41 | Pet/dogs threatening children walking | Fine | 10/3/2025 | R2000 |
| 42 | Traffic/STOP | Warning | 9/10/2024 | N/A |
| 44 | Security violation | Fine | 14/10/2024 | R3000 |
| 44 | Traffic/STOP | Warning | 23/10/2024 | N/A |
| 44 | Traffic/parking | Fine | 31/10/2024 | R500 |
| 44 | Traffic/parking | Fine | 31/10/2024 | R750 |
| 44 | Traffic/STOP | Fine | 20/11/2024 | R500 |
| 52 | Pet/barking | Warning | 28/10/2024 | N/A |
| 54 | Security violation | Fine | 26/5/2025 | R3000 |
| 59 | Traffic/STOP | Warning | 6/5/2025 | N/A |
| 59 | Traffic/STOP | Fine | 22/7/2025 | R500 |
| 60 | Traffic/STOP | Warning | 2/10/2024 | N/A |

Aesthetics

The trend of 2024, of major renovations and upgrades to existing properties, continued during 2025. We experienced major time overruns on some of these projects. Neighbours and other Members have been severely inconvenienced by these time overruns. The maximum period for a building project according to the Aesthetic rules and the House Rules is 6 months, and the BOD will continue to monitor adherence to these timelines and issue penalties for non-adherence as stipulated in the rules. The BOD will consider the impact of “force majeure” type situations.

The colour palettes have been updated and approved to ensure that it is identifiable at the commercial paint stores. We have also updated the paint approval process to ensure adherence to the colour palettes. No more *White Houses* in the Village!

Gardens

We are privileged to live in Waterkloof Village, where our gardens follow specific guidelines to resemble a *French Provençal* village street space. Over the years, our gardens have become one of the key attractions for those choosing to live in Waterkloof Village.

This past year, we have encountered challenges with the maintenance and upkeep of our gardens due to excessive rain over an extended period.

Vernon and his team have demonstrated their dedication to upholding and improving our gardens' standards. To support Vernon and to further improve the gardens RealGreen has committed to a formal action plan and to having their garden experts visit our Village frequently to provide guidance, training, and monitor progress. We expect significant improvements in the quality and appearance of our gardens towards the summer.

With the combined efforts of Vernon and RealGreen, we are confident that our gardens will be as beautiful as ever.

We want to extend a thank you to all the Members who provide feedback, whether it is positive or negative, your input is always valuable and plays an important role in helping us identify areas where we can improve.

Social Activities

Our social events are important for a strong sense of community in Waterkloof Village. These gatherings allow us to get to know one another, enjoy each other's company, and welcome new residents into our Village.

We are pleased to report that we have had several successful social activities over the past year. While not everyone can always attend, we want to extend a big thank you to everyone who attended our events. Your presence makes these gatherings special and helps strengthen our bonds as neighbours.

Traditionally, we have three major events each year (weather permitting):

- **Spring Day:** 4 September 2025
- **Christmas Carols:** in November 2025
- **Valentine's Day:** in February 2026

Legal and Governance

Portion 738, Waterkloof Ridge

Portion 738 [the 1.1-hectare entrance from Sidney Avenue] was bought from the City Council in 2003. The transfer of the property is in process. We are awaiting the final signature of the power of attorney before lodging at the deeds office.

Pretoria Country Club Lease

We concluded a lease on the following terms.

- Lease Duration: 6 (six) years
- Monthly Rental Amount: R8,200.00
- Total Lease Amount: R628,000.00
- Payment Terms: Full amount of R628,000.00 paid in advance, covering the entire 6-year lease period.
- Upgrading of access road on PCC side
- Social PPC membership for two individuals per property at R96000.00 per year, escalating yearly per PCC yearly rate.
- Same terms as previous lease

Members

A warm welcome to all new owners in *The Village*. I am sure that you will soon appreciate how privileged we are to live in this wonderful "little paradise". We look forward to meeting you at our various social functions where you will experience the "*Village Spirit*".

Interaction with the Board

The Board is always open to criticism, advice and recommendations that could lead to the improvement of the Village experience.

Members are welcome to use the opportunity afforded to them annually at the AGM, to submit any motions to the Board. Motions need to be properly motivated, quantified and documented to avoid unnecessary time-consuming deliberations. Members are requested to submit written questions and concerns up to 48 hours prior to the commencement of the AGM, for discussion under the agenda item "Other Business". As agreed at the 2020 AGM each Member will be limited to two questions or recommendations.

Conclusion

I want to thank everyone that constantly contributes positively to the pleasant and wonderful experience of living in the Village.

We as Directors volunteered to serve on the Board and serve the HOA as a whole and it can sometimes be an ungrateful job.

In executing our functions and responsibilities we, as the Board or individual Director, perform these duties in the best interest of the HOA. We are not working for an individual Member. Our actions and decisions are sometimes questioned, criticized, objected to, we are threatened with legal action, we are falsely accused, our integrity is questioned etc. We can make mistakes, and our decisions are not always well accepted. However, we as a team persevered.

As a Board, I believe we have done a good job and I want to thank each Director for their dedication, commitment, time sacrificed and teamwork.

Thanks again to all Members, service providers and the Estate Manager. Your contributions and support are much appreciated.