

Centurion



Residential estate
& Country club

CENTURION HOME OWNERS ASSOCIATION

ANNUAL GENERAL MEETING

1 JUNE 2011

HOME OWNERS ASSOCIATION

P O Box 66717, Highveld, 0169
Tel: 012-665-0506 Fax: 012-665-0505

... a superior lifestyle for all residents in safe and aesthetically pleasing surroundings.

Centurion



**Residential estate
& Country club**

CENTURION HOME OWNERS ASSOCIATION **ANNUAL GENERAL MEETING** **1 JUNE 2011**

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Directors

PC Lombard (Chairperson) FJ Nortje A Potgieter
CJPG van Zyl PP Mann LJ Botha E Piagalis

General Manager

NJ Venter

**NOTICE OF THE ANNUAL GENERAL MEETING
OF THE CENTURION HOME OWNERS ASSOCIATION**
(Association incorporated under Section 21)
PO Box 66717, Highveld, 0169
Company Registration Number: 1995/013780/08

3 May 2011

Dear Member

Annual General Meeting

1 Introduction

The 2011 Annual General Meeting of Centurion Home Owners Association will be held at 19:00 on Wednesday 1 June 2011 at the Centurion Country Club. Registration will take place from 18:00.

If you would like to vote on the resolutions but are unable to attend the meeting, you may appoint a proxy to exercise all or any of your rights to attend, vote and speak at the meeting.

All owners and registered owners of Sectional titles may vote provided they are in good standing.

2 Explanatory notes regarding resolutions

All resolutions are ordinary resolutions and require a majority vote to be carried. All voting will be by show of hands.

Resolutions 1 to 6: Consider, note, accept, ratify, approve and reappoint

These are ordinary resolutions related to the reporting of the Associations' financial position, are self explanatory and require a majority vote to be carried.

Resolution 7: Quantum of the Buy-in levy amount

During the previous year's AGM the Buy-in levy proposal was approved as a special resolution by the members present and the Articles was amended accordingly. The decision stipulates that the amount to be contributed by new owners to the Levy Stabilisation fund for the year is subject to approval at the AGM.

The implementation will commence on the 1st July 2011 and will be governed by the date on which the seller accepts the offer.

The Board's proposal to the AGM will be R20 000 (ex VAT) per new registration.

Resolution 8: Approval of Capital Budget FY 2012 and FY 2013

A Capital budget is presented for FY2012 and FY2013 for approval and funding out of the Levy Stabilisation Fund.

Resolution 9: Note and confirm CHOA Penalty System

In terms of clause 70.2.3 of the Articles the amounts of fines and other penalties shall be reviewed and confirmed at each AGM.

It is proposed that the penalty system remain as before.

Resolution 10: Policy / rules regarding use of alternative energy sources

Alternative energy sources are becoming more popular as a cost effective and environmentally responsible way to go.

In order to govern the process and maintain the aesthetic standards in the Estate, it is proposed that our rules be amended and clarified to accommodate the use of alternative energy sources.

3 Retiring of Directors

Three Directors and the Chairman are in the middle of their terms and remain in office. They are:

PC Lombard (Mr) Chairman
CJPG v Zyl (Mr) Director
P Mann (Mr) Director
LJ Botha (Dr) Director
President Sports and Social Club to be nominated

The remaining one Director has completed her two year term and is available for re-election.

A Potgieter (Ms) Director

One Director was co-opted to complete the security project and will retire as prescribed by the Articles of Association:

F Nortjie (Mr) Director

One Director position needs to be filled. Nomination forms are available in this set of the AGM documentation and must be submitted to reach the office of the General Manager by 25 May 2011. All owners and registered owners of Sectional titles who are in good standing may be nominated and elected.

4 Voting for new Board members

Voting will take place during office hours (weekdays 08:00 – 16:00) from Friday 27 May to Wednesday 1 June at the CHOA Office and will continue at the meeting until closure.

Proxies may not be used for voting purposes for Board members.

AGENDA

15th ANNUAL GENERAL MEETING OF THE CENTURION HOME OWNERS ASSOCIATION
(Association incorporated under Section 21)
PO Box 66717, Highveld, 0169
Company Registration Number: 1995/013780/08

Wednesday 1 June 2011 at 19h00 (Registration at 18h00)
at
The Centurion Country Club

Time line

1. 19:00 Welcome / Apologies
2. 19:10 Approval of the minutes of the Annual General Meeting held on 1 June 2010
3. 19:15 Matters arising from the minutes of the Annual General Meeting held on 1 June 2010
4. 19:30 Chairman's Report
5. 19:50 Financial Report
 - Resolution 1 – Consider and accept FY2011 Financial Statements
 - Resolution 2 – Note and ratify Directors' Remuneration
 - Resolution 3 – Consider and accept Auditor's Report
 - Resolution 4 – Reappointment of the Auditors (C&S Audits Incorporated)
6. 20:15 Operational and Capital budgets
 - Resolution 5 – Note and ratify increase in Levies for FY2012
 - Resolution 6 – Approval of FY2012 Operational Budget
 - Resolution 7 – Quantum of the Buy-in Levy amount
 - Resolution 8 – Approval of Capital Budget FY 2012 and FY 2013
 - Resolution 9 – Note and confirm Penalty System
7. 20:30 Portfolio reports:
 - Security
 - Progress report on existing capital projects
 - Architectural-aesthetics, Gardens and Infrastructure
 - Public Relations
8. 21:00 Additional agenda items
 - Resolution 10 – Policy / rules regarding use of alternative energy sources
9. 21:10 Election of Director
10. 21:15 General
11. 21:45 Results of Election
12. 21:50 Closure

Directors

PC Lombard (Chairperson) FJ Nortje A Potgieter
PP Mann CJPG van Zyl LJ Botha E Piagalis

General Manager

NJ Venter

**ANNUAL GENERAL MEETING OF THE
CENTURION HOME OWNERS ASSOCIATION**

(Association incorporated under Section 21)
of PO Box 66717, Highveld, 0169
Company Registration Number: 1995/013780/08

PROXY

I,
(Please print full names)

Stand No

Address
.....

being a member of the **CENTURION HOME OWNERS ASSOCIATION**, hereby appoint :

M.....of.....(address)
Or falling him/her

M.....of.....(address)

As my proxy to vote for me and on my behalf at the Annual General Meeting to be held on 1 June 2011 at the Centurion Country Club, or any adjournment thereof, as follows:

1. On any matter with the exception of the election of the Director/Chairman as he/she deems fit.

SIGNED THIS DAY OF 2011.

.....
SIGNATURE

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote on his behalf, and such proxy needs not also to be a member of the Centurion HOA.
2. All proxies must be handed in at the entrance at least 30 minutes before the commencement of the meeting.
3. According to the Amendment of the Articles of the Association, no proxies will be accepted for the voting of the Director/Chairman vacancy.

**MINUTES OF THE 14th ANNUAL GENERAL MEETING OF THE
CENTURION HOMEOWNERS ASSOCIATION
HELD AT THE CENTURION COUNTRY CLUB ON 1 JUNE 2010 AT 19:00**

Directors: Pierre Christo Lombard (Chairman), Willem Reyneke de Kock,
Willem Christiaan Boshoff, Francois Johannes Nortje, Elefterios Piagalīs and
Anya Potgieter

1. WELCOME AND APOLOGIES

Welcome

The Chairman, Mr. Pierre Lombard (PL), welcomed all present and thanked them for their attendance. As there was a quorum, (present and proxies totalling 182) he declared the meeting properly constituted.

He extended a special word of welcome to the members of the Board of Directors, past Chairmen of the CHOA, Past Presidents of the Centurion Sports and Social Club, the Estate Manager and his staff, Councillor Christa Spoelstra, the Auditor Mr. Piet Smit and all the members of the CHOA.

Apologies: Mr. R Otto.

Correction on Agenda

PL referred to the Updated Agenda. Time of closure should read 22:30.

2. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 9 JUNE 2009

Correction

Ms. Martie MacDougall requested that the following correction be made on page 11 of the Minutes:

"Ms. Martie MacDougall said that the size of her Townhouse would put her levy in a higher category. She requested that the CHOA reconsider her specific levy structure."

should be changed to the following

"The principal in arriving at size of property does not take into account the difference in size between townhouses built as single-storey units vs. double-storey units. Ms. Martie MacDougall requested the Board of Directors to consider this fact before implementation."

Approval

The meeting approved the minutes of the AGM held on 13 June 2009. Proposed by Ms. MacDougall, seconded by Mr. Radjen Kandasamy.

3. MATTERS ARISING FROM THE MINUTES

None.

4. CHAIRMAN'S REPORT

PL presented his report and highlighted the following.

Successes

The CHOA signed three big contracts namely

- Village Connect (R2,7 m) for installation of the Security Network, Control Room and CCTV cameras.
- BBS (R1,2m) for installing the electric fence (Completed by AYOPA).
- Maxi Security (R15 m over 36 months) for guarding, armed reaction and perimeter dog patrols at night.

The CHOA handled the following two bankruptcies successfully.

- BBS Guarding Contract (November 2009) which had a negligible financial and security risk impact. Maxi Security was employed on an interim contract and most of the guards of BBS were re-employed by Maxi Security.

- BBS Electric Fence Upgrade Contract had no financial impact as AYOBA completed the work.

The CHOA presented a good set of financials. An operating surplus of R565 000 after tax and depreciation was shown.

The Security Upgrade Project

- Was well managed. PL expressed his appreciation to Messrs Francois Nortje and Reg Otto for their services in this regard.
- Contracts were almost completed.
- Would be completed within the allocated funding plan.
- Included access control upgrade and additional CCTV cameras for the FY 2011.

Headaches

Problems with service delivery by Tshwane Metro Council (TMC) caused various problems.

- Problems were encountered with refuse removal during strikes.
- Road repairs after TMC replaced pipe connections were not done properly.
- CHOA fibre network installation was delayed due to the unacceptable long time it took for the Council to approve the plans.
- The CHOA spent R73 000 on work not done by TMC. This included the temporary fixing of roads, fixing of street light and the hiring of private contractors to remove refuse during strikes.

A plan of action will be discussed under forward planning.

General Matters

Penalty system

- About 400 warnings (mostly traffic related) were given.
- 31 Penalties were given for traffic offences.
- 23 Others were given for dogs, nuisance, etc.
- A revenue of R9 000 was generated from penalties.

Rules/Policies

- The Board would ask for the guidance of members to update and amend some of the Rules and Policies during the meeting.

Debtors

- PL extended a special word of thanks to owners who paid their levies on time. There were only 7 defaulters with levies of R35 000 outstanding (about 4% of monthly Estate Levies).

Forward Planning

Improving our reserves

- Current reserves were less than the Levy Income for one month. Options to improve this situation will be discussed and voted on in the meeting.

Strategic planning

- The foundation was laid and long term funding needs have been identified.
- A five year strategic plan would be set in place.

Taking over municipal function

- The CHOA intended to take over refuse removal from the TMC. A kickback from them would be required to make this project feasible.
- This could hopefully be expanded to street lights, water and electricity distribution as well as road repairs.

- PL invited members of the CHOA to offer their services to form a task group in this regard.

FTTH (Fibre to the home)

- The Security Network Phase had been completed at CHOA cost and the handover was expected within that week.
- Village connect would commence Phase 2 in June 2010 at their own cost. This stage will be preceded by a market survey. About 350 subscribing residents would be required for this phase to be viable.

Acknowledgements

PL thanked

- The Board of Directors for their support. Mr. Chris Boshoff, Mr. Willem de Kock and Mr. Francois Nortje all served on the Board for four years and were stepping down
- The CHOA Staff, Mr. Jaco Venter and his team, for their invaluable services during the year.
- The Security Service Providers.
- The Centurion Sports and Social Club Management for its excellent cooperation.
- Active community members who were always ready to give of their time and who were prepared to serve on task groups.
- The majority of owners and tenants for paying their levies promptly, for not speeding, for walking their dogs on leashes and using poop scoops and for generally making the CRE a great place to live in.

Questions and comments

None.

5. FINANCIAL REPORT

Financial statements and Budget for 2009/2010

PL presented the Financial Statements and 2010/2011 Budget which were distributed to the members for their scrutiny, together with the Agenda and the Minutes of this meeting. A surplus of R565 000 was shown against the budgeted surplus of R42 000.

Auditor's Report

C&S Audits Incorporated audited the Annual Financial Statements of the Centurion Homeowners Association and found that the financial statements fairly presented the financial position of the company as of 28 February 2010 and of its cash flows for the year ended, in accordance with South African Statements for Generally Accepted Accounting Practice for Small and Medium Entities and in the manner required by the Companies Act of South Africa.

- PL requested the meeting to consider and accept the Auditor's report.

Resolution 1

The Auditor's Report was accepted.

Proposed by Mr. Cor van Zyl, seconded by Mr. Piet Greyling.

Financial Statements for year 2010

PL tabled the Financial Statements for the year ending Feb 2010.

Mr. Mackway-Wilson wanted the Annual Financial Statements to be re-audited. PL ruled this out of order.

PL asked for a proposal that the Financial Statements be noted and accepted.

Resolution 2

The Financial Statements were accepted.

Proposed by Ms. Martie MacDougall, seconded by Dr. Pieter Kruger.

Directors' Remuneration

PL asked for the Director's remunerations to be noted and ratified.

Resolution 3**The Director's remunerations were ratified.**

Proposed by Mr. Willem de Kok, seconded by Mr. Cor van Zyl.

Ratifying of 10% increase in levies for 2011

The increase in levies was within the 10% margin as had been approved previously. The Chairman asked for a proposal for the levies to be ratified.

Dr Pieter Kruger suggested that the increase in levies should in future be in line with the inflation rate of 6,5%. A 10% increase seemed excessive.

Resolution 4**The 10% increase in levies was ratified.**

Proposed by Ms. Martie MacDougall, seconded by Mr. Willem de Kok.

Budget for the Financial Year 2011

PL tabled the Budget.

Questions and commentsMr. Chris Nel asked why Maintenance was 40% less for the 2011 FY.

- PL replied that the CHOA had restructured certain financial groupings. The new Security system that had been implemented would also require less maintenance than it did in previous years.

Mr. Gerhard Morkel wanted to know if the Budget made provision for repairs and maintenance of the walkways.

- PL replied that very little provision was made as most of the funds went towards fixing potholes, which were the responsibility of the TMC.

Mr. Petrus van Heerden wanted to know why Surplus Funds were allocated to Security and not to Surplus Funds.

- PL said that savings on Operational Costs was allocated to the Security Project in order to fund necessities like the installation of additional CCTV cameras.

PL asked for the meeting to accept the Budget for 2011.

Resolution 5**The Budget for 2011 was considered and accepted.**

Proposed by Mr. Cor van Zyl, Seconded by Mr. Keith Smith.

Reappointment of the Auditors (C&S Audits Incorporated)

PL asked for a proposal for the Auditors to be reappointed.

Resolution 6**C&S Audits Incorporated was reappointed as Auditors.**

Proposed by Mr. Gerhard Morkel, seconded by Mr. Barry Robinson.

6. PORTFOLIO REPORTS**6.1 SECURITY**

Mr. Francois Nortje (FN), the Director of Security, presented his report.

Incidents

He compared the incidents on the Estate for the past three years.

<u>Year</u>	<u>Incidents</u>
2008	16
2009	7
2010	7

Most of these incidents were not of a serious nature. FN said that although one incident was one incident too many, he was satisfied that all involved were trying their best to provide a safe environment for the residents.

Security expense

- The largest part of the Security Budget went towards guarding and armed response. FN envisaged that on completion of the Security Upgrade less money would be

spent on guarding.

- The rest of the Security Budget was spent on Infrastructure.

Security challenges that were posed by external factors were

- Loitering by jobseekers in John Vorster Drive.
- The taxi rank on John Vorster Drive.
The Tshwane Metro Police and the Taxi Association have been contacted in this regard, but so far the HOA received no response.
- The Bylsbridge development with the associated workers and loiterers.

Security challenges that were posed by internal factors were

- Casual labourers that some residents regularly brought into the Estate without registering them. Consequently there were no records of these people and whether or not they had even left the Estate after their work had been completed.
- Unlawful entry facilitated by residents because they had neglected to inform Security that they had fired their workers. Some of these workers could then enter the Estate with their access disks and had the free roam of the Estate to commit crimes.
- Contractors who did not adhere to approved working hours. Some were even allowed to sleep on the premises without the knowledge of the HOA.
- Traffic violations like speeding, ignoring traffic circles and solid white lines.

Goals: 2009/10 in review

- The Security Team endeavored to minimize incidents.
- The Security Upgrade was almost completed. A communication infrastructure was established, the perimeter fence was replaced, the Monitoring and Control Room was completed and the CCTV network was almost completed. Access control could only be improved once all the other systems were in place.
- The outstanding Security Project items would be finalized in the near future.

Goals: 2010/11

Goals that were set for the coming year were to

- Minimize incidents.
- Finalize the Security Contract.
- Improve access control and booking procedures.
- Update procedures and training.
- Keep a firm hand on Security by aggressively driving down the Budget and restructuring the guarding contingent.

Security Team

FN thanked the security team, Messrs. Leon Booyesen, Klaas Mthimunya and Petrus Nkwana. They received a warm applause of appreciation from the meeting.

Special report on the Security Project

FN gave an overview of the project and highlighted the following.

Insolvency

Top Tech Security and Business Butler Services became insolvent in September 2009. AYOPA Risk solutions and Maxi Security took over their functions as an interim measure. There was no financial loss or a threat to the security on the Estate.

Contracts

Maxi Security, AYOPA and Village Connect were awarded the Security Contracts.

Unplanned delays

A number of lost days were caused by late or slow delivery from various suppliers, rain, public holidays, rebuilding of the fence at Nelmapius Bridge due to flooding as well as the

removal of the old fence at Oak Fields and the installation of the new fence

Project Finances

The Security Upgrade Project remained within Budget. Monies would be paid to the contractors once the CHOA was satisfied that all the requirements as per agreement had been met.

Next steps

The team envisaged to improve access control, expand the CCTV network as and when required based on available budget (R130 000 had been allocated for the 2010/11 financial year).

Village Connect intended to conduct a market survey to establish the viability of the implementation of multi-play services to the residents on the Estate. Should the results of the market survey be sufficiently positive, they will deploy a communication infrastructure throughout the Estate.

Thanks

FN expressed a special word of thanks the Genl. Reg Otto for overseeing the contractors during the Security Upgrade.

Questions and comments

Mr. Rolf Pebble asked whether a due diligence was done on Maxi Security.

- FN said that a due diligence was done during the Tender Process and that the track record of Maxi Security was good. It was a large Security Company that had 40 branches countrywide and that employed 4 000 guards.

Mr. Freddie Hecht wanted to know if the CHOA ever considered installing boom gates at Santa Monica Drive and Centurion Drive to prevent golfers and other visitors to the Club from accessing the rest of the Estate.

- FN said that it had been on the cards for some time. It would be expensive to implement.

Mr. Hecht asked if anything could be done about the noise that the kids make at the Pump House at night.

- FN said that CCTV cameras would be installed as soon as possible on that site.

Mr. Chris Nel suggested that residents who did not properly register casual workers be denied access to the Estate.

- FN agreed that it was a serious matter if residents did not adhere to the rules in this regard as it put all of the residents at risk. He would look into the matter.

Mr. Olivier Duffar asked how the Control room was manned.

- FN said that it was manned 24/7 during two full time shifts.

Mr. Barry Robinson said that he often found guards at the Main Gate asleep when he returned late at night. He wanted to know if the CHOA would not consider installing gates at that entrance that would have to be opened by the Guards.

- FN said that such gates would increase the risk of hijacking.
- He would however look into the matter.

PL thanked FN for his hard work and dedication.

6.2 ARCHITECTURAL – AESTHETICS, GARDENS AND MAINTENANCE

Mr. Chris Boshoff (CB) reported on the work that he and his team did.

Upgrade and Maintenance Projects

CB and his team upgraded and maintained

- The Estate walking trail. Boardwalks, signage, paving, cleaning, maintenance and access control received attention.
- Traffic circles with special features and plants.
- The communal Estate gardens. These included gardens at the Main and Top gate entrances, CHOA Offices, the Centurion Drive sidewalk adjacent to the driving range
- Irrigation systems.

- Paving.
- The Albert Road wall.
- Identification signage.

River erosion and protection

Prof. Wim Skinner submitted the Annual Erosion Report to the CHOA. New trees were planted where necessary.

The new CHOA Offices were moved from the Main Gate to the present location. The old offices were renovated and now housed the Security Control Room.

Architectural Aesthetics

Mr. Patrick Mann of Sonja Neitz Architects (SNAPP) was appointed as the resident architect of the CHOA. He was responsible for the following.

- Assessment of all applications and plans submitted by the owners to ensure that architectural guidelines were adhered to. All plans that were scrutinized by him were successfully processed and approved by the TMC.
- Liaising with the building inspectors of the TMC.
- Liaising with the residents and building contractors on site.
- Monitoring of building activities and the completion.

CB said that the owner was ultimately responsible for the builder/contractor and his actions. The owner could appoint a contractor to act on his behalf, but could not delegate his accountability.

A detailed site layout with layers indicating all services of Telkom, electrical supply, storm water and sewerage has been drawn up.

Neighboring developments

CB said that he neighboring developments had a mostly positive impact on the Estate. These were Bylsbridge, Strawberry Hill, Irene Country Lodge, South Downs Residential Estate, South Downs Shopping Centre, the Luton Valley Bird Sanctuary and the Gautrain.

Questions and comments

Mr. Adolf Tomes said that the plants and shrubs on the corner of Portabello and Monte Carlo Drives posed a traffic hazard.

CB said that it was a privilege to stay on the Estate and to have served on the Board.

PL thanked CB for his hard work and enthusiasm.

6.3 ADMINISTRATION

Mr. Willem de Kock (WdeKck) reported on the following matters.

Office staff

Great pressure was put on the Office Staff during the Security Upgrade.

WdeKck paid tribute to the gardeners for the neat appearance of the gardens.

He thanked the Auditors for their contribution.

Buildings, vehicles and equipment

WdeKck said that the building and equipment were well maintained during the Financial Year. The CHOA acquired a golf cart for the staff.

Provision for power interruptions

Generators were installed to provide for envisaged power interruptions in future.

Communications

- The CHOA portal would become live soon. In future communications would largely be made by electronic means. He appealed to the members to update their email addresses as well as cell phone numbers at the Office. The CHOA aimed to reduce the paperwork for the AGM.
- He assured members that all their correspondence was treated as high priority. Each

letter was logged and then discussed at the meetings of the Board of Directors.

He thanked all for their support.

Questions and comments

PL thanked WdeKck for his dedication and hard work throughout all the years.

6.4 **PUBLIC RELATIONS AND SOCIAL EVENTS**

Ms. Anja Potgieter presented the following report.

Mission

The mission of her portfolio was to

- Bring together the golfing and non-golfing community within the Estate
- Educate and advise residents that the Estate was their Estate and being there was fun, safe and made for a happy existence as a community.

Interface

She said that Interface was the voice of the CHOA and was recently revamped. She said that she would welcome input from residents.

Rebrand Strategy

- Stationary with the new logo and welcome packs would soon be available to hand to visitors and new residents.
- The CHOA considered acquiring corporate wear for the staff.
- The Security vehicles were the first to display the new colours of the CHOA.

Events 2009/2010

- Trick or treat proved to be a huge success. AP hoped to host another such event.
- Monthly events were jointly organised by AP and the Club.
- The Chairman's trophy was a successful event that was well attended.

Questions and comments

Ms. Monique Taylor asked whether there were any events planned for the 2010 World Cup.

- AP said that big TV screens would be put up in both Bars where the matches could be viewed.

PL thanked AP for a job well done.

7. **CREATION OF A LEVY STABILIZATION FUND**

PL said that at present the CHOA had reserves of ± R675 000. CHOA Extraordinary Fund requirements for the next 20 years would be R15m (in 2010 monetary values).

Two proposals to raise this fund were included in the AGM documentation.

PL asked the members to consider and debate the following resolutions.

- **Resolution 7: Amend Articles of Association to create a new owner buy-in levy.**
- **Resolution 8: Fixed monthly Surcharge levy of R120 on existing owners.**

VOTING PAPER FOR RESOLUTION 7

(A Special Resolution requiring a 75% vote in favour to be passed)

That Clause 73 of the Articles of Association of the Centurion Homeowners Association (registration number 95/13780/08) is amended as follows:

73. Establishment of Levy Fund and Levy Stabilization Fund:

73.1 (* existing wording of Clause 73 to be retained as 73.1 *)

73.2 The Company may establish a Levy Stabilization Fund for the purpose of meeting any extraordinary expenditure and expenditure of a capital nature to be incurred by the Company in carrying out its main objectives and the provisions of these Articles. The Levy Stabilization Fund shall be funded from levies payable by new members joining the Company as owners of Erven. This Fund shall be subject to the following

73.2.1 The amount to be contributed by new members pursuant to the Levy Stabilisation Fund shall be revised on an annual basis in accordance with the recommendation of the Board of Directors and be subject to the approval of the Association at its Annual General Meeting. The object of the annual review shall be to maintain the Levy Stabilisation Fund at an appropriate level having regard to factors such as inflation.

73.2.2 Each new member in the Company shall be liable to pay the relevant Levy Stabilisation Fund contribution on date of registration or transfer of the erf.

73.2.3 In the event of any erf being sold, alienated or otherwise disposed of, the new owner shall be obliged to pay the Levy Stabilisation Fund contribution applicable at that time and the ex-owner shall not be entitled to a refund of the Levy Stabilisation Fund contribution paid by him.

73.3 The Company will be entitled to withhold its consent to registration of transfer of the erf to the new member, should acceptable arrangements not be made with the Company for the payment of such levy by the new member.

Implication:

If the resolution is passed, the Board of Directors will recommend an amount in terms of clause 73.2.1 to the next AGM in 2011. The approved amount will then be due from new members as from the first day of the month following the 2011 AGM.

IN FAVOUR	
AGAINST	

The amount is currently projected to be about R17 000 per new registration

Contributions to the Levy Stabilisation Fund will not be used to defray operational costs. Utilizing funds from the Levy Stabilisation Fund will require prior approval at an AGM or SGM.

VOTING PAPER FOR RESOLUTION 8

(An Ordinary Resolution requiring a majority vote in favour to be passed)
That over and above their normal monthly levies, all members of the Centurion Homeowners Association, will make a fixed monthly contribution to the Levy Stabilisation Fund (on each of their levies should they have multiple levies)

This will be treated as special income that may not be used to defray operational costs. It will be credited directly to the Levy Stabilisation Fund.

The initial amount will be R120 per month regardless of the levy classification of a member.

The contribution will be due as from 1 August 2010 where after it will be revised annually on 1 March and ratified at the following AGM exactly as currently for the normal levies.

Utilizing funds from the Levy Stabilization Fund will require prior approval at an AGM or SGM.

NOTE:
If both Resolutions 7 and 8 are passed, then Resolution No 7 will be implemented

IN FAVOUR	
AGAINST	

PL said that the Board recommended that members vote in favour of both proposals. The Board would implement Resolution 7 if both are carried.

Discussion

Mr. Herman Zulch raised a concern that should an resident decide to scale down and sell his property in the Estate to only buy a smaller property he would be liable to pay the buy in levy.

Mr. Corrie de Jager suggested that two changes be made in the wording of the proposal. *Erven* should be replaced with *property*. *Alienated* should be scratched.

- PL and Mr. Conrad Kunzmann would look into the matter
- Mr. Chris Nel wanted to know if the R120 included VAT.
- PL said that it did.

Mr. Olivier Duffar said that he was against the proposals and that it was a big step for many of the owners to take.

Mr. Peter Taylor wanted to know why Resolution 7 would take preference over Resolution 8. He predicted that there would be fewer sales if Resolution 7 were carried.

- PL said that existing owners have paid numerous special levies in the past and a buy-in levy would only be fair if new owners bought into the advantages that the Estate offered.

Mr. Jannie Eager wanted to know whether Special Levies would still be an option if none of the Resolutions were carried.

- PL said that it would be an option by default.

Mr. Willem de Kok said that he was in favour of Resolution 7. Newcomers buy into an Estate that was well managed without ever having contributed to special levies. It was also difficult for the Board of Directors to introduce Special Levies from time to time.

Mr. Clyde Stirling did not agree with Resolution 7 because it was not a fixed income as opposed to Resolution 8 which was.

Mr. Marais said that the levy was unfair to new owners of smaller houses.

- PL said that special levies had always been the same for all homeowners regardless of the size of properties.

Mr. Pierre Lombard asked the members to vote on both the resolutions.

- **Resolution 7: Amend Articles of Association to create a new owner buy-in levy.**
- **Resolution 8: Fixed monthly Surcharge levy of R120 on existing owners.**

PL asked for four volunteers to assist with the counting of the votes.

The following members volunteered. Prof. Wim Skinner, Ms. Monique Taylor, Mr. Hilmar Venter and Mr. Ras Myburgh.

8. **ELECTION OF DIRECTORS**

Chairman

Mr. Pierre Lombard remained Chairman of the Board of Directors as no other nominations had been received.

Directors

Nominations were received for the following.

- Dr. Louis Botha
- Mr. Patrick Mann
- Mr. Francois Nortje
- Mr. Cor van Zyl

PL asked the members to cast their votes.

He asked another volunteer to assist with the counting of the votes.

Ms. Wilma Claassen volunteered.

9. **AMENDMENTS AND ADDITIONS TO THE RULES OF THE ESTATE**

Resolution 9 – Rules for Business (Amendment)

The main objective for this amendment was for the CRE to maintain its residential character.

Minor changes entailed that

- Only owners may conduct business from a house.
- No signage would be allowed except those of existing Spa and Guest houses.

Major changes entailed that

- Guest houses and spas will be limited to the current number of 8.
- After a discussion process a business levy might be imposed on some of these businesses.

Discussion

Mr. Kevin Potgieter said that it was inappropriate to vote on rules that were made by the Directors.

- PL replied that in terms of the Articles of Association the Board could make Rules. Where appropriate the Board will test the opinion of the AGM on new rules and amendments.
- Each new member was supplied with a set of rules.

Mr. Potgieter said that he applied to run a Guest House. He wanted to know why the Board refused permission.

- PL said that the Board was of the opinion that in order to maintain the residential character of the Estate no new applications to run Guest Houses would be approved.

Mr. Potgieter objected to this ruling and said that he would take the matter further.

Voting

PL requested the members to vote on Resolution 9 by a show of hands.

Resolution 9 was carried by an overwhelming majority.

Resolution 10 – Rules for Solar Geysers and Panels (New rule)

The Architectural guidelines of the association states that *permission from the Board of the HOA must be obtained for the installation of solar panels on roofs for heating of geysers or swimming pools. Neighbours must be approached for any objections prior to installation and the pipes/cables must not be visible or unsightly.*

Based on the above as well as the growing demand for solar heating, the HOA policy would be the following:

1. Before any installation commenced a roof plan and application had to be submitted to the HOA for approval.
2. Neighbours had to be approached for any objections and written consent before submitting the application.
3. No geysers could be installed on roofs if visible.
4. All installations had to be done in a discreet and aesthetically pleasing manner.

Discussion

Mr. Herman Zulch said that for optimum operation the geyser was required to be installed higher than the solar panel. The design of many homes on the Estate did not allow for the geysers to be out of sight. This had to be taken into account.

Mr. Willem de Kok asked for the term “visible” in terms of solar panels and geysers to be clarified.

Mr. Rodger Damen said it was not fair to vote on this issue as he had been forced to remove his geyser.

Mr. Jannie Eager wanted to know what would happen to geysers that have already been installed if the Resolution were carried.

- PL said that it had always been the policy of the CHOA that permission had to be obtained before any alterations or additions were made to a home.

Ms. Sue Miles said that her understanding was that as from July 2010 all new homes over 300 m² would have to install solar heating.

- PL said that the CHOA would have to look into this matter.

Voting

PL requested the members to vote on Resolution 10 by a show of hands.

The meeting did not approve Resolution 10.

Resolution 11 – Penalty system (Amendment)

The main objective of implementing a Penalty System was to change behavior.

Article 70.2.3 of the Association required that Fines and Penalties had to be confirmed at the AGM.

Changes

#16 Activities that cause an aggravation and a nuisance to other residents may be fined at the discretion of the General Manager or the Security Manager increased from R300 to R500.

Additional item # 18 had to be added which read

The Estate Manager may at his sole discretion issue a penalty to any resident, visitor or contractor who habitually transgresses any of the rules or verbally or otherwise abuse the HOA or Security personnel by an amount up to a maximum of R2 000.

- This penalty will be issued only in exceptional cases.
- The Board will handle all appeals.

Voting

PL requested the members to vote on Resolution 11 by a show of hands.

Resolution 11 was carried with an overwhelming majority.

Resolution 12 – Rules for Rentals (New rule)

PL said that the main objective was to

- Protect the CRE lifestyle against nuisance tenants.
- Protect owners and other residents.
- Strengthen the HOA hand with annual renewal of rental agreements.

RENTAL RULES: CENTURION RESIDENTIAL ESTATE

The Articles of Association stated that “no member shall let or otherwise part with the occupation of his erf whether temporarily or otherwise unless the proposed occupier has agreed to be bound by these Articles” (Clause 4.11). It further stated that “no member shall let or otherwise part with occupation of his Erf without the consent of the Company” (Clause 71.5).

Based on this and other considerations the rental policy was as follows:

1. All rental agreements were subject to the consent of the HOA.
2. Rental agreements had to have a clause requiring renewal on an annual basis. The

- anniversary of rental agreements had to be registered with the HOA.
3. Annual renewal of rental agreements was subject to prior consent being obtained from the HOA. Such consent would not be withheld unreasonably.
 4. Rental residents with valid lease agreements would be afforded convenient access into the Estate by whatever technology means in existence at the time.
 5. It was the responsibility of the owner to ensure that tenants were registered at the HOA and were in possession of a copy of the Estate's Articles of Association and its Rules and Regulations.
 6. No sub letting would be allowed.
 7. All residents of such rental properties would be subject to the Municipal Bylaws as well as the Articles of Association and the Rules and Regulations of the Estate and should not contravene or permit the contravention of the above or any other Law.
 8. The property would only be used for residential purposes. No business activities would be allowed.
 9. All tenants had to sign for a full set of Rules, Articles of Association and would ensure that he/she understood the content thereof.
 10. All rental residents would acknowledge that the HOA had the right to amend its Rules and Regulations from time to time without notification to them.
 11. To allow for fair housing and to prevent overcrowding the number of residents per bedroom would be limited to two.
 12. The CHOA reserved the right to exercise its rights at any time if a breach of the Rules and Regulations, Articles of Association or any bylaw was taking place and the CHOA deemed it necessary to do so.

Vote

PL requested the members to vote on Resolution 12 by a show of hands

Resolution 12 carried with an overwhelming majority.

10. **GENERAL**

PL invited discussions from the floor.

Ms. Irma Storm asked if penalties for tenants could be imposed if they ran businesses from rented properties.

- PL said that this was forbidden. The CHOA would pursue the matter if she brought the relevant evidence.

Mr. Olivier Duffar said that speeding could have serious consequences. He asked that something be done to prevent speeding.

Mr. Olivier Duffar said that he had often requested that recycling be taken seriously on the Estate.

Mr. Radjen Kandasamy was ordered by the CHOA to remove his solar geyser. In the light of the outcome of the vote on Solar Heaters he wanted to know who would now foot the bill for this action. His objection was noted.

- PL asked him to contact the HOA Office in this regard.

Mr. Johan Schalkwyk requested that the Top Gate be opened daily between 05:00 and 19:00. He was aware that the conditions for the development of the Estate was laid down by the Irene HOA but also that those conditions have changed in the mean time.

- FN said that the Board would look into this matter.
- Mr. Jaco Venter (JV) would also try to renegotiate the conditions with the Irene HOA.

Mr. Otto Human complained about the condition of neighbor's gardens and premises. Dog feces were never picked up and all sorts of stuff were hanging over the balconies.

- PL said that there were rules to curb this behavior. Action would be taken if transgressions are reported to the CHOA.

Mr. Chris Nel requested that a speed hump be erected in Beverley Hills Crescent

- PL said that funds were available to erect one more speed hump. JV Comment that a

speedhump was planned for Beverly Hills Crescent in the current FY.
Mr. Peter Taylor asked when the house in Boca Walk would be completed.

- PL said that the CHOA had done its best to resolve the matter.
 The matter had been handed over to the Attorneys.
 Triple levies were charged monthly.
 The Municipal Inspector of TMC had also served a warrant on the owner.
 Two Estate Agents had been appointed by the owner to sell the property.

Mr. Willem de Kock said that an access walkway to the Club had been completed for the benefit of the Vleipaddas.

Mr. Clyde Stirling and Mr. Piet Greyling enquired about the rules regarding kids on golf carts.

- PL said that according to the rules only licensed drivers were allowed to drive golf carts.
- He asked that reckless driving should be reported to the Office.

Results of voting on Resolution 7 and 8

PL announced that both Resolutions were carried.

Resolution 7: 132 (75%) votes in favour, 44 votes against.

Resolution 8: 93 votes in favour, 80 votes against.

Resolution 7 would be implemented.

Mr. Willem de Kok thanked PL for a job well done.

PL invited all the members to join him in the Res Bar for drinks.

11. RESULTS OF THE ELECTION OF DIRECTORS

PL congratulated the following members who were elected as Directors.

- Dr. Louis Botha.
- Mr. Patrick Mann.
- Mr. Cor van Zyl.

12. CLOSURE

The meeting closed at 22:20.

PIERRE LOMBARD

CHAIRMAN: CENTURION HOMEOWNERS ASSOCIATION

Minuted by A. Skinner

Chairman's Report

The past year at a glance

FINANCIALS	Results	Notes/Comparisons to previous year
<i>Operating profit</i>	± R270 000	Substantially better than budget
<i>Retained income (Reserves)</i>	± R850 000	25% increase
<i>Capital project reserves</i>	± R467 000	Adequate to complete incomplete projects
<i>Audit report</i>	Unqualified	
<i>Levy increase 2012</i>	6,9%	
SECURITY		
<i>Perimeter breeches</i>	3	25% decrease
<i>Forced entries into properties</i>	3	(1 perimeter breach resulted in forced entry)
RULE TRANSGRESSIONS		
<i>Penalties issued</i>	49	9% decrease
<i>Warnings</i>	610	50% increase
<i>Unattended dogs in public areas</i>	Visibly reducing	Special thanks to residents
PROPERTY		
<i>New sales registered</i>	58	4% increase
<i>Average selling price</i>	R2,750m	14% increase ¹
<i>Properties occupied by tenants</i>	290 (average)	± 33% of all properties
<i>Plans submitted for alterations</i>	42	± no change
ACCESS GATE ACTIVITIES		
<i>Vehicle entries & exits</i>	2 million	Total for 6 booms

Nature of the Centurion Home Owners Association (CHOA)

The CHOA is incorporated under the Company Act as a section 21 company that has no share capital. It operates on a not-for-profit basis for the benefit of its members (the home owners). It is tax-exempt except for income not obtained from its members. The impact on our affairs of the new Company Act will be closely monitored with the help of the Association of Residential Communities (ARC).

Estate living

The ARC identified that people choose to live within gated communities for two main reasons. These are **Lifestyle** (pleasant and secure) and **Property values** (expectations of it being constantly enhanced by sound estate management that also reinforces the lifestyle aspect). Favourable **Location** (to airports, freeways, Gautrain, shopping centres and business parks) is probably a third reason why people find our specific estate attractive.

Strategies of the Board are tailored to support these needs. The extent to which these currently contribute to property value enhancement is somewhat of a grey area. The variation in size and level of finish make conclusions from average selling price unreliable². We are in the process of improving our data model in order to better monitor trends in property values.

Financials

Members have grown accustomed to sound budgetary control processes delivering better than budget as standard procedure on this estate. FY2011 was no exception. The level of reserves remain on the low side (equivalent to about one months' levy income). The situation is improving and the Board is confident that its policies will enable this trend to continue.

¹ The actual increase of 14% does not necessarily signify a move in the right direction. (see note 2)

² Current statistics do not take size and level of finish into account.

Capital expenditure

Apart from the upgrading of the access control system, the ± R6m Security Upgrade project is completed and functioning very satisfactory. The project is within budget and sufficient funds are held in the project reserve to complete the access control phase.

This year sees the start of the new Levy Stabilisation Fund (LSF) that will be funded by the new Buy-in levy. The Board is recommending that this Buy-in levy starts at R20 000 per registration of new property sales transactions. It is being structured so as to hopefully eliminate the need for special levies in the future.

In future all projects of a capital nature (irregular heavy maintenance and estate enhancements) will be funded from this Levy Stabilisation Fund. A rolling two-year capital project plan will be submitted annually for the approval of the members.

Security

Our new security infrastructure is functioning well and in full accordance with the project design. The new security service provider (Maxi) has also turned out to be a good choice. Cooperation is fine and things are running smoothly.

The number of guards have been steadily decreased by more than a third over the last three years. This has gone hand in hand with the increasing use of alarm sensors, cameras and control room technology. We are aiming to continue on this route of increasing technology in phases over the next five years whilst feeling our way towards an optimum balance between technology and guard compliment.

Residents have an important part to play regarding security of their own premises. Whereas the CHOA is responsible to secure the perimeter and to control the access gates, residents should take responsibility to secure doors and accessible windows when away and at night. During the past year complacency of not taking these basic steps have again lead to loss of valuables on three occasions.

Resident satisfaction

The CHOA embarked on a performance evaluation system for our staff. This included a resident satisfaction survey. A sample of about 10% of residents was invited to complete this survey (random selection process). The results indicated an encouragingly high level of satisfaction with the services provided by the CHOA and was very helpful in evaluating the staff.

The Board aims to expand this process of soliciting feedback from residents on a much wider scale using electronic means. With this in mind we have opened an account with the internet based SurveyMonkey group.

Municipal infrastructure

Streets and lights in this estate belong to the local municipality. Getting repairs done often pose various challenges to our persuasive abilities. At one stage more than 25% of the street lights were out of action. A high level meeting was required to bring it down to a more acceptable 5 - 10% range. Road markings are another head ache where the CHOA often choose to proceed at its own cost. During strikes refuse removal usually presents us with the same predicament.

Flooding

Flooding during the rainy season placed a large burden on the golf course and the security fence. Our dedicated staff managed to have the fence fixed within 24 hours after each flood. We have managed to recover a large portion of the flood and lightning damages (> R80 000) from our insurers.

Cooperation with the Club

The total package of Residential Estate and Country Club forms a synergetic whole that governs the fortunes of all inside our boundaries. Relations between the CHOA and the Country Club are on a very sound footing thanks in no small way to the mature approach of both management committees. Special thanks are due to the President of the Sports and Social Club in this regard.

Personnel

The CHOA is blessed with a group of excellent staff members. My sincere thanks goes to General Manager Jaco Venter and his staff for the dedicated and loyal way in which they serve the community and the Board.

Board of directors

Apart from various subcommittee meetings, official Board meetings took place on a monthly basis. Average attendance was 82% that speaks volumes for the commitment of the directors. Two members are now reaching the end of their terms.

Mr Lefty Piagalis is stepping down as President of the Sports and Social Club and thus also as Director of the CHOA after having served non-stop in various capacities on either the SSC or the CHOA or both for twelve consecutive years since 1999. This is indeed a remarkable record and worthy of our special thanks and tribute.

Ms Anya Potgieter is stepping down at the end of her two-year term having handled the Public Relations portfolio with distinction. She is available for re-election. Currently co-opted member, Mr Francois Nortje is also stepping down having served on the Board for five consecutive years where he made his special knowledge of security systems available to the community.

My sincere thanks to these outgoing as well as remaining board members Messrs Cor van Zyl, Patrick Mann and Dr Louis Botha for their excellent support during the past year.

Outlook

Owners and residents have good reason to feel comfortable about the future of the estate. Much remains to be done to improve and maintain the systems of the CHOA but the Board foresees no serious stumbling blocks on the horizon.

PC Lombard
Chairman

CENTURION HOME OWNERS ASSOCIATION
(Association Incorporated without gain)

Registration number 1995/013780/08

ANNUAL FINANCIAL STATEMENTS

28 FEBRUARY 2011

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STATEMENT OF RESPONSIBILITY AND APPROVAL:


The directors are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the annual financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice for Small and Medium-sized Entities, and in the manner required by the Companies Act in South Africa.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements set out on pages 2 to 11 were approved by the Board of directors and are signed on their behalf by:


CHAIRMAN


FINANCIAL DIRECTOR


DATE

**C & S AUDITS INC.**

(Reg. No. 2000/031227/21)

GEREGISTREERDE OUDITEURE
GEOKTROOIEERDE REKENMEESTERS (S.A)REGISTERED AUDITORS
CHARTERED ACCOUNTANTS (S.A)PRAKTYKNOMMER
917117
PRACTICE NUMBER960 PARKSTR 960
HATFIELD
PRETORIA 0083POBUS/PO BOX 12230
HATFIELD 0028TEL: (012) 342-1830/1
(012) 342-1862

FAX: (012) 342-2515

E-POS:/E-MAIL:
csaudits@xsinet.co.zaU Verw/Your Ref:
Ons Verw/Our Ref:**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTURION HOME OWNERS ASSOCIATION****Report on the Annual Financial Statements**

We have audited the annual financial statements of Centurion Home Owners Association, which comprise the directors' report, the statement of financial position as at 28 February 2011, the statement of comprehensive income and statement of cash flow for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 2 to 11.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice for Small and Medium - sized Entities and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 28 February 2011, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.

C & S AUDITS INCORPORATED

Per:

PH Smit
Registered Auditors
Chartered Accountants (S.A.)

Date:

18/04/2011

CENTURION HOMEOWNERS ASSOCIATION
(Association Incorporated without gain)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 28 FEBRUARY 2011

The Directors present the annual financial statements of the company for the year ended 28 February 2011.

NATURE OF BUSINESS

The main object of the company is to control the character and architectural standards, administrating the security and maintaining the common property in the Townships Highveld 7 and Extension 10, known as the Centurion Residential Estate and Country Club.

FINANCIAL RESULTS

The activities for the year resulted in a profit of R 320 076 (2010: Profit of R 707 229).

FINANCIAL POSITION

Assets and liabilities are as stated in the statement of financial position and notes thereto.

DIRECTORS

Last year	Nature of change	Date	Current
W R de Kock	Retired	01/06/2010	
F J Nortje	Retired	01/06/2010	
W C Boshoff	Retired	01/06/2010	
P C Lombard			P C Lombard
A Potgieter			A Potgieter
E Piagalis			E Piagalis
	Appointed	01/06/2010	CJPG van Zyl
	Appointed	01/06/2010	PP Mann
	Appointed	01/06/2010	LJ Botha
	Co-opted	09/06/2010	FJ Nortje

REGISTERED ADDRESSES

Postal	Office
P.O. Box 66717 Highveld 0169	Centurion Golf Estate and Country Club John Vorster Drive Highveld X7 Centurion 0157

EVENTS SUBSEQUENT TO FINANCIAL YEAR END

No major facts occurred between the company's year end and the date of this report which should influence the appreciation of the company's state as at its financial year end.

CENTURION HOMEOWNERS ASSOCIATION
(Association Incorporated without gain)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2011

	Notes	2011 R	2010 R
Revenue		9,435,782	8,715,572
Levies		8,997,708	8,118,515
Interest income	(2)	156,809	369,621
Registration fees		129,409	117,807
Service fees		116,741	84,972
Penalties imposed		6,662	7,605
Security disc income		28,453	17,052
Expenses		(8,811,018)	(7,891,025)
Infrastructure maintenance		(385,847)	(448,794)
Garden and river maintenance		(399,580)	(394,541)
Security operations		(4,549,794)	(4,026,130)
Management and administration		(2,494,485)	(2,058,666)
Public relations and community affairs		(30,545)	(37,410)
Estate development and maintenance levy		(833,616)	(784,211)
Municipal functions		(45,321)	(72,728)
Minor projects		(68,530)	(68,545)
Doubtful debt provision		(3,300)	-
Operating profit before the items listed below		624,764	824,547
Depreciation		(98,119)	(98,619)
Small asset impairment		(6,766)	(3)
Equipment derecognised		(158,650)	-
Taxation on taxable revenue		(92,410)	(131,295)
Operating profit for the year	(3)	268,819	594,630
Other comprehensive income		51,257	112,599
Profit on disposal of equipment		14,483	1,660
Special income: building deposits		46,491	142,193
Taxation on special income		(9,717)	(31,254)
Profit for the year		320,076	707,229

CENTURION HOMEOWNERS ASSOCIATION
(Association Incorporated without gain)

STATEMENT OF FINANCIAL POSITION
as at 28 February 2011

	Notes	2011 R	2010 R
ASSETS			
NON-CURRENT ASSETS			
		279,699	269,184
Property	(5)	3	3
Equipment and vehicles	(6)	279,696	269,181
CURRENT ASSETS			
		2,221,826	3,592,146
Cash and cash equivalents	(7)	2,170,328	3,521,590
Inventory	(8)	1,283	2,760
Other current assets	(9)	2,305	2,305
Trade receivables	(10)	34,940	65,491
Tax credit	(4)	12,970	-
Total assets		2,501,525	3,861,330
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
		1,593,898	3,336,892
Retained income	(11)	1,126,879	945,053
Capital project reserve (security upgrade phase 2)	(12)	467,019	2,391,839
CURRENT LIABILITIES			
		907,627	524,438
Trade and other payables		274,971	189,324
Income tax payable	(4)	-	59,456
Levies in advance		275,181	220,658
Refundable building deposits		-	55,000
Retention creditors		357,475	-
Total equity, reserves and liabilities		2,501,525	3,861,330

CENTURION HOMEOWNERS ASSOCIATION
(Association Incorporated without gain)

STATEMENT OF CASH FLOW
for the year ended 28 February 2011

	2011 R	2010 R
Profit for the year	320,076	707,229
Adjustments including items not affecting the flow of funds:		
Provision for taxation	102,127	162,549
Profit on sale of plant and equipment	(14,483)	(1,660)
Interest received	(156,809)	(369,621)
Special revenue	(46,491)	(142,193)
Provision for bad debts	3,300	-
Depreciation	98,119	98,619
Small assets impairment	6,766	3
Equipment derecognised	158,650	-
Operating profit before working capital changes	471,255	454,926
Decrease/(increase) in working capital	517,864	499,932
Trade receivables	27,251	619,524
Inventory	1,477	7,938
Other current assets	-	4,543
Trade and other payables	85,646	(106,137)
Levies in advance	54,524	2,721
Building deposits	(8,509)	(28,657)
Retention creditors	357,475	-
Cash generated by operating activities	989,119	954,858
Income tax paid	(174,554)	(135,462)
Interest received	156,809	369,621
Net cash inflow from operating activities	971,374	1,189,017
Net cash (outflow)/inflow from investing activities	(2,322,636)	(2,134,584)
Proceeds on disposal of plant and equipment	37,424	1,660
Major capital projects	(2,063,070)	(2,109,144)
Additions to equipment and vehicles	(296,990)	(27,100)
Increase/(decrease) in cash and cash equivalents	(1,351,262)	(945,567)
Cash and cash equivalents - beginning of year	3,521,590	4,467,157
Cash and cash equivalents - end of year	2,170,328	3,521,590

CENTURION HOMEOWNERS ASSOCIATION
(Association Incorporated without gain)

STATEMENT OF CHANGES IN EQUITY AND RESERVES
for the year ended 28 February 2011

Note	Retained income R	Capital Project reserve R	Building deposit reserve R	Total R
Balance - 1 March 2009	627,386	4,111,421	195,850	4,934,657
Movement for the year - 2010	317,667	(1,719,582)	(195,850)	(1,597,765)
Operating profit for the year	707,229	-	-	707,229
Transfer to capital project reserve	(389,562)	389,562	-	-
Building deposits written back	-	-	(195,850)	(195,850)
Security upgrade expenditure - Phase 2	-	(2,109,144)	-	(2,109,144)
Balance as at 28 February 2010	945,053	2,391,839	-	3,336,892
Movement for the year - 2011	181,826	(1,924,820)	-	(1,742,994)
Operating profit for the year	320,076	-	-	320,076
Transfer to capital project reserve	(138,250)	138,250	-	-
Security upgrade expenditure - Phase 2	-	(2,063,070)	-	(2,063,070)
Equity and reserves at end of year	1,126,879	467,019	-	1,593,898

Notes:

- 1) The capital project reserve represent funds earmarked for upgrading the security requirements of the estate.
The budgeted cost of completion of upgrading the security requirements of the estate is estimated at R 467 019.
- 2) Cash, after elimination of liabilities and assets other than cash, can be reconciled to equity and reserves as follows:

	2011 R	2010 R
Cash balances at year end	2,170,328	3,521,590
Less: Nett current liabilities	(856,129)	(453,882)
Current liabilities	(907,627)	(524,438)
Current assets other than cash	51,498	70,556
Nett available cash	1,314,199	3,067,708
Retained income	847,180	675,869
Balance at year end	1,126,879	945,053
Less: Non-current assets funded	(279,699)	(269,184)
Capital project reserve	467,019	2,391,839
	1,314,199	3,067,708

CENTURION HOMEOWNERS ASSOCIATION
(Association Incorporated without gain)

NOTES THAT FORM PART OF THE FINANCIAL STATEMENTS

28 FEBRUARY 2011

1. ACCOUNTING POLICIES

The annual financial statements are prepared in accordance with the requirements of South African Statements of Generally Accepted Accounting Practice for Small and Medium-sized Entities. The principal accounting policies as set out below have been consistently followed in all material respects.

Basis of presentation:

The financial statements of the association are prepared on the historical cost basis.

Revenue

Revenue represents monthly levies charged against registered owners of property in Centurion Residential Estate and Country Club. Revenue excludes Vat.

Other income and interest received

These comprise of various fee income, security disc income and interest all of which are recognised on the accrual basis. Vat is excluded where applicable.

Equipment and vehicles

These assets are reflected at cost less aggregate depreciation.

Depreciation is written off on a straight line basis at rates which will reduce the book value of assets to estimated residual values over their expected useful lives.

The annual rates of depreciation are as follows:

	%
Computers and printers	33.33
Furniture	16.67
Garden tools	20.00
Motor vehicle	20.00
Office equipment	20.00
Golf cart	20.00
Radar speed gun	20.00
Generator	20.00
Software	50.00

Items of equipment and vehicles costing less than R25,000 (2010: R25,000) per item are directly written off in the income statement upon acquisition. Certain small items acquired prior to 2010 have been impaired to zero values during the current year.

Capital expenditure incurred

These comprise of improvements to common property being applied for the benefit of the members of the company. Improvements effected are written off against income when incurred. In the event that income is generated before incurring such expenditure then such income is transferred to a capital project reserve. Expenditure incurred subsequently is charged against such reserve. Any balance remaining on such reserve is dealt with via the Statement of Changes in Equity and Reserves.

Property

Erven comprise of common property being applied for the benefit of the members of the company.

Erven is reflected at nominal value and is not revalued as it is unlikely that such property will be realised.

Property improvements comprising the HOA offices which have been erected on leased property is reflected at nominal value.

Inventory

Inventory is valued at the lower of cost or net realisable value on the first in first out basis.

Financial instruments

- **Initial recognition and measurement**
Financial instruments are recognised when the company becomes a party to the transaction. Initial measurements is at cost, which includes transaction cost subsequent to initial recognition. These instruments are measured as set out below:
- **Trade receivables**
These are stated at cost less provision for doubtful debts.
- **Cash and cash equivalents**
These are measured at monetary value.
- **Financial liabilities**
These are recognised at amortised cost, namely original debt less payments made.

	2011 R	2010 R
2. INTEREST INCOME		
Investments	152,786	364,773
Levy debtors	4,023	4,570
SARS	-	278
	<u>156,809</u>	<u>369,621</u>
3. OPERATING PROFIT FOR THE YEAR		
Operating profit is shown after charging:		
Directors remuneration		
For services as directors	<u>86,913</u>	<u>68,320</u>
Equipment rental	<u>67,935</u>	<u>60,170</u>
Rental of premises	<u>88</u>	<u>100</u>
Auditors remuneration		
Fees for audit	36,000	25,280
Other Services	4,060	160
Under provision - prior year	6,775	-
	<u>46,835</u>	<u>25,440</u>
Remuneration other than to employees for services rendered		
Guarding services	4,088,755	3,678,247
Mobile armed response	417,952	296,456
Secretarial services	17,142	14,273
Architectural services	26,521	12,400
Legal fees and services	31,535	9,521
HR consulting services	63,544	6,058
Trauma consulting	1,500	-
	<u>4,645,449</u>	<u>4,016,955</u>
Depreciation		
Motor vehicle	29,268	24,432
Office equipment	14,437	14,434
Software	12,204	12,875
Computers and printers	11,434	13,595
Furniture	11,831	11,829
Generator	9,414	11,226
Garden tools	7,514	8,210
Radar speed gun	2,018	2,018
	<u>98,119</u>	<u>98,619</u>
Small asset impairment		
Radar speed gun	3,361	-
Office equipment	3,405	3
	<u>6,766</u>	<u>3</u>
4. PROVISION FOR TAXATION		
Normal Taxation		
Taxable income	414,741	641,085
Less: Tax exemption	<u>50,000</u>	<u>50,000</u>
Subject to taxation	<u>364,741</u>	<u>591,085</u>
Taxation @ 28%	<u>102,127</u>	<u>165,504</u>

2011
R

2010
R

Statement of comprehensive income charges:

Taxable revenue	92,410	131,295
Special income	9,717	31,254
	102,127	162,549

Statement of financial position

Current year: payable/(credit)	(12,970)	59,456
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5. PROPERTY

Erf 1393 Highveld Extension 7 Township Registration Division J R Province Gauteng in extent 1300 square metres with improvements thereon.	1	1
Erf 1912 Highveld Extension 10 Township Registration Division J R Province Gauteng in extent 747 square metres with improvements thereon. Held under deed of transfer no. T98215/1997.	1	1
	2	2
HOA office building	1	1
Balance beginning of the year	1	1,066,459
Written down to nominal value	-	(1,066,458)
	3	3

Note: The HOA office building has been erected on the property of Centurion Country Club (Pty) Ltd, a company controlled by Centurion Residential Estate Sport and Social Club.

6. EQUIPMENT AND VEHICLES

	2011			2010		
	Cost	Aggregate depreciation	Carrying amount	Cost	Aggregate depreciation	Carrying amount
Computers and printers	41,257	37,940	3,317	81,850	67,099	14,751
Software	25,750	25,750	-	25,750	13,546	12,204
Motor vehicle	119,234	89,163	30,072	119,234	65,315	53,919
Golf cart	44,004	22,323	21,681	44,004	16,903	27,101
Furniture	76,525	35,302	41,223	95,678	42,624	53,054
Generator	145,947	6,750	139,197	56,132	22,921	33,211
Garden tools	35,169	23,345	11,825	53,459	34,120	19,339
Radar speed gun	-	-	-	10,088	4,709	5,379
Office equipment	66,654	34,272	32,382	75,018	24,795	50,223
	554,540	274,845	279,696	561,212	292,032	269,181

Reconciliation of carrying amount of equipment and vehicles:

	Carrying amount 2010	Additions	Disposals	Impairment	Depreciation	Carrying amount 2011
Computers and printers	14,751	-	-	-	11,434	3,317
Software	12,204	-	-	-	12,204	-
Motor vehicle	53,919	-	-	-	23,848	30,072
Golf cart	27,101	-	-	-	5,420	21,681
Furniture	53,054	-	-	-	11,831	41,223
Generator	33,211	138,340	22,941	-	9,414	139,197
Garden tools	19,339	-	-	-	7,514	11,825
Radar speed gun	5,379	-	-	3,361	2,018	-
Office equipment	50,223	-	-	3,405	14,437	32,382
	269,181	138,340	22,941	6,766	98,119	279,696

	2011 R	2010 R
7. CASH AND CASH EQUIVALENTS		
FNB Money market	85,000	2,899,387
FNB Business fixed maturity notice deposit	2,027,474	504,346
FNB Call account	-	72,378
FNB Cheque account	57,854	42,479
Petty cash	-	3,000
	<u>2,170,328</u>	<u>3,521,590</u>
8. INVENTORY		
Security discs and -cards	<u>1,283</u>	<u>2,760</u>
9. OTHER CURRENT ASSETS		
Water and electricity deposit	<u>2,305</u>	<u>2,305</u>
10. TRADE RECEIVABLES		
Levies in arrears	32,070	56,746
Trade debtors	2,869	8,745
	<u>34,940</u>	<u>65,491</u>
11. RETAINED INCOME		
Balance at beginning of year	945,053	1,693,844
HOA office building written down to nominal value	-	(1,066,458)
	<u>945,053</u>	<u>627,386</u>
Changes for the year as per the statement of changes in equity	181,826	317,667
	<u>1,126,879</u>	<u>945,053</u>
12. CAPITAL PROJECT RESERVE (Security upgrade - Phase 2)		
Balance at beginning of year	2,391,839	4,111,421
Changes for the year as per the statement of changes in equity	(1,924,820)	(1,719,582)
	<u>467,019</u>	<u>2,391,839</u>
13. BUILDING DEPOSIT RESERVE		
Balance at beginning of year	-	195,850
Changes for the year as per the statement of changes in equity	-	(195,850)
	<u>-</u>	<u>-</u>
14. RETIREMENT BENEFITS		
No retirement benefit plan existed and the company has no liability in this regard.		
15. RELATED PARTY TRANSACTIONS		
Directors' remuneration paid to:		
F J Nortje	12,876	11,712
P C Lombard	12,876	11,712
E Piagalis	12,876	9,760
A Potgieter	12,876	8,784
L J Botha	9,657	-
C J P G Van Zyl	9,657	-
P P Mann	9,657	-
W R de Kock	3,219	11,712
W C Boshoff	3,219	11,712
E M Harrison	-	2,928
	<u>86,913</u>	<u>68,320</u>

2011
R2010
R**16. CONTINGENT LIABILITY**

An amount of R132,300 charged by the City of Tshwane in respect of water consumption is in dispute. An amount of R102,300 has not been recognised as an expense for- or liability by the company.

17. INSURANCE**Insured value of assets**

Properties	8,690,740	8,686,740
Office contents	86,000	86,000
Electronic equipment	1,384,104	1,408,453
Motor vehicle and golf carts	140,200	147,200
Office and garden equipment	156,300	157,599
Generators	167,708	90,000

18. COMPARATIVE AMOUNTS

Special income previously dealt with in the Statement of changes in equity and reserves have been dealt with as other comprehensive income in the Statement of comprehensive income.

Comparative amounts have been restated accordingly.

CHOA 2011 Actuals vs Budget

	2011 Actuals		2011 Budget		Variance	Percentage	Comments
	Sub	Actual	Sub	Budget			
A REVENUE		9 435 782		9 260 758	175 024	1.9%	
1 LEVIES		8 997 708		8 976 506	21 202	0.2	
2 INVESTMENTS		156 809		48 000	108 809	>100	Additional interest on reserves more than budgeted
3 REGISTRATION FEES		129 409		130 000	(591)	-0.5	
4 SERVICE FEES		116 741		79 160	37 581	47.5	Electronic Board - R4 800 budget - R8 932 actual Consent fees - R39 360 budget - R64 869 actual
5 PENALTIES IMPOSED		6 662		2 400	4 262	>100	Increase in advertising income and consent fees
6 SECURITY DISC INCOME		28 453		24 692	3 761	15.2	
B EXPENSES		8 811 018		8 951 148	140 130	-1.6%	
1 INFRASTRUCTURE MAINTENANCE		385 847		482 182	96 335	-20	Saving on budget
2 GARDEN & RIVER MAINTENANCE		399 580		405 912	6 332	-1.6	Bank charges, debit orders and speedpoint charges R12 000 over budget
3 SECURITY OPERATIONS		4 549 794		4 656 300	106 506	-2.3	Saving on budget
4 MANAGEMENT & ADMINISTRATION		2 494 486		2 347 044	(147 442)	6.3	Communications costs R28 000 over budget
5 MISCELLANEOUS		981 311		1 089 710	78 399	-7.4	Salary adjustment - R23 000
5.1 Public Relations & Community Affairs	30 545		34 100			-10.4	PC and printers over budget R17 400
5.2 Estate Development and Maintenance Levy	833 616		833 610			0.0	
5.3 Municipal Functions	45 321		65 000			-30.3	Professional services over budget: R40 000
5.4 Contingency			90 000			<100	Expenses re-allocated to correct expense accounts on year end
5.5 Minor Projects (R10 000 - R25 000)	68 530		37 000			85.2	Unforseen projects
5.6 Bad Debt	3 300					>100	
C OPERATING profit before the items listed below		624 764		309 610	315 154	>100	
1 Depreciation & impairment of small assets	98 119		99 820		(1 701)	-1.7	
2 Small asset impairment	6 766				6 766	>100	
3 Equipment derecognized	158 650				158 650	>100	According to new policy
4 Taxation	92 410		60 000			54	
5 Major projects (> R25 000)			130 000			<100	
D OPERATING profit for the year		268 819		19 790	249 029	>100	
Other comprehensive income	51 257						
1 Profit on disposal of equipment	14 483						Sale of old generator
2 Special income	46 491						Aged Building deposits
3 Taxation on special income	(9 717)						
E PROFIT FOR THE YEAR		320 076		19 790			

CHOA Budget 2012 vs Actuals 2011

	2012 Budget		2011 Actuals		Variance	Percentage	Comments
	Sub	Budget	Sub	Actual			
A REVENUE:		9 889 431		9 435 782	453 649	4.6	
1 LEVIES		9 573 882		8 997 708	576 174	6.4	6.9% levy increase
2 INVESTMENTS		73 600		156 809	(83 209)	-53.1	Reduction in funds and interest rates
3 REGISTRATION FEES		127 850		128 409	(1 559)	-1.2	
4 SERVICE FEES		86 665		116 741	(30 076)	-25.8	Conservative budget
5 PENALTIES IMPOSED		2 500		6 662	(4 162)	-62.5	
6 SECURITY DISC INCOME		24 934		28 453	(3 519)	-12.4	
B EXPENSES:		9 642 601		8 811 018	831 583	9.4	3.9 WITHOUT contingency
1 INFRASTRUCTURE MAINTENANCE		315 295		385 847	(70 552)	-18.3	R16 000 budgeted more for garden & river maintenance R20 000 budgeted more for lower income staff for annuity provision
2 GARDEN & RIVER MAINTENANCE		454 950		399 580	55 370	13.9	
3 SECURITY OPERATIONS		4 592 019		4 549 794	42 225	0.9	
4 MANAGEMENT & ADMINISTRATION		2 890 957		2 494 486	396 471	15.9	2 Maxi personnel employed by HOA
5 MISCELLANEOUS		1 389 380		981 311	408 069	41.6	11 WITHOUT contingency
5.1 Public Relations & Community Affairs		50 520		30 545	19 975	65.4	
5.2 Estate Development and Maintenance Levy		866 960		833 616	33 344	4.0	R18 000 budgeted more for speedpoint charges R 6 000 budgeted more for corporate clothing R26 000 budgeted more for professional fees
5.3 Municipal Functions		67 400		45 321	22 079	48.7	R 20 000 budgeted more for roadmarking, paving and refuse removal R10 000 budgeted more for printing & publications Contingency budget R300 000 Budgeted R34 000 more for minor projects
5.4 Contingency		300 000		68 530	231 470	>100	Based on 3% of budget
5.5 Minor Projects (R10 000 - R25 000)		102 000		68 530	33 470	48.8	
5.6 Bad Debt		2 500		3 300	(800)	-24.2	
C OPERATING profit before the items listed below		246 830		624 764	(377 934)	-60.5	
1 Depreciation & impairment of small assets		98 330		98 119	211	0.2	
2 Small asset impairment				6 766	(6 766)	<100	
3 Equipment derecognized				158 650	(158 650)	<100	FY2012 - funded out of buy-in levy
4 Taxation		80 000		92 410	(12 410)	-13.4	
D OPERATING profit for the year		68 500		268 819	(200 319)	-74.5	
Other comprehensive income				51 257			
1 Profit on disposal of equipment				14 483			
2 Special income				46 491			
3 Taxation on special income				(9 717)			
E PROFIT FOR THE YEAR		68 500		320 076	(251 576)	-74.5	

A	SECURITY PROJECT (All amounts exclude VAT)	Original Budget	Revised Budget 2010	Revised Budget 2011	Expenditure 28/02/10	Expenditure 28/02/11	Total 28/02/11	Comments
	Phase 1 Relocate HOA Office	1 200 000	1 214 000	1 214 000	1 213 412			Completed and balance of R588 transferred to Phase 2 B
	Phase 2 Upgrade Security	4 229 386	4 604 949	4 743 787	2 213 698	2 201 932	328 157	
	2.1 Control Room, CCTV and Fence	3 929 386	4 344 949	4 344 949	2 213 698	2 131 251	0	Completed
	2.2 Access Control	300 000	260 000	398 838		70 681	328 157	To be completed in 2011
	PROJECT TOTAL (Phases 1 & 2)	5 429 386	5 818 949	5 957 787	3 427 110	2 201 932	328 157	Available for access control system
	Budget revised in July 2009		389 563					Portion of 2009/10 operating savings added to project
	Budget revised in Oct/Nov 2010			138 250				Portion of 2010/11 operating savings added to project
	Transfer from Phase 1			588				
	ADDITIONAL CAMERA PROJECT	130 000		158 650		19 788	138 862	R130 000 approved at 2010 AGM R28 650 - 2010/11 operating savings added to project
B	TOTAL AS PER AUDITED FINANCIAL STATEMENTS						467 019	

Capital Budget - 2 year plan

	FY 2012 Year 1	FY2013 Year2	Comments
INCOME			
Buy-in levy (no escalation)	700 000	1 200 000	
EXPENDITURE			
Security Infrastructure			
Paint perimeter walls - John Vorster Drive	360 000	650 000	John Vorster Drive to be painted once every 7 years
Eight Additional cameras	130 000	370 000	To expand current technological infrastructure with 8 cameras per year for 5 years consecutively
Hard roll down gate for main entrance	200 000	200 000	To enable the main gate to be closed off for security reasons
Replace Two Booms	30 000	170 000	Replace 2 booms every 7 years - 2 remaining to replace
Building and structures			
Paving of intersections	200 000	50 000	One intersection per year to be replaced as infrastructure is reaching end of life and Council does not prioritize the need
Revamp main gate guard area	200 000	50 000	Total revamp of guard room area and cloak room to bring building up to acceptable standard
Equipment			
Golfcart	0	30 000	Replacing one of the two golf carts used by the CHOA as it reached end of life
Computers/ Systems			
Gardens	0	30 000	
Beautification projects	0	0	
	0	200 000	To beautify John Vorster Drive sidewalk with walkway and landscaping
	0	200 000	
NET TOTAL	140 000	550 000	

LEVY STABILISATION FUND

ACTIVITY		Current cost	Activity frequency	NPV	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	
CHOA EXTRAORDINARY EXPENSE S (NON-ANNUAL) FOR NEXT 20 YEARS																									
Security Infrastructure																									
1	Paint perimeter walls Malingata 1200M of plaster wall	R 130 000	Once every 7 years	R 520 000	1.0																				
2	Paint perimeter walls Topgate 620M of plaster wall to repaint	R 65 000	Once every 7 years	R 185 000																					
3	Replace cement pallisade of 800m	R 400 000	Once every 20 years	R 400 000																					
4	Replace 1400m Precast wall	R 1 500 000	Once every 20 years	R 1 500 000																					
5	Replace Control room hardware (8 file servers)	R 500 000	Once every 7 years	R 1 200 000																					
6	Replace 77 cameras	R 100 000	After seven years	R 800 000																					
7	Replace 7.4km perimeter electric fence 3.2m high	R 1 650 000	Once every 10 years	R 1 650 000																					
8	Additional 8 cameras per year for areas with potential risk plus cabling	R 200 000	Every year for next 8 years	R 1 000 000	1.0	1.0	1.0	1.0	1.0																
9	Hard roll down gate for main entrance	R 170 000	Once every 10 years	R 340 000																					
10	Replace 2 Booms at a time out of the total of six booms	R 30 000	Once every 7 years	R 240 000	1.0																				
11	New Top gate roof and guard house	R 1 200 000	Once	R 1 200 000																					
12	Replace turnstiles for pedestrians	R 100 000	Once in 15 years	R 100 000																					
Building and structures																									
1	Replace sidewalk of 850m	R 2 300 000	10 portions over 20 years	R 2 300 000																					
2	Pave one intersection total of 20 on Estate	R 50 000	Once every 3 years	R 350 000																					
3	Tennis pavillion	R 200 000	Once	R 200 000																					
4	Improvement and alterations to buildings	R 200 000	Once every 12 years	R 200 000																					
5	Revamp Main gate guard area-ablutions and office	R 200 000	Once every 10 years	R 400 000																					
6	Waterfalls construction and resael	R 78 000	Once every 7 years	R 235 000																					
7	Beautification upgrade project Main gate	R 1 000 000	Once	R 1 000 000																					
Equipment																									
1	Replace LDV	R 120 000	Once every 9 years	R 240 000																					
2	Replace Motorcycle	R 30 000	Once every 9 years	R 80 000																					
3	Replacement of the two golf carts one at a time	R 30 000	Once every 10 years	R 120 000																					
4	Replace Office furniture	R 100 000	Once every 10 years	R 200 000																					
5	Generator replacement	R 150 000	Once	R 150 000																					
6	Aircons	R 60 000	Once every 11 years	R 120 000																					
Computers/ Systems																									
1	HOA Management software	R 120 000	Every 7 years	R 240 000																					
2	Upgrade HOA computer software	R 38 000	Once every 4 years	R 178 000																					
3	Replace fibre cable and core switch	R 1 500 000	Once	R 1 500 000																					
4	OB Book system for security	R 120 000	Once	R 120 000																					
5	Centralize HOA database	R 150 000	Once	R 150 000																					
Gardens																									
1	Beautification projects	R 200 000	Once every 5 years	R 1 000 000																					
2	Re-do entrance gardens	R 500 000	Once every 8-10 years	R 1 000 000																					
3	Gabbions for river erosion	R 120 000	Once	R 120 000																					
4	Bridges walking trail	R 70 000	Once every 10 years	R 140 000																					
Total NPV per Individual year																									
R 560,000																									
R 650,000																									
R 695,000																									
R 800,000																									
R 1,550,000																									
R 925,000																									
R 1,090,000																									
R 590,000																									
R 1,155,000																									
R 730,000																									
R 580,000																									
R 625,000																									
R 1,180,000																									
R 430,000																									
R 1,110,000																									
R 130,000																									
R 1,210,000																									
R 1,155,000																									
R 1,155,000																									
R 1,480,000																									
R 2,805,000																									
R 19,155,000																									
Average CPI over the time span																									
5.00%																									
Discount rate %																									
6.00%																									
Total NPV (20 year)																									
R 19 155 000																									
Formula for calculation : Buy-in levy																									
Total need for next 20 years																									
19,155,000																									
Uncommitted Reserve fund on balance sheet as part of Stabilisation fund																									
1,200,000																									
Change annually																									
60																									
Projected number of transactions																									
20,000																									
Change annually																									
22,800																									
Projected buy-in levy																									
Including vat																									

HOME OWNERS ASSOCIATION

P O Box 66717, Highveld, 0169
 Tel: 012-665-0506 Fax: 012-665-0505
 E-mail: annelien.smit@centuriongolfestate.co.za

Centurion



**Residential estate
& Country club**

... a superior lifestyle for all residents in safe and aesthetically pleasing surroundings.

CHOA PENALTY SYSTEM

	Transgressions/Offences	Penalty
1	Urinating in public	R300
2	Fire on site	R500
3	Non-registered worker/Illegal immigrant on Property	R750 per worker
4	Contractor workers on-site after hours & weekends	R1500 per case
5	Workers wandering around off their building site	R200 per worker
6	Damage to curbs, light poles, neighbouring stands, plants, etc.	Cost of repairs plus 50% administration fee
7	Speeding, ignoring stop signs, reckless driving, unlicensed vehicles (quad bikes, golf carts), unlicensed driving and all other traffic violations	R300 per offence
8	Dumping of building rubble on the golf course and common areas	R1000
9	Untidy building site, excessive rubble	R300
10	Building Alterations – additional levy after 3 months to encourage the completion of the alterations	R1000
	Building Alterations – construction exceeding 6 months	Double levy
	Building Alterations – construction exceeding 9 months	Triple levy
11	Continuous contraventions that are not rectified within reasonable time will attract a monthly fine	
	11.1 Failure to maintain property in acceptable condition	R300 p.m.
	11.2 Failure to rectify unacceptable color schemes	R300 p.m.
	11.3 Failure to remove or rectify unacceptable structures	R300 p.m.
	11.4 Failure to address nuisance pets or excessive number of pets.	R300 p.m.
12	Gardens that are neglected	Cleaning cost + R200
13	Parking of trailers/caravans/boats on sidewalks or in driveways	Admin fee of R50 and if repeated 3 times R300
14	Any motorized vehicles on golf course without permission (excluding golf carts used on paths)	R500
15	Illegal entry to the Estate	R350
16	Activities that causes an aggravation and a nuisance to other residents may be penalized at the discretion of the General Manager or Safety & Security Manager	R500
17	Faeces left on communal areas and not picked up	R300
18	The General Manager may in his sole discretion issue a penalty to any resident, visitor or contractor who habitually transgresses any of the rules or verbally or otherwise abuse the CHOA or Security personnel by an amount up to a maximum of R2 000	R2 000

- After 30 days, unpaid penalties will be added to levy accounts where it will attract interest
- Appeals against any penalty issued may be directed to the Board of Directors (in writing).

June 2011

Directors

PC Lombard (Chairperson) FJ Nortje A Potgieter
 CJPG van Zyl PP Mann LJ Botha E Piagalis

General Manager

NJ Venter

HOME OWNERS ASSOCIATION

P O Box 66717, Highveld, 0169

Tel: 012-665-0506

Fax: 012-665-0505

E-mail: annelien.smit@centuriongolfestate.co.za

... a superior lifestyle for all residents in safe and aesthetically pleasing surroundings.

Centurion



**Residential estate
& Country club**

RULES: ALTERNATIVE ENERGY SOURCES

Whilst the CHOA supports the use of alternative, "greener" energy sources we are also mandated to maintain the aesthetically pleasing character of the Estate.

A policy is therefore required stipulating the aesthetic requirements and procedures that these type of installations must comply with.

Heating of water for domestic and swimming pool use, by means of solar power and heat exchangers, are currently the areas where technology has made the best progress in providing cheaper and "greener" options.

This document is divided into a POLICY section (requiring compliance), followed by a GUIDELINE section that could provide some useful information to owners.

Although the POLICY strives to be technology independent, it may not always succeed or continue to succeed, as the available technologies evolve.

For that reason the CHOA will aim to be flexible in applying the policy without unnecessarily compromising aesthetics and good neighbourliness.

1. POLICY

1.1. General

- 1.1.1 All installations with visible and/or audible components require the prior approval of the CHOA.
- 1.1.2 Sketch plans must be submitted to indicate compliance with aesthetics.

1.2. Heating for domestic and swimming pool use (Solar, heat exchangers etc.)

- 1.2.1. Installations must be done in an aesthetically pleasing manner.
- 1.2.2. Pipes and cables must not be visible or unsightly.
- 1.2.3. Except for the solar panels, the installation must not be visible from the golf course, streets or neighbouring residences.
- 1.2.4. Visible solar panels must be installed on the same slope as the roof.

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- 1.2.5 All geysers must be fitted below roof level or within the roof. When fitted outside below the roof, some screening needs to be proposed on the application plans.
- 1.2.6 Where this is not possible, such as in the case of flat roofs, properly designed screening walls or other methods of camouflaging is required.
- 1.2.7 Visible netting over collectors will not be permitted.
- 1.2.8 Noise generated by heat exchangers must not be a nuisance to neighbours.

1.3 Other

- 1.3.1 In addition to the above requirements, the normal municipal requirements and bylaws will apply.

2. **GUIDELINES**

- 2.1.1. SABS and Eskom approval of units are to be a requirement at all times.
- 2.1.2. As it is very cold in winter solar units using glycol as a fluid to transfer the heat will not only function better but will not freeze.
- 2.1.3. Ensure your solutions are specified according to your family's needs.
- 2.1.4. Ask and verify references before installation begins.
- 2.1.5. Submit your applications to the CHOA for approval before the installation commences.
- 2.1.6. Flat panel unglazed collectors work more effectively when a sufficient flow collects the heat from the panel.

3. **EXISTING INSTALLATIONS**

- 3.1.1. This new policy will only be applicable to new installations.
- 3.1.2. Existing installations will be condoned as is. When replaced, this policy becomes applicable for the new installation.
- 3.1.3. Owners are requested to arrange for such installations to be suitably registered with the CHOA.

**ANNUAL GENERAL MEETING OF THE
CENTURION HOME OWNERS ASSOCIATION**

(Association incorporated under Section 21)
of P.O.Box 66717, Highveld, 0169
Company Registration Number: 1995/013780/08

NOMINATION FORM FOR DIRECTORS
(To reach the office of the General Manager by 25 May 2011)

I,(*Registered owner of stand/ Unit No.....)
Hereby nominate

M..... for election as the Director of the Centurion Home Owners
Association at the Annual General Meeting on 1 June 2011.

Signature: Date:

Seconded by: (*Registered owner of stand/unit No.....)

Signature: Date:

I, (*Registered owner of stand/unit No.)
Hereby accept nomination for election as a Director of the Centurion Home Owners Association.

Signature: Date:

The information requested below will be included in an information sheet to be distributed to members to enable them to make informed choices when voting for Directors.

1. Occupation:
2. I would like to be elected as a director of the Centurion Home Owners Association because:
.....
.....
.....
3. Brief Curriculum Vitae:
.....
.....
.....

NOTE: * Registered owners of Sectional Titles are entitled to vote and to be elected. Proxies may not be used for voting purposes of directors.

**ANNUAL GENERAL MEETING OF THE
CENTURION HOME OWNERS ASSOCIATION**

(Association incorporated under Section 21)
of PO Box 66717, Highveld, 0169
Company Registration Number: 1995/013780/08

PROXY

I,
(Please print full names)

Stand No

Address

being a member of the **CENTURION HOME OWNERS ASSOCIATION**, hereby appoint :

M.....of.....(address)
Or falling him/her

M.....of.....(address)

As my proxy to vote for me and on my behalf at the Annual General Meeting to be held on 1 June 2011 at the Centurion Country Club, or any adjournment thereof, as follows:

1. On any matter with the exception of the election of the Director/Chairman as he/she deems fit.

SIGNED THIS DAY OF 2011.

.....
SIGNATURE

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote on his behalf, and such proxy needs not also to be a member of the Centurion HOA.
2. All proxies must be handed in at the entrance at least 30 minutes before the commencement of the meeting.
3. According to the Amendment of the Articles of the Association, no proxies will be accepted for the voting of the Director/Chairman vacancy.